

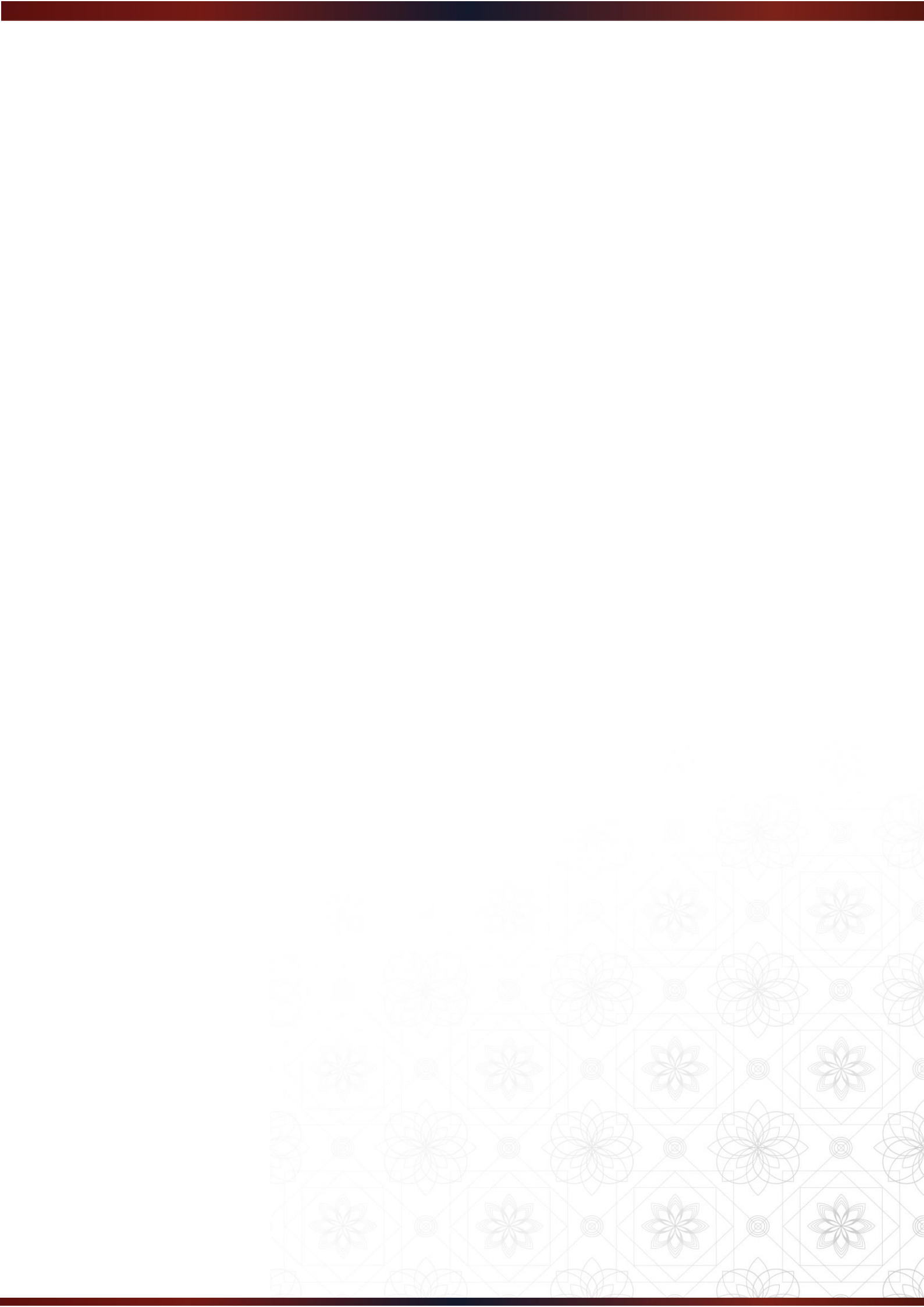


BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

MONETARY POLICY REPORT

QUARTER II 2025







FOREWORD

Bank Indonesia has a mandate, namely to achieve Rupiah stability, maintain payment system stability, and includes 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 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 Report after the Board of Governors Meeting has been convened in January, April, July, and October. 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

DONI PRIMANTO JOEWONO
Deputy Governor

JUDA AGUNG
Deputy Governor

AIDA S. BUDIMAN
Deputy Governor

FILIANINGSIH HENDARTA
Deputy Governor



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Executive Summary

Global economic uncertainty has risen following the announcement of the higher effective reciprocal tariff by the United States (US) on several advanced and emerging economies. The US reciprocal tariff policy, scheduled to take effect on 1 August 2025, is expected to weaken global economic growth prospects, particularly in advanced economies. Economic growth in the US, Europe, and Japan is on a downward trend, despite the implementation of expansionary fiscal policies and monetary easing in those countries. China's economic performance is also projected to remain subdued, amid ongoing export diversification strategies. On the other hand, India's economy is expected to maintain solid performance, supported by strong domestic demand. In the US, inflationary pressures continue to ease, reinforcing market expectations for further reductions in the Federal Funds Rate (FFR). At the same time, capital outflows from the US toward Europe, emerging markets, and safe-haven commodities such as gold continue, in line with rising economic and fiscal risks in the US. These developments are contributing to the continued depreciation of the US dollar index against both advanced economy currencies (DXY) and emerging market currencies (ADXY).

From the domestic side, Indonesia's economic growth needs to be continuously supported amid weakening global economic prospects. In the second quarter of 2025, economic growth was supported by non-building investment, particularly related to activities in the transportation sector. Export performance remained relatively solid driven by exports of natural resource-based commodities and manufactured products. Meanwhile, household consumption must be strengthened further, as reflected in slower retail sales growth. Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. In line with this, the Rupiah exchange rate appreciated, supported by Bank Indonesia's stabilisation policies and continued foreign capital inflows. Low Consumer Price Index (CPI) inflation was maintained in June 2025, thereby supporting economic stability. In this context, bank lending must continue to be enhanced to support economic growth, with credit in June 2025 grew by 7.77% (yoy), lower than 8.43% (yoy) in May 2025. The performance of digital economic and financial transactions in the second quarter of 2025 remained robust, supported by a secure, smooth, and reliable payment system.

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 will remain relatively weak at around 3.0%. Moving forward, greater vigilance as well as a stronger policy response and coordination are required to mitigate persistently high global economic and financial market uncertainty, safeguard external resilience, maintain stability, and support domestic economic growth.

On the domestic front, various coordinated policy responses from the Government and Bank Indonesia must continue to be strengthened to enhance economic confidence, ultimately supporting economic activity. Economic growth in the second half of 2025 is expected to improve, with overall annual growth projected in the range of 4.6–5.4%. Meanwhile, external resilience is projected to remain sound and Rupiah is projected to remain stable, underpinned by Bank Indonesia's strong commitment to maintaining exchange rate stability, attractive yields, low inflation, and solid economic growth prospects. Bank Indonesia is confident that the CPI inflation projection in 2025 and 2026 will be lower within the target range of $2.5 \pm 1\%$. Bank lending must continue to be enhanced through accommodative macroprudential policies and strengthen coordination within the Financial System Stability Committee (KSSK).

Given the developments until June 2025 and policy directions, Bank Indonesia projects bank credit growth in 2025 to range between 8% and 11%.

The Bank Indonesia Board of Governors decided on 15-16th July 2025 to lower the BI-Rate by 25 bps to 5.25%, while also lowering the Deposit Facility (DF) rate by 25 bps to 4.50% and the Lending Facility (LF) rate by 25 bps to 6.00%. The decision is consistent with lower projection of inflation in 2025 and 2026 within the $2.5 \pm 1\%$ target corridor, maintained rupiah exchange rate stability in line with economic fundamentals, as well as to support economic growth. Moving forward, Bank Indonesia will continue considering room for further interest rate reduction to support economic growth, while maintaining rupiah exchange rate stability and achieving the inflation target, according to the evolving global and domestic economic dynamics. Meanwhile, Bank Indonesia continues optimising accommodative macroprudential policy through various strategies to increase credit/financing, lower interest rates and enhance the flexibility in liquidity management for banks to support sustainable economic growth. Payment system policy is also directed to support economic growth by expanding the acceptance of digital payments, while strengthening the infrastructure and consolidating the structure of the payment system industry.



CHAPTER 1

Global and Domestic Economic Developments

Global economic uncertainty has risen following the announcement of the higher effective reciprocal tariff by the United States (US) on several advanced and emerging economies. Economic growth in the US, Europe, and Japan is on a downward trend, despite the implementation of expansionary fiscal policies and monetary easing in those countries. China's economic performance is also projected to remain subdued, amid ongoing export diversification strategies. On the other hand, India's economy is expected to maintain solid performance, supported by strong domestic demand. Bank Indonesia projects that global economic growth in 2025 will remain relatively weak at around 3.0%. In the US, inflationary pressures continue to ease, reinforcing market expectations for further reductions in the Federal Funds Rate (FFR). At the same time, capital outflows from the US toward Europe, emerging markets, and safe-haven commodities such as gold continue, in line with rising economic and fiscal risks in the US.

These developments are contributing to the continued depreciation of the US dollar index against both advanced economy currencies (DXY) and emerging market currencies (ADXY).

Indonesia's economic growth needs to be continuously supported amid weakening global economic prospects. In the second quarter of 2025, economic growth was supported by non-building investment, particularly related to activities in the transportation sector. Export performance remained relatively solid driven by exports of natural resource-based commodities and manufactured products. Meanwhile, household consumption must be strengthened further, as reflected in slower retail sales growth. By sector, the Agriculture sector continued to grow, supported by the performance of the plantation subsector and government programs. Meanwhile, the performance of several key sectors, such as Manufacturing and Accommodation and Food and

Beverage Services, remained subdued. From a regional perspective, the Sulawesi-Maluku-Papua (Sulampua) region is projected to grow above 5%, while growth in other regions has yet to improve.

Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. The trade balance recorded a surplus of USD 4.3 billion in May 2025, an increase from the USD 0.2 billion surplus in April 2025. This positive development in the trade balance was supported by exports of electrical machinery as well as iron and steel. Export performance is expected to remain positive in line with progress in tariff negotiations with the United States Government. Meanwhile, foreign capital inflows into domestic portfolio instruments continued, driven by Indonesia's solid economic outlook, attractive yields on domestic financial instruments, and a shift in global capital flows toward emerging markets, including Indonesia, amid rising economic risks in the U.S. Foreign capital inflows into government securities (SBN) in early Q3 2025 (as of 14 July 2025) recorded net inflows of USD 0.9 billion, following net inflows of USD 1.6 billion in Q2 2025. At the end of June 2025, foreign exchange reserves remained high at USD 152.6 billion, equivalent to 6.4 months of imports or 6.2 months of imports and government external debt payments, well above the international adequacy standard of around 3 months of imports.

The Rupiah exchange rate appreciated, supported by Bank Indonesia's stabilisation policies and continued foreign capital inflows. As of 30 June 2025, the Rupiah had strengthened by 0.34% (ptp) compared to the end of the previous month. Recent developments up to mid-July 2025 (as of 15 July 2025) indicate that the Rupiah has remained stable amid rising global uncertainty. Overall, the Rupiah's performance remained relatively stable compared to the currencies of Indonesia's major emerging market trading partners and to major advanced economies' currencies (excluding the US dollar), thereby continuing to support Indonesia's export competitiveness. This exchange rate stability has been supported by consistent stabilisation measures by Bank Indonesia and sustained foreign capital inflows, particularly into government securities (SBN), as well as increased conversion of foreign exchange into Rupiah by exporters following the government's strengthened policy on Export Proceeds from Natural Resources (DHE SDA).

Low Consumer Price Index (CPI) inflation was maintained in June 2025, thereby supporting economic stability. CPI inflation stood at a low level of 1.87% (yoy), underpinned by a decline in core inflation, subdued volatile food (VF) inflation, and controlled

administered prices (AP) inflation. Core inflation fell to 2.37% (yoy), influenced by the consistency of interest rate policy to anchor inflation expectations in line with the target, as well as subdued demand. VF inflation remained low at 0.57% (yoy), supported by the adequate supply of key food commodities and the strong synergy in inflation control by the Central and Regional Inflation Control Teams (TPIP/TPID) through the National Movement for Food Inflation Control (GNPIP). Meanwhile, AP inflation remained manageable at 1.34% (yoy), despite increases in water utility tariffs and tobacco excise duties.

Bank Indonesia continues to strengthen its monetary policy response to maintain stability while also supporting economic growth. The monetary operations strategy is being continuously optimized to enhance the effectiveness of policy rate transmission. In the money market, in line with the BI-Rate cut in May 2025 and Bank Indonesia's monetary operations, the INDONIA rate continued to decline, reaching 5.14% as of 15 July 2025, compared to 5.77% prior to the BI-Rate announcement in May 2025. The yields on SRBI for 6-, 9-, and 12-month tenors also declined from 6.40%, 6.44%, and 6.47%, respectively, before the May rate cut, to 5.85%, 5.86%, and 5.87% as of 11 July 2025. Likewise, yields on 2-year government bonds (SBN) declined from 6.13% to 5.86%, while 10-year yields fell from 6.71% to 6.56%. However, the 1-month deposit rate increased slightly from 4.81% in May 2025 to 4.85% in June 2025, reflecting intensified competition among banks to secure funding. Bank lending rates also remained high at 9.16% in June 2025, only slightly lower than 9.18% in May 2025.

Bank Indonesia continues to optimise its pro-market monetary operations strategy to support adequate liquidity in the money market and banking system. As of 14 July 2025, the outstanding amount of SRBI instruments stood at IDR 782.62 trillion, down from IDR 923.53 trillion in early January 2025, thereby supporting monetary policy liquidity expansion. Meanwhile, the outstanding amounts of SVBI and SUVBI instruments during the same period were recorded at USD 3.53 billion and USD 491 million, respectively. The implementation of the primary dealer since May 2024 has further enhanced secondary market transactions of SRBI and repurchase agreements (repo) among market participants. Bank Indonesia also purchases government securities (SBN) from the secondary market to reinforce monetary policy liquidity expansion, reflecting strong synergy between monetary and fiscal policy. Throughout 2025 (as of 15 July 2025), Bank Indonesia has purchased a total of IDR 144.90 trillion in SBN, comprising IDR 102.58 trillion from the secondary market and IDR 42.32 trillion from the

primary market in the form of Treasury Bills (SPN), including Sharia-based instruments.

Bank lending must continue to be enhanced to support economic growth. In June 2025, bank credit grew by 7.77% (yoy), lower than the 8.43% (yoy) growth recorded in May 2025. From the supply side, this development was influenced by banks' cautious lending behavior amid an increase in third-party funds (DPK), which rose to 6.96% (yoy) in June 2025. This led banks to allocate more funds to securities and adopt tighter lending standards. From the demand side, credit growth was also affected by economic activities that still require further stimulation. By type, growth of investment loans, consumer loans and working capital loans in June 2025 stood at 12.53% (yoy), 8.49% (yoy) and 4.45% (yoy), respectively. By sector, credit to Trade, Agriculture, and Business Services needs to be further increased to support economic financing. Sharia financing grew by 8.37% (yoy), while credit growth to Micro, Small, and Medium Enterprises (MSMEs) remained low at 2.18% (yoy).

Bank Indonesia continues to strengthen the implementation of the Macroprudential Liquidity Incentive Policy (KLM) to encourage bank credit/financing growth. As of the first week of July 2025, total KLM incentives reached IDR 376 trillion, distributed to state-owned banks (BUMN) amounting to IDR 167.1 trillion, national private commercial banks (BUSN) IDR 166.7 trillion, regional development banks (BPD) IDR 36.8 trillion, and foreign bank branches (KCBA) IDR 5.8 trillion. By sector, the incentives were allocated to priority sectors, including agriculture, real estate, public housing, construction, trade and manufacturing, transportation, warehousing, tourism and the creative economy, as well as MSMEs, ultra-micro enterprises, and green sectors.

The banking sector remains resilient and continues to support financial system stability. Bank capital remains high, accompanied by ample liquidity and low credit risk. The Capital Adequacy Ratio (CAR) in May 2025 stood at 25.48%, adequate to absorb risk. Meanwhile, ample liquidity was reflected by a 27.05 % ratio of liquid assets to third-party funds (LA/TPF) in June 2025. The banking sector's Non-Performing Loan (NPL) ratio remained low at 2.29% (gross) and 0.85% (net) in May 2025. The latest BI stress tests indicate solid banking industry resilience, supported by maintained corporate repayment capacity and profitability.

The performance of digital economic and financial transactions in the second quarter of 2025 remained robust, supported by a secure, smooth, and reliable payment system. In terms of transactions, digital payments¹ grew by 30.51% (yoy), reaching 11.67 billion transactions, driven by increases across all components. Transaction volume through mobile and internet banking applications grew 32.16% (yoy) and 6.95% (yoy), respectively, including digital payment transaction volume through QRIS, which continued enjoying impressive 148.50% (yoy) growth, supported by increasing numbers of users and merchants. From an infrastructure perspective, the volume of retail transactions processed through BI-FAST grew 42.87% (yoy) to reach 1.12 billion transactions, with a value of Rp2,788.31 trillion in the second quarter of 2025. On the wholesale or high-value side, the BI-RTGS system processed 2.32 million transactions in the second quarter of 2025, with a transaction value of Rp47,481.04 trillion. In terms of rupiah currency management, total currency in circulation grew 9.00% (yoy) to Rp1,153.04 trillion in the second quarter of 2025.

Payment system stability remained well-maintained, supported by stable infrastructure and a healthy industry structure. Stable infrastructure was reflected in the smooth and reliable operation of Bank Indonesia's Payment System (SPBI), as well as an adequate supply of currency in both quantity and quality during the second quarter of 2025. A sound industry structure was demonstrated by the strengthening interconnectivity among payment system participants, accompanied by the expanding Digital Economy and Finance (EKD) ecosystem. Payment transactions utilizing the National Standard for Open API for Payments (SNAP) also increased, in line with the broader level of adoption. Going forward, Bank Indonesia will continue to ensure the availability, reliability, and security of the SPBI infrastructure, both retail and wholesale, as well as the broader payment system infrastructure across the industry. Bank Indonesia will also continue to safeguard the availability of Rupiah currency in sufficient quantity and proper quality for circulation throughout the entire territory of the Republic of Indonesia, including frontier, outermost, and remote (3T) areas.

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



CHAPTER 2

ECONOMIC PROSPECT

The global economy, particularly in advanced economies, is projected to weaken further due to the reciprocal tariff hike policy planned by the U.S., effective as of 1 August 2025. The U.S. economic outlook remains subdued, accompanied by rising fiscal risks. China's economic performance is also projected to remain subdued, amid ongoing export diversification strategies. The U.S. tariff hike policy is likewise weighing on the economic prospects of Europe and Japan. Given these developments, Bank Indonesia projects that global economic growth in 2025 will remain relatively weak at around 3.0%. Moving forward, greater vigilance as well as a stronger policy response and coordination are required to mitigate persistently high global economic and financial market uncertainty, safeguard external resilience, maintain stability, and support domestic economic growth.

From the domestic front, various policy responses need to be continuously strengthened to support Indonesia's economic growth amid weakening global economic prospects. Indonesia's economy in the second half of 2025 is expected to improve, with overall annual growth projected in the range of 4.6–5.4%. This improvement is supported not only by stronger domestic demand but also by continued positive export performance in line with the outcome of tariff negotiations with the U.S. government. Various coordinated policy responses from the Government and Bank Indonesia also enhance economic confidence, ultimately supporting economic activity. In this regard, the Government is implementing fiscal stimulus measures for social protection and the implementation of priority programs under the Asta Cita agenda.

In addition to maintaining stability, Bank Indonesia's policies are also geared toward stimulating economic growth through BI-Rate reductions, increasing liquidity, and rising macroprudential incentives for banks to promote lending and financing to priority sectors. Furthermore, Bank Indonesia will continue strengthening its monetary, macroprudential and payment system policy mix in close synergy with the fiscal and real sector policies of the Government in pursuit of economic growth.

Indonesia's external economic resilience is expected to remain sound. Overall, the 2025 Balance of Payments is projected to record a narrower current account deficit in the range of 0.5% to 1.3% of GDP, with continued surplus in the capital and financial account, despite persistently high global uncertainty.

The rupiah exchange rate is projected to remain stable, underpinned by Bank Indonesia's strong commitment to maintaining exchange rate stability, attractive yields, low inflation, and solid economic growth prospects. Bank Indonesia continues to reinforce its stabilisation policy response, including calibrated interventions in the offshore Non-Deliverable Forward (NDF) market and the implementation of a triple intervention strategy in the spot market, Domestic NDF (DNDF), and SBN transactions in the secondary market. Bank Indonesia also continues optimising the full panoply of monetary instruments available, which includes strengthening its pro-market monetary operations strategy through the SRBI, Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI) instruments, to boost policy effectiveness in

terms of attracting portfolio inflows and supporting rupiah exchange rate stability.

Bank Indonesia is confident that the CPI inflation projection in 2025 and 2026 will be lower within the target range of $2.5 \pm 1\%$. Core inflation is forecasted to be lower than previous estimates, in line with well-anchored inflation expectations, adequate economic capacity, contained imported inflation, and the positive impact of digitalization. Furthermore, VF inflation is expected to remain under control, supported by continued synergy in inflation control efforts between Bank Indonesia and the central and regional governments.

Bank lending must continue to be enhanced to support economic growth. In this context, Bank Indonesia will continue to encourage bank credit disbursement, including through accommodative macroprudential policies. Bank Indonesia will also strengthen coordination with the Financial System Stability Committee (KSSK) to promote credit growth in support of economic financing and to mitigate various global and domestic economic risks that could potentially affect financial system stability. Besides, the KLM policy will continue to be strengthened to stimulate bank credit/financing growth through the optimal allocation of incentives to sectors that significantly contribute to economic growth and job creation, in alignment with the Government's Asta Cita programs. With these developments and policy directions, Bank Indonesia projects bank credit growth in 2025 to range between 8% and 11%.



CHAPTER 3

Bank Indonesia Policy Response

The Bank Indonesia Board of Governors decided on 15-16th July 2025 to lower the BI-Rate by 25 bps to 5.25%, while also lowering the Deposit Facility (DF) rate by 25 bps to 4.50% and the Lending Facility (LF) rate by 25 bps to 6.00%. The decision is consistent with lower projection of inflation in 2025 and 2026 within the $2.5 \pm 1\%$ target corridor, maintained rupiah exchange rate stability in line with economic fundamentals, as well as to support economic growth. Moving forward, Bank Indonesia will continue considering room for further interest rate reduction to support economic growth, while maintaining rupiah exchange rate stability and achieving the inflation target, according to the evolving global and domestic economic dynamics. Meanwhile, Bank Indonesia continues optimising accommodative macroprudential policy through various strategies to increase

credit/financing, lower interest rates and enhance the flexibility in liquidity management for banks to support sustainable economic growth. Payment system policy is also directed to support economic growth by expanding the acceptance of digital payments, while strengthening the infrastructure and consolidating the structure of the payment system industry.

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

1. Strengthening Rupiah exchange rate stabilization strategies in line with fundamentals, particularly through intervention in spot and Domestic Non-Deliverable Forward (DNDF) transactions in domestic markets, as well as Non-Deliverable

Forward (NDF) transactions in offshore markets. This strategy is accompanied by the purchase of Government Securities (SBN) in the secondary market to maintain financial market stability;

2. Strengthening the pro-market monetary operations strategy to further enhance the effectiveness of interest rate transmission, maintain adequate liquidity, accelerate the money market and foreign exchange (forex) market deepening, and encourage foreign capital inflows, through:
 - i. strengthening the effectiveness of the transmission of interest rates reduction by managing the interest rate structure of monetary instruments and forex swaps, while maintaining the attractiveness of foreign portfolio inflows into domestic financial assets;
 - ii. maintaining adequate liquidity in the money market and banking industry through the auction of Bank Indonesia Rupiah Securities (SRBI) and the purchase of government securities (SBN) in the secondary market, and
 - iii. enhancing the role of primary dealers to increase SRBI transactions in the secondary market and repurchase agreement (repo) transactions among market participants;
3. 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; and
4. Expanding digital payment acceptance through: (i) the launch of cross-border QRIS cooperation with Japan and the initiation of a cross-border QRIS sandbox with China on 17 August 2025; and (ii) strengthening education and outreach on QRIS Tap (TAP) to users and merchants;
5. Strengthening and expanding international cooperation in central banking areas, including by enhancing payment system connectivity and transactions using local currencies, as well as facilitating investment and trade promotion in priority sectors in collaboration with relevant institutions.

Bank Indonesia also continues to strengthen policy synergy with the Government to maintain stability and promote economic growth in line with the Government's Asta Cita development agenda. In addition, Bank Indonesia continues to enhance policy coordination with the Financial System Stability Committee (KSSK) to safeguard financial system stability.

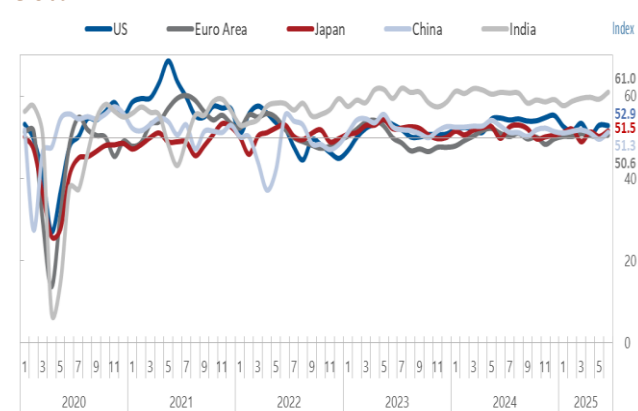
Global economic uncertainty has risen again following the announcement of the higher effective reciprocal tariff by the United States (US) on several advanced and emerging economies.

Global GDP Growth

Country	2020	2021	2022	2023	2024	2025*
World	-2.8	6.3	3.5	3.3	3.3	3.0
Advanced economies	-4.2	5.6	2.6	1.7	1.8	1.6
United States	-2.8	5.9	1.9	2.9	2.8	2.1
Europe	-6.1	5.6	3.4	0.4	0.9	0.9
Japan	-4.2	2.2	1.0	1.5	0.1	0.8
Emerging economies	-1.8	6.9	4.1	4.4	4.3	3.9
China	2.2	8.4	3.0	5.2	5.0	4.3
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	4.3
Latin America	-7.0	7.4	4.2	2.4	2.4	2.0
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	3.5

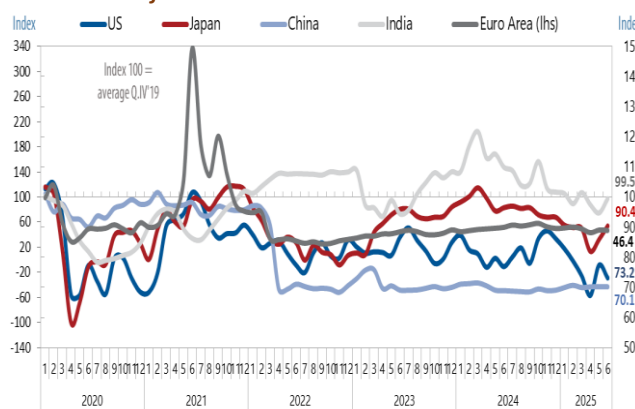
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



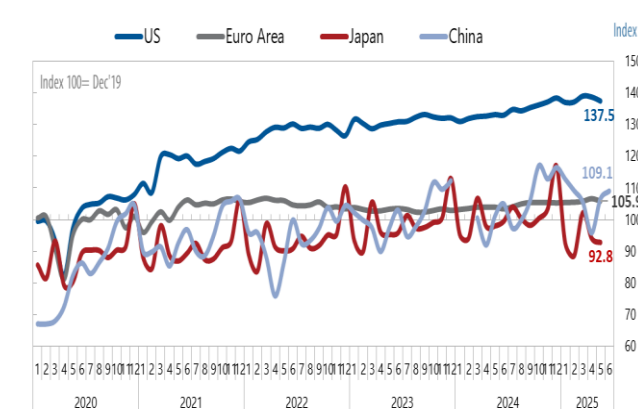
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



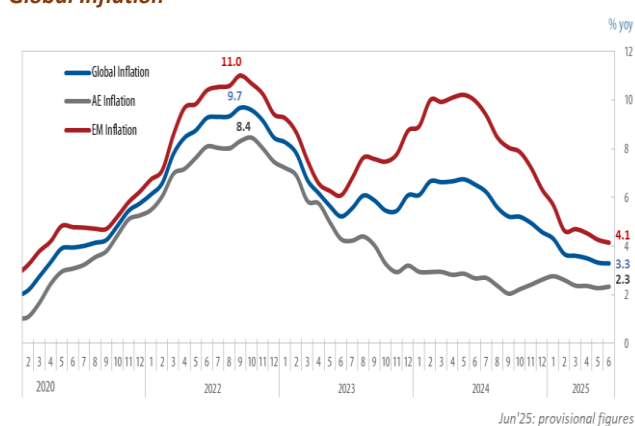
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



Source: Bloomberg and IMF, calculated

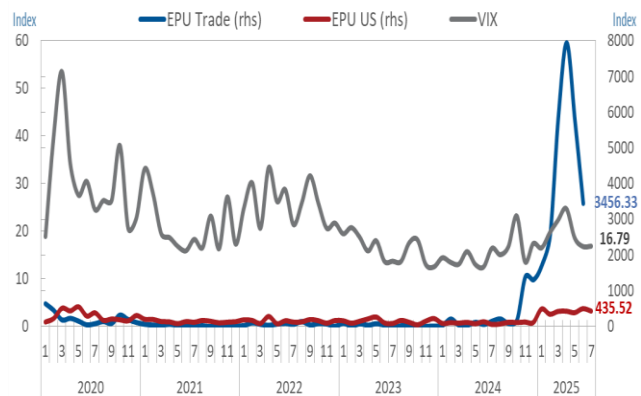
Commodity Prices

Commodity	2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q3*
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	4.9
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	-21.5
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	1.1
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	-8.2
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	-21.3	-8.0
Tin	80.6	25.3	-30.3	-43.1	0.0	-38.6	-29.4	13.8	14.6	-16.8	0.2	25.3	18.5	23.4	16.7	5.6
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	7.2
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	19.3
Others	5.2	6.4	7.3	6.3	6.3	-1.5	-1.7	-2.2	-3.1	-2.1	-1.0	-0.2	0.3	0.1	-0.2	0.1
Indonesian 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	-5.9
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75	81	71

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

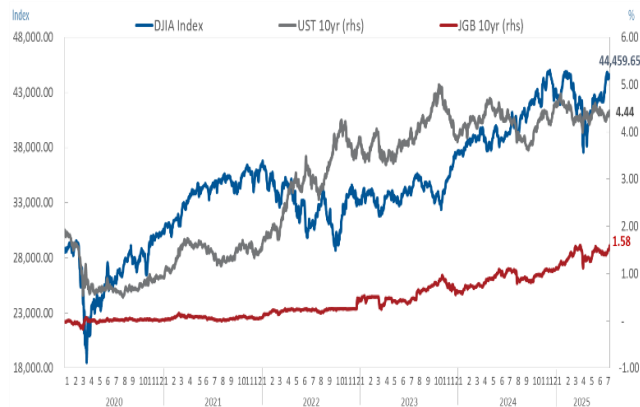
Source: Bloomberg. Data as of 14 July 2025

Global Uncertainty Index



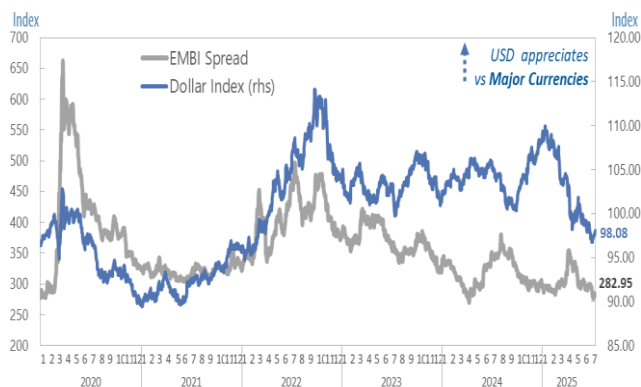
Source: Bloomberg. Data as of 14 July 2025

10 Yr UST & JGB Yield and DJIA Index



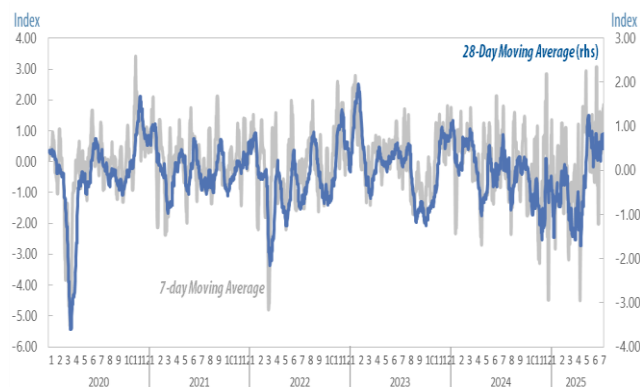
Source: Bloomberg. Data as of 14 July 2025

Consumer Confidence Index



Source: Bloomberg. Data as of 14 July 2025

Retail Sales



Source: IFF. Data as of 10 July 2025

Indonesia's economic growth needs to be continuously supported amid weakening global economic prospects.

Economic Growth – Expenditure Side

Components	2019	2020	2021	2022	2023				2024				2025
					I	II	III	IV	I	II	III	IV	I
Household Consumption	5.04	-2.63	2.01	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91	4.98
Non-Profit Institution Serving Household (NPISH)	10.62	-4.21	1.62	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	6.06
Government Consumption	3.27	2.12	4.25	-4.42	3.33	10.52	-3.86	2.94	3.02	20.44	2.03	4.62	4.17
Investment (GFCF)	4.45	-4.96	3.80	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	5.03
Building Investment	5.37	-3.78	2.32	0.91	0.08	3.32	6.31	6.42	4.04	5.46	5.31	6.02	5.26
NonBuilding Investment	1.83	-8.44	8.42	12.53	5.70	6.10	2.05	-0.78	3.03	-0.78	1.97	2.96	4.40
Exports	-0.48	-8.42	17.99	16.23	11.72	-2.84	-3.91	1.66	1.34	1.48	8.13	8.79	7.63
Imports	-7.13	-17.60	24.86	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.50	7.79	11.92	10.36
GDP	5.02	-2.07	3.70	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02

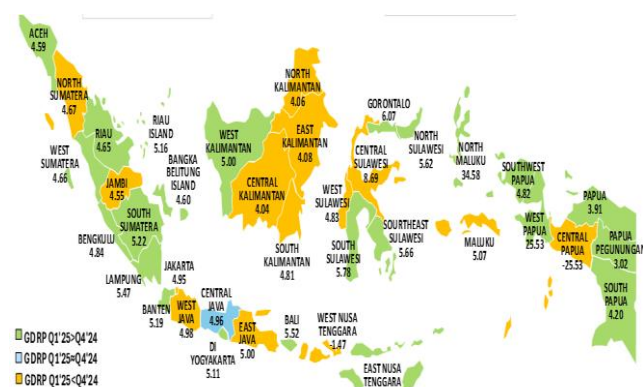
Source: BPS

Economic Growth – Economic Sectors Side

Components	2019	2020	2021	2022	2023				2024				2025
					I	II	III	IV	I	II	III	IV	I
Agriculture, Forestry, and Fisheries	3.61	1.77	1.87	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.69	0.71
Mining and excavation	1.22	-1.95	4.00	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	3.95
Manufacture	3.80	-2.93	3.39	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72	4.89
Electricity and Gas Procurement	4.04	-2.34	5.55	6.61	2.67	3.15	5.06	8.68	4.91	5.35	5.39	5.02	3.42
Water Supply	6.83	4.94	4.97	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.84	0.03	1.06
Construction	5.76	-3.26	2.81	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81
Wholesale Retail, Car and Motorcycle Repairs	4.60	-3.79	4.63	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.85	4.82	5.19
Transportation and Warehousing	6.38	-15.05	3.24	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92
Provision of Accommodation, Food and Beverages	5.79	-10.26	3.88	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.15	8.32	6.61
Information and Communication	9.42	10.61	6.82	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45
Financial Services and Insurance	6.61	3.25	1.56	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74
Real Estate	5.76	2.32	2.78	1.72	0.37	0.86	2.21	2.18	1.43	2.54	2.16	2.32	2.97
Corporate Services	10.25	-5.44	0.73	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08
Government Administration, Defence and Compulsory Social Security	4.66	-0.03	-0.33	2.52	2.13	8.18	-6.24	1.63	1.51	18.89	2.81	3.94	1.16
Education Services	6.30	2.61	0.11	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.44	2.56	2.95
Health Services and Other Social Activities	8.66	11.56	10.45	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.57	7.65	5.20
Other Services	10.57	-4.10	2.12	9.47	8.90	11.89	11.14	10.15	10.52	8.92	8.85	9.95	11.36
GDP	5.02	-2.07	3.70	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02

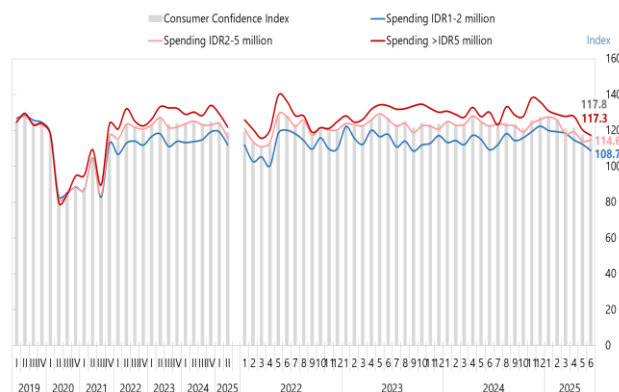
Source: BPS

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



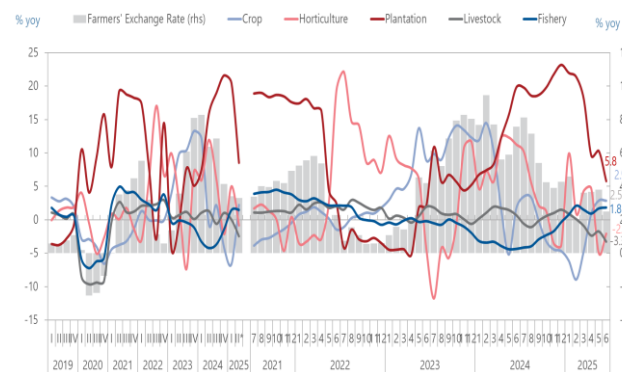
Source: BPS, calculated

Consumer Confidence Index



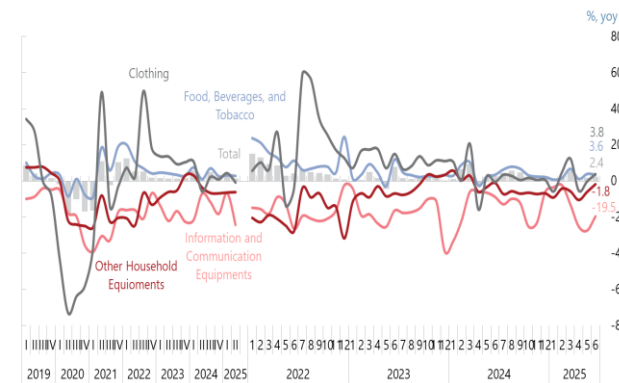
Source: Bank Indonesia

Farmers' Exchange Rate



Source: BPS, calculated

Retail Sales



Source: Bank Indonesia

Realization of State Budget (APBN)

ITEMS	2021		2022		2023		2024		2025	
	Budget (Rp Trillion)	Realization as of December 2021 (Rp Trillion)	Budget (Rp Trillion)	PERPRES 98/2022 (Rp Trillion)	Budget (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 April 2025 (Rp 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	3,081.2	3,121.9	3,061.2	3,330.3	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	269.6	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	71.8	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)	(464.1)	(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)	(347.8)	(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)

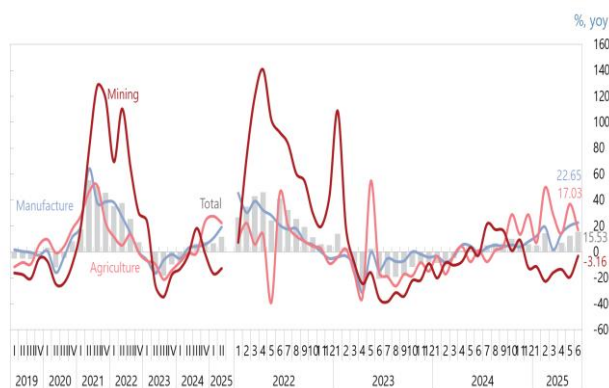
Source: Ministry of Finance

Manufacturing Purchasing Managers' Index (PMI)



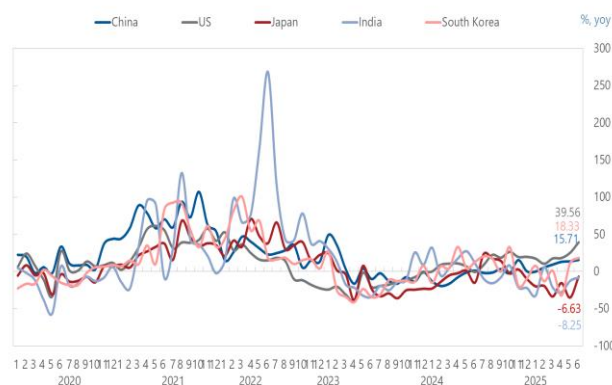
Source: Markit Economics

Non-oil and Gas Exports



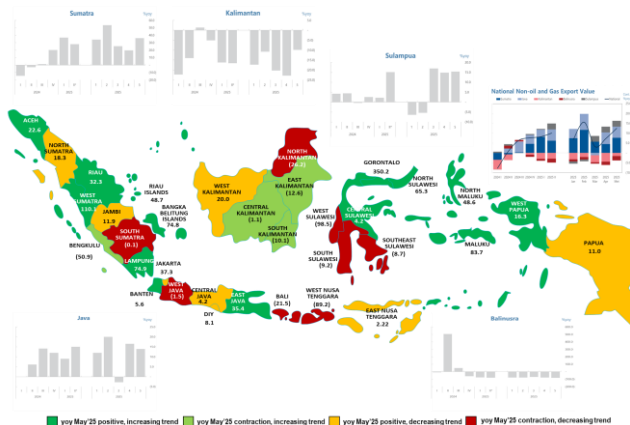
Source: Ministry of Finance, calculated by Bank Indonesia

Non-Oil and Gas Exports to Main Destination Countries



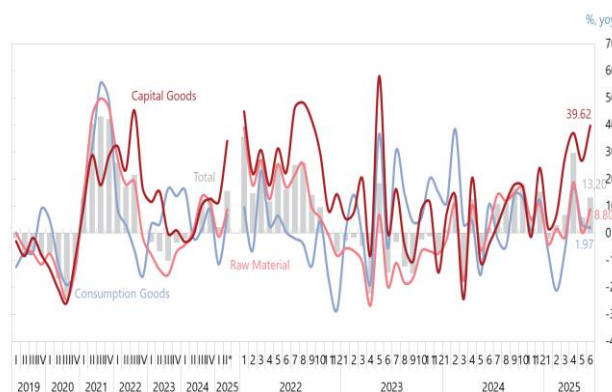
Source: Ministry of Finance, calculated by Bank Indonesia

Spatial Non-oil and Gas Exports



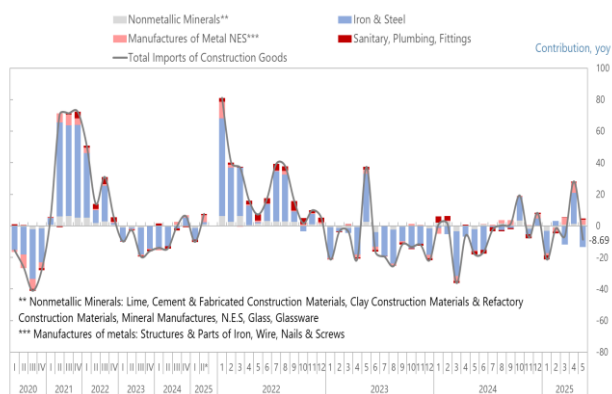
Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of May 2025

Non-oil and Gas Imports



Source: Ministry of Finance, calculated by Bank Indonesia

Import of Construction Goods



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

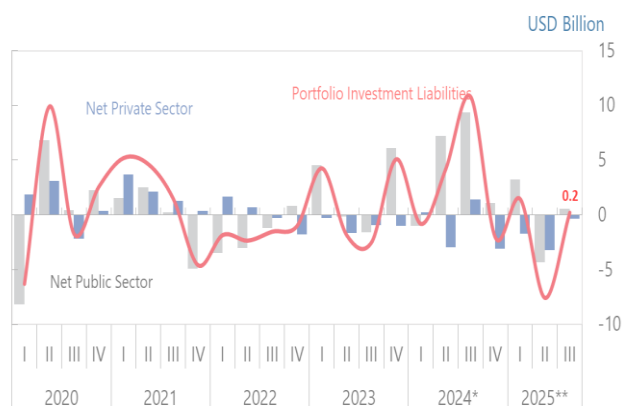
Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. The Rupiah exchange rate appreciated, supported by Bank Indonesia's stabilisation policies and continued foreign capital inflows.

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**
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	-1.9	-1.1	-8.5	-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	9.3	11.3	39.9	13.1	
- Exports, fob	66.8	75.2	77.8	72.8	292.5	66.8	61.6	63.5	65.9	257.7	61.7	62.1	67.2	70.9	261.8	65.4	
- Imports, fob	-55.5	-58.4	-60.2	-55.8	-229.9	-52.1	-51.6	-53.3	-54.5	-211.4	-52.4	-52.0	-57.9	-59.6	-221.9	-52.3	
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	14.8	17.8	62.9	18.9	
b. Oil and Gas	-5.7	-7.2	-6.5	-4.4	-24.8	-3.9	-4.7	-5.4	-5.9	-19.9	-5.5	-4.6	-4.4	-5.1	-19.6	-4.8	
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	
C. Primary Income	-7.7	-9.0	-8.9	-9.6	-35.3	-8.8	-9.2	-8.8	-9.3	-36.0	-8.8	-9.5	-8.6	-9.0	-35.9	-9.4	
D. Secondary Income	1.5	1.5	1.3	1.6	5.8	1.4	1.4	1.3	1.3	5.4	1.3	1.4	1.5	1.7	6.0	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	7.7	9.7	17.5	-0.3	
1. Direct Investment	4.6	6.6	3.4	3.4	18.1	4.4	3.9	2.7	3.4	14.4	4.7	2.1	4.8	3.2	14.9	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	9.7	-2.5	8.2	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	-4.6	-3.1	-7.1	8.9	-5.9	-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	139.1	136.4	130.8	137.2	137.2	145.2	137.5	134.9	146.4	146.4	140.2	149.9	155.7	157.1			
In Months of Imports & Official Debt R	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	6.5	
- Current Account (% GDP)	0.2	1.3	1.4	1.1	1.0	0.9	-0.7	-0.4	-0.4	-0.1	-0.7	-0.9	-0.5	-0.3	-0.6	-0.1	

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

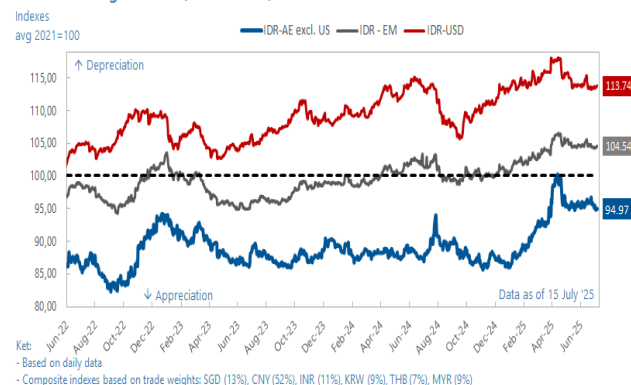
Foreign Capital Flows



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

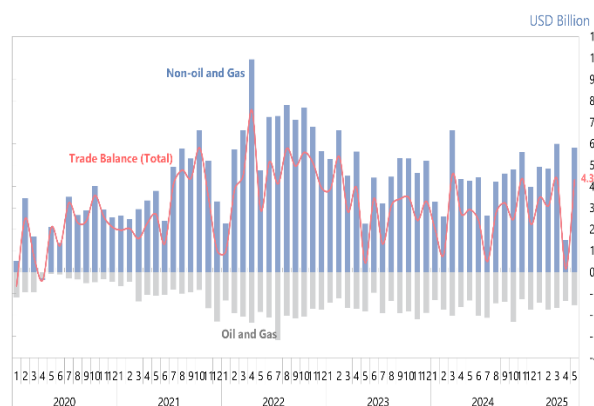
IDR Indexes Against USD, AE Exc. US and EM Currencies

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



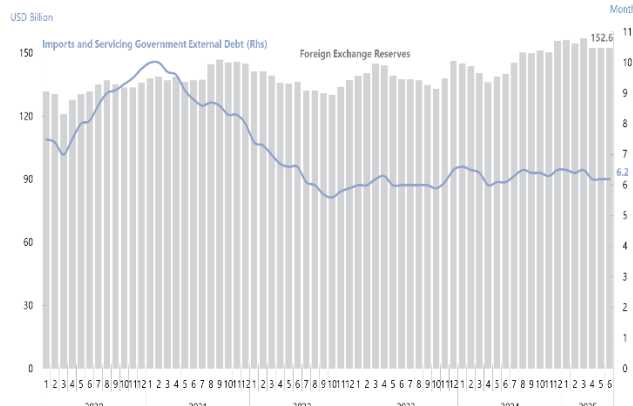
Source: Bloomberg. Data as of 15 July 2025

Trade Balance



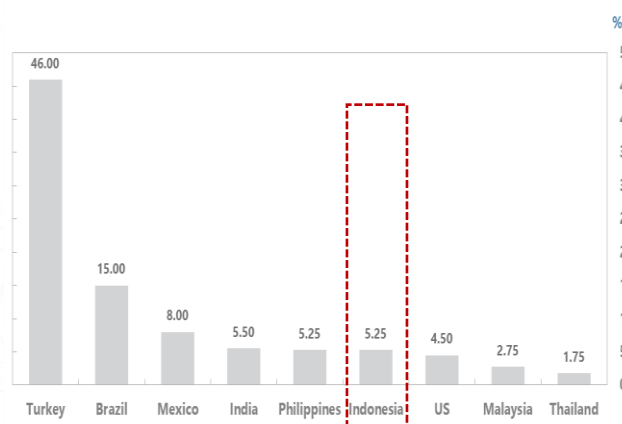
Source: BPS

Official Reserve Asset



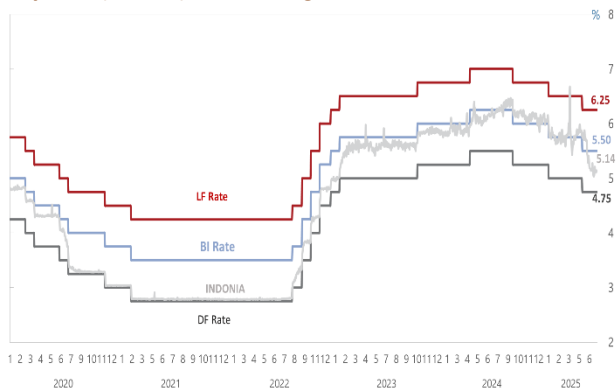
Source: Bank Indonesia

Peers Country Interest Rate Policies



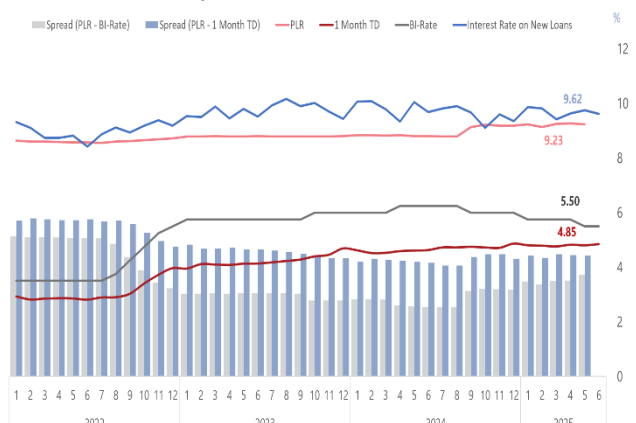
Source: Bloomberg. Data as of 16 July 2025

Policy Rate (BI Rate) and Overnight Interbank Rate



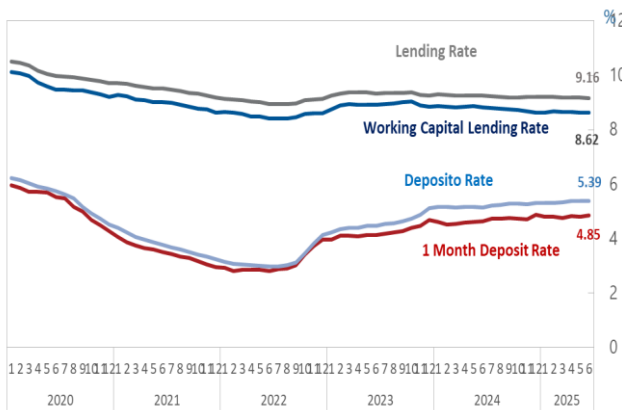
Source: Bank Indonesia

Interest Rate Development



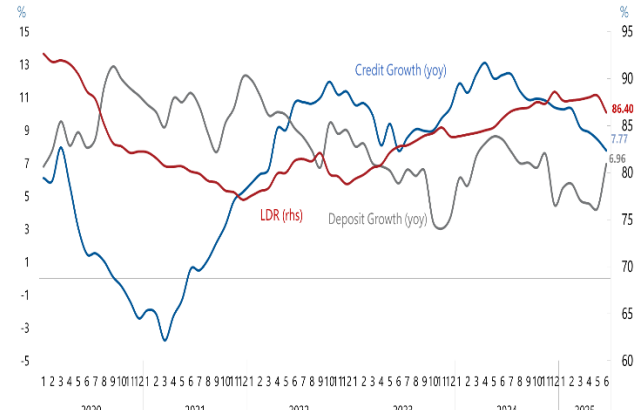
Source: OJK, Bank Indonesia, calculated

Banking Interest Rates



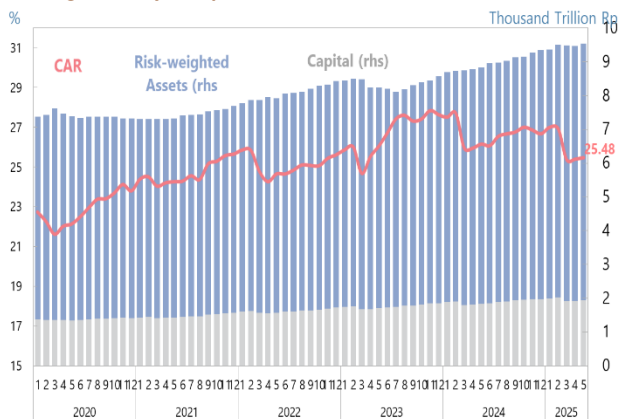
Source: Bank Indonesia

Credit and Deposit Developments



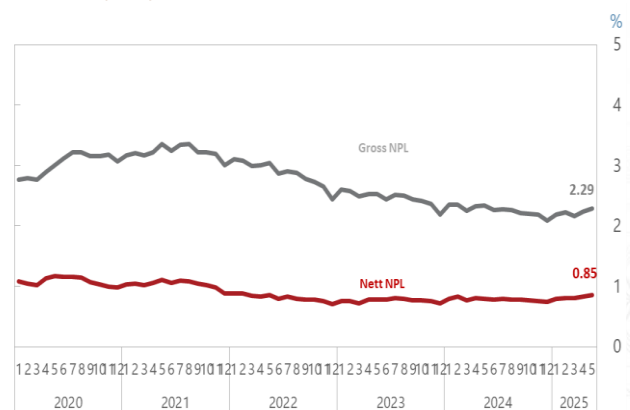
Source: Bank Indonesia

Banking Industry's Capital



Source: Bank Indonesia

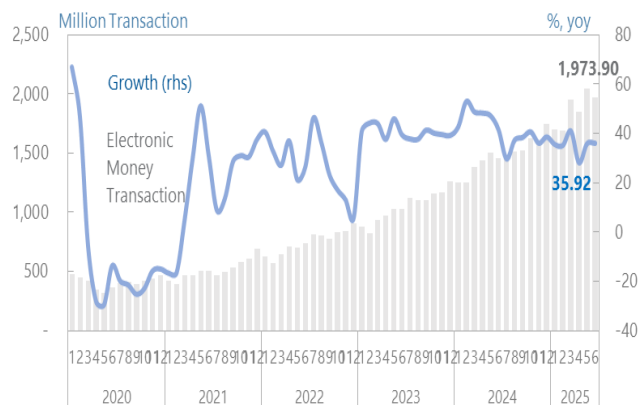
Credit Risk (NPL)



Source: Bank Indonesia, OJK

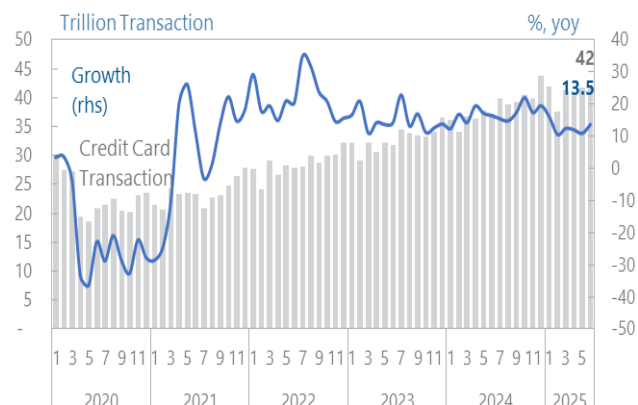
The performance of digital economic and financial transactions in the second quarter of 2025 remained robust, supported by a secure, smooth, and reliable payment system. Payment system stability remained well-maintained, supported by stable infrastructure and a healthy industry structure.

Electronic Money Transactions Volume



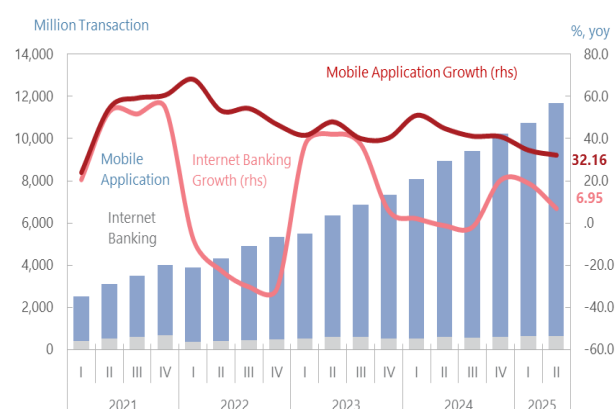
Source: Bank Indonesia

Credit Card Transactions Volume



Source: Bank Indonesia

Digital Banking Transactions Volume



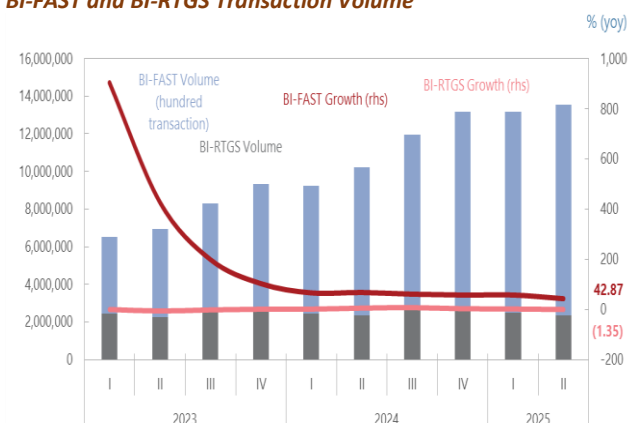
Source: Bank Indonesia

QRIS Transactions Volume



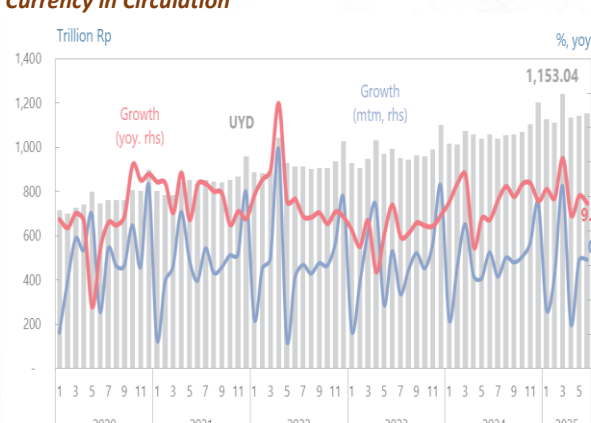
Source: Bank Indonesia

BI-FAST and BI-RTGS Transaction Volume



Source: Bank Indonesia

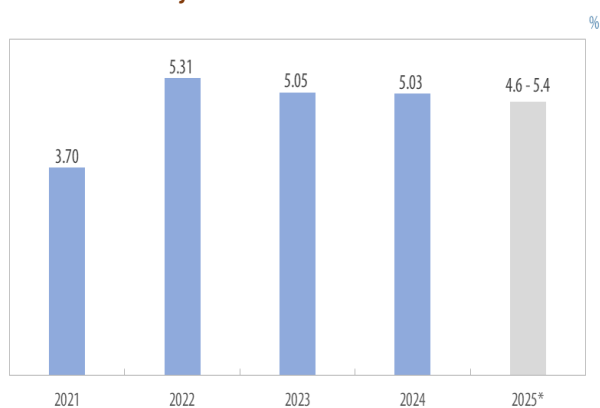
Currency in Circulation



Source: Bank Indonesia

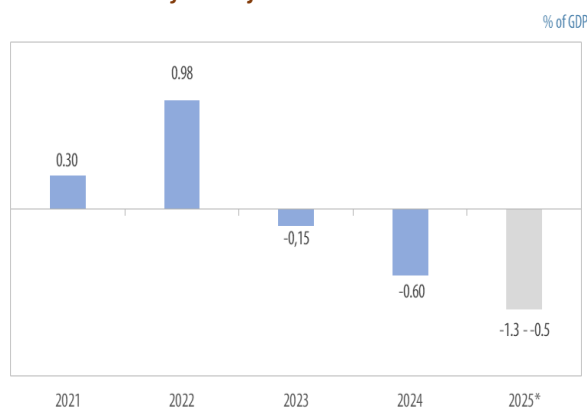
The national economic growth in 2025 is projected in the range of 4.6–5.4% and needs to be continuously strengthened.

Indonesia's GDP Projection



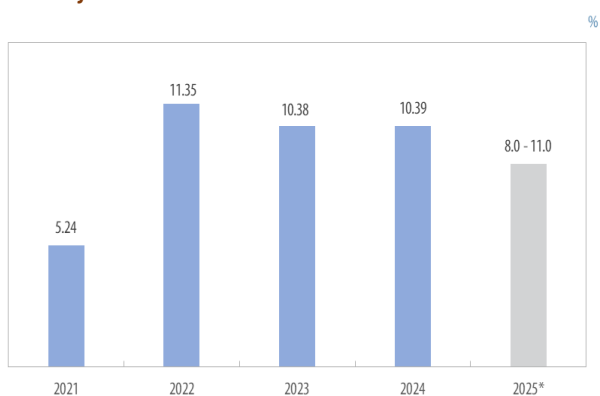
Source: Bank Indonesia. *Bank Indonesia's Projection

Current Account Deficit Projection



Source: Bank Indonesia. *Bank Indonesia's Projection

Credit Projection



Source: Bank Indonesia. *Bank Indonesia's Projection



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

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