



**BANK INDONESIA**  
BANK SENTRAL REPUBLIK INDONESIA

# **MONETARY POLICY REVIEW**

**MARCH 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 that also pays due regard to the prevailing economic policies of the Government. 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

**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 uncertainty remains high as a result of more extensive import tariffs imposed by the United States (US) Government. The import tariff policy has led to slower US economic growth despite the expansion of fiscal incentives, while the decline in inflation has been slower than anticipated. The economies of Europe, Japan, and India have also been impacted by the spillover effect of US import tariffs amid weak domestic demand resulting from low business confidence and moderating export performance. Meanwhile, the slowdown in China's economic growth due to US import tariffs has been offset by the impacts of wider 2025 fiscal deficit beyond the initial target. Accordingly, global economic growth in 2025 is forecast at 3.2%. In the global financial markets, uncertainty persists, marked by lower US Treasury yields and a weaker DXY index amid uncertainty over Federal Funds Rate (FFR) cut. Global capital flows, previously concentrated in the US, have partially shifted to gold and bonds in both advanced economies (AE) and emerging market economies (EME). At the same time, equity portfolios remain concentrated in AE other than the US and have yet to move into EME. The persistent high global uncertainty demands a well-coordinated and appropriate policy response to

strengthen external resilience, maintain stability, and promote domestic economic growth.

Indonesia's economic growth remains robust despite persistently high uncertainty. Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. Rupiah exchange rates remain under control, underpinned by Bank Indonesia's stabilization policy. Consumer Price Index (CPI) inflation remained low in February 2025, thus underpins a stable economy. Bank Indonesia continues optimizing its pro-market monetary operations strategy and instruments to strengthen Rupiah stability and achieve the inflation target. Monetary policy transmission remains effective, primarily to the money market. Growth of loans disbursed by the banking industry remains solid, thus supporting economic growth. Banking industry resilience remains solid, thereby strengthening financial system stability. Digital economic and financial transactions continued growing in February 2025, supported by secure, seamless and reliable payment systems. Payment system stability has been maintained, supported by stable infrastructure and a sound industry structure.

The Bank Indonesia Board of Governors agreed on 18-19<sup>th</sup> March 2025 to hold the BI-Rate at 5.75%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.00% and 6.50%, respectively. The decision is consistent with efforts to maintain inflation in 2025 and 2026 within the  $2.5 \pm 1\%$  target corridor, to maintain the rupiah exchange rate stability in line with economic fundamentals amidst persistently high global uncertainty and drive economic growth. Moving forward, Bank Indonesia will closely monitor inflation and economic growth outlook in utilizing the room for BI-Rate reductions considering Rupiah exchange rate movements.

Meanwhile, macroprudential and payment system policies continue to be optimized to support sustainable economic growth. The Macroprudential Liquidity Incentive Policy (KLM) is aimed at further encouraging bank lending/financing to priority sectors that support growth and job creation, in line with the Government's Asta Cita program. Payment system policy is also directed towards bolstering growth, particularly in the trade and MSME sectors. The reliability of payment system infrastructure and industry structure will continue to be strengthened, while the adoption of payment system digitalization will be further expanded.





## CHAPTER 1

# Global and Domestic Economic Developments

Global uncertainty remains high as a result of more extensive import tariffs imposed by the United States (US) Government. The import tariff policy has led to slower US economic growth despite the expansion of fiscal incentives, while the decline in inflation has been slower than anticipated. The economies of Europe, Japan, and India have also been impacted by the spillover effect of US import tariffs amid weak domestic demand resulting from low business confidence and moderating export performance. Meanwhile, the slowdown in China's economic growth due to US import tariffs has been offset by government policy to widen the 2025 fiscal deficit beyond the initial target. Accordingly, global economic growth in 2025 is forecast at 3.2%. In the global financial markets, uncertainty persists, marked by lower US Treasury yields and a weaker DXY index amid uncertainty over Federal Funds Rate (FFR) cut. Global capital flows,

previously concentrated in the US, have partially shifted to gold and bonds in both advanced economies (AE) and emerging market economies (EME). At the same time, equity portfolios remain concentrated in AE other than the US and have yet to move into EME. The persistent high global uncertainty demands a well-coordinated and appropriate policy response to strengthen external resilience, maintain stability, and promote domestic economic growth.

**Indonesia's economic growth remains robust despite persistently high uncertainty.** Household consumption remains strong and must still be encouraged to leverage sustained consumer confidence, government spending for religious holiday allowance (Tunjangan Hari Raya) and social programs, and the seasonal surge in demand ahead of Eid-ul-Fitr 1446 H. Private investment also needs to be bolstered to optimize producer confidence, as reflected in the expansive Prompt Manufacturing Index (PMI) of Bank



Indonesia, particularly in its rising order volumes. Externally, non-oil-and-gas exports increased in February 2025, driven primarily by palm oil (CPO) and motor vehicles. By sector, the performance of agriculture sector is expected to grow, supported by the main harvest season, while the mining and manufacturing sectors have slowed because of weaker external demand. Given these developments, Bank Indonesia forecasts that economic growth for 2025 will remain intact within the 4.7–5.5% range. Moving forward, Bank Indonesia will continue optimizing its policy mix to maintain stability and support sustainable economic growth. This will be realized by optimizing macroprudential policy stimuli and accelerating payment system digitalization by Bank Indonesia in synergy with the fiscal policy stimuli of the Government to revive economic growth. Furthermore, Bank Indonesia fully supports implementation of the Government's Asta Cita program, encompassing economic financing, digitalization as well as food security and downstreaming efforts.

**Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience.** A trade surplus was maintained in February 2025 totalling USD3.1 billion after recording a USD3.5 billion surplus in January 2025. Meanwhile, foreign capital inflows to domestic financial instruments for investment improved in March 2025. Foreign capital flows to government securities (SBN) and Bank Indonesia Rupiah Securities (SRBI) in March 2025 (17<sup>th</sup> March 2025) recorded net inflows totalling USD0.2 billion and USD0.1 billion, respectively, in response to attractive yields and a promising economic outlook. On the other hand, portfolio equity flows in March 2025 recorded a net outflow of USD0.3 billion, consistent with the performance of regional stock markets. Consequently, portfolio investment in 2025, as of 17<sup>th</sup> March 2025, has recorded a net inflow of USD0.8 billion, boosted by inflows to SBN and SRBI. The position of foreign reserves at the end of February 2025 was recorded high at USD154.5 billion, equivalent to 6.6 months of imports or 6.4 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports. The BOP deficit in 2025 is forecast to remain at a healthy level supported by a maintained capital and financial account surplus given attractive yields on investment, accompanied by a manageable current account deficit in the 0.5-1.3% of GDP range.

**Rupiah exchange rates remain under control, underpinned by Bank Indonesia's stabilization policy.** Against the US dollar, the Rupiah in March 2025 (as of 18<sup>th</sup> March 2025) gained 0.94% (ptp) in value after depreciating 1.69% (ptp) in February 2025,

influenced by less foreign capital flowing to regional stock markets, including Indonesia, as a corollary of global uncertainty. Rupiah stability is consistent with Bank Indonesia's stabilization policy. The rupiah remained relatively stable against a basket of EM currencies, as major trading partners of Indonesia, and appreciated against the currencies of AE, excluding the US dollar. Moving forward, the Rupiah exchange rate is projected to remain stable in line with Bank Indonesia's firm policy commitment to maintain Rupiah exchange rate stability, together with attractive yields, low inflation and a promising economic growth outlook for Indonesia. Furthermore, Bank Indonesia continues optimizing the full panoply of monetary instruments available, which includes strengthening its pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments to boost policy effectiveness in terms of attracting portfolio inflows and supporting efforts to strengthen the Rupiah exchange rate.

**Consumer Price Index (CPI) inflation remained low in February 2025, thus underpins a stable economy.** CPI deflation in February 2025 was recorded at 0.09% (yoy), primarily influenced by the positive impact of government policy to discount electricity rates for households with an installed electrical capacity of  $\leq 2,200\text{VA}$ . Consequently, administered prices (AP) recorded 9.02% (yoy) deflation. On the other hand, core inflation remained under control at a rate of 2.48% (yoy) in line with BI-Rate policy consistency by Bank Indonesia to anchor inflation expectations. Volatile food (VF) inflation moderated to 0.56% (yoy), supported by close synergy to manage inflation between Bank Indonesia and the Central and Regional Government Inflation Control Teams through the National Movement for Food Inflation Control (GNPIP) in various regions. Looking ahead, Bank Indonesia is confident CPI inflation will remain under control and within the  $2.5\% \pm 1\%$  target corridor. Core inflation is projected to remain manageable in line with anchored inflation expectations, massive economic capacity in response to domestic demand, managed imported inflation in line with Rupiah stabilization policy by Bank Indonesia, as well as the positive impact of digitalization. Bank Indonesia also expects volatile food (VF) inflation to remain manageable, underpinned by inflation control synergy between Bank Indonesia and the (central and regional) Government.

**Bank Indonesia continues optimizing its pro-market monetary operations strategy and instruments to strengthen Rupiah stability and achieve the inflation target.** As an integral part of money market and foreign exchange market deepening efforts and to attract foreign capital inflows to domestic financial



markets, Bank Indonesia continues optimizing its pro-market SRBI, SVBI and SUVBI monetary instruments. As of 17<sup>th</sup> March 2025, the respective positions of SRBI, SVBI and SUVBI instruments stood at Rp892.36 trillion, USD2.30 billion and USD320 million.

Therefore, non-resident holdings of SRBI totalled Rp232.41 trillion as of 17<sup>th</sup> March 2025, accounting for 26.05% of total outstanding. The implementation of Primary Dealers (PD) since May 2024 has also increased SRBI transactions in the secondary market along with repurchase agreement (repo) transactions between market players, thereby strengthening the effectiveness of monetary instruments that support Rupiah stability and inflation control. In addition, Bank Indonesia is also buying SBN in the secondary market to strengthen monetary operations in close synergy with the fiscal policy of the Government. In 2025 (as of 18<sup>th</sup> March 2025), Bank Indonesia has purchased SBN to the tune of Rp70.74 trillion, namely through the secondary market totalling Rp47.31 trillion and the primary market totalling Rp23.43 trillion, dominated by treasury bills (SPN), including sharia SPN. Moving forward, Bank Indonesia will continue optimizing the various innovations already introduced to strengthen external economic resilience in Indonesia and enhance the effectiveness of monetary policy transmission.

**Monetary policy transmission remains effective, primarily to the money market.** In line with the BI-Rate reduction implemented in January 2025, and the monetary operations strategy instituted by Bank Indonesia, the INDONIA money market reference rate also trended downwards, namely to 5.79% on 18<sup>th</sup> March 2025 from 6.03% at the beginning of January 2025. Despite decreasing, SRBI rates remain attractive to support foreign capital inflows at 6.32%, 6.37% and 6.40% for tenors of 6, 9 and 12 months (as of 14<sup>th</sup> March 2025), down from 7.16%, 7.20% and 7.27% at the beginning of January 2025. On the other hand, SBN yields on tenors of 2 years also remained competitive despite decreasing from 6.96% to 6.51%, contrasting the increase recorded on 10-year tenors to 7.00% from 6.98% (as of 18<sup>th</sup> March 2025). Meanwhile, ample liquidity has been maintained in the banking industry given the implementation of KLM strengthening efforts and PLR transparency policy, thus maintaining competitive interest rates in the banking industry. In turn, such conditions ultimately improved pricing efficiency in the banking industry, thus boosting new loan disbursements. The 1-month term deposit rate and lending rate were also relatively stable in February 2025 at 4.79% and 9.21%, respectively.

**Growth of loans disbursed by the banking industry remains solid, thus supporting economic growth.**

Credit growth reached 10.30% (yoy) in February 2025, supported by both the supply and demand sides. On the supply side, credit growth is supported by the current bank strategy to reallocate liquid assets to credit growth, massive funding support from positive third-party funds growth since the beginning of 2025 as well as ample liquidity due to the positive impact of Bank Indonesia strengthening KLM policy. As of the second week of March 2025, Bank Indonesia has disbursed KLM incentives totalling Rp291.8 trillion, including Rp125.7 trillion to state-owned banks (BUMN), Rp132.8 trillion to national private commercial banks, Rp27.9 trillion to regional government banks, and Rp5.4 trillion to foreign bank branches. By sector, Bank Indonesia has disbursed incentives to priority economic sectors, namely agriculture, real estate, public housing, construction, trade and manufacturing, transportation, storage, tourism and the creative economy, MSMEs, ultra-micro and green. On the demand side, loan growth is supported by robust corporate sales performance. By loan type, credit growth is primarily supported by investment loans, working capital loans and consumer loans, growing 14.62% (yoy), 7.66% (yoy) and 10.31% (yoy), respectively. Furthermore, sharia financing recorded 9.15% (yoy) growth, while MSME loan growth stood at 2.51% (yoy) in the reporting period. Moving forward, Bank Indonesia will continue driving credit growth through various accommodative macroprudential policies in pursuit of economic growth, which includes optimizing the latest increase to KLM incentives from a maximum of 4% to 5% of deposits, effective from 1<sup>st</sup> April 2025. The 1% increase will nurture bank lending/financing to priority sectors that support growth and job creation in line with the Government's Asta Cita program.

**Banking industry resilience remains solid, thereby strengthening financial system stability.** Bank liquidity remained adequate in February 2025, as reflected by a high ratio of liquid assets to third-party funds (LA/TPF) at 26.32%. The Capital Adequacy Ratio (CAR) also remained high in January 2025 at 27.01%, supported by low non-performing loans (NPL), as a proxy of credit risk, as indicated by NPL ratios of 2.18% (gross) and 0.79% (nett). Overall, the latest BI stress tests indicate solid banking industry resilience against various risks, supported by maintained corporate repayment capacity and profitability. In addition, Bank Indonesia will continue strengthening policy synergy with the KSSK Committee to mitigate various risks that could potentially disrupt banking industry resilience and financial system stability.

**Digital economic and financial transactions continued growing in February 2025, supported by secure, seamless and reliable payment systems.**

Digital payments<sup>[1]</sup> grew 31.21% (yoy) to reach 3.38 billion transactions in February 2025, supported by all components. Transaction volume through mobile banking applications grew 32.22% (yoy), with the volume of transactions via internet banking similarly growing by 16.51% (yoy) in February 2025. In addition, digital payment transaction volume through QRIS continued to enjoy impressive 163.32% (yoy) growth, supported by increasing numbers of users and merchants. From an infrastructure perspective, the volume of retail transactions processed through BI-FAST grew 75.82% (yoy) to reach 330.08 million transactions, with a value of Rp 858.27 trillion in February 2025. On the wholesale or high-value side, the BI-RTGS system processed 807.18 thousand transactions, up 4.66% (yoy), with a transaction value of Rp14,749.90 trillion in February 2025. In terms of Rupiah currency management, total currency in circulation grew 9.79 % (yoy) to Rp1,112.22 trillion in February 2025.

**Payment system stability has been maintained, supported by stable infrastructure and a sound industry structure.** In terms of the infrastructure, payment system stability is reflected in the seamless and reliable payment system maintained by Bank Indonesia, along with an adequate money supply of currency fit for circulation in February 2025. Regarding the structure of the payments industry, payment system interconnection and the digital economy and finance ecosystem continue to expand. Payment transactions based on the National Open API Payment Standard (SNAP) continue to grow as SNAP adoption among various industry players expands. Meanwhile, Bank Indonesia will continue ensuring the availability, reliability and security of the payment systems operated by Bank Indonesia and the industry, which includes monitoring the system reliability of payment system service providers during the Ramadan and Eid-ul-Fitr festive period. Furthermore, Bank Indonesia will ensure adequate availability of Rupiah currency fit for circulation in suitable denominations throughout all regions of the Republic of Indonesia, particularly in frontier, outermost and underdeveloped regions, especially during the Ramadan and Eid-ul-Fitr festive period through the Semarak Rupiah Ramadan and Berkah Idul Fitri (SERAMBI) 2025 program.

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





## CHAPTER 2

# Bank Indonesia Policy Response

The Bank Indonesia Board of Governors agreed on 18-19<sup>th</sup> March 2025 to hold the BI-Rate at 5.75%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.00% and 6.50%, respectively. The decision is consistent with efforts to maintain inflation in 2025 and 2026 within the  $2.5 \pm 1\%$  target corridor, to maintain the rupiah exchange rate stability in line with economic fundamentals amidst persistently high global uncertainty and drive economic growth. Moving forward, Bank Indonesia will closely monitor inflation and economic growth outlook in utilizing the room for BI-Rate reductions considering Rupiah exchange rate movements. Meanwhile, macroprudential and payment system policies continue to be optimized to support sustainable economic growth. The Macroprudential Liquidity Incentive Policy (KLM) is aimed at further

encouraging bank lending/financing to priority sectors that support growth and job creation, in line with the Government's Asta Cita program. Payment system policy is also directed towards bolstering growth, particularly in the trade and MSME sectors. The reliability of payment system infrastructure and industry structure will continue to be strengthened, while the adoption of payment system digitalization will be further expanded.

Bank Indonesia has, therefore, strengthened its monetary, macroprudential, and payment system policy mix to maintain stability to strengthen sustainable economic growth through the following measures:

1. Strengthening the pro-market monetary operations strategy to enhance monetary policy transmission effectiveness, accelerate money market and

foreign exchange market deepening and attract foreign capital inflows by:

- a. optimizing Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI) as pro-market monetary instruments,
  - b. strengthening the interest rate structure of monetary instruments to attract portfolio inflows to domestic financial assets,
  - c. strengthening strategies of term-repo and forex swap transactions, and
  - d. strengthening the function of Primary Dealers (PD) to increase SRBI transactions in the secondary market and repurchase agreement (repo) transactions between market players.
2. Stabilising the Rupiah in line with economic fundamentals through foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as government securities (SBN) in the secondary market.
  3. Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by KLM policy priority sector.
  4. Strengthening digital acceptance through: (i) implementing strategies to achieve QRIS targets on both supply and demand sides, in synergy with government programs to achieve inclusive growth and improve cross-border retail transaction

efficiency; and (ii) maintaining the momentum of QRIS cross-border collaboration where corridors are already established.

5. Strengthening payment system policy support for government programs, which includes expanding the coverage of QRIS cross-border in various tourist destinations and international visitors, as well as improving financial literacy for Indonesian migrant workers.

Bank Indonesia also continues to strengthen policy synergies with the Government to maintain stability and encourage economic growth in line with the Government's Asta Cita program. The synergy is focused on 7 (seven) policy areas, namely (i) the Rupiah exchange rate stabilization policy in mitigating global turmoil, (ii) monetary and fiscal policy coordination, (iii) efforts to revive economic financing through KLM, (iv) support in accelerating digital transformation within the Government, (v) efforts to strengthen downstreaming and food security, (vi) support in fostering the development of green, sharia, and inclusive economies, and (vii) support for the development of human capital. In addition, Bank Indonesia continues to strengthen policy synergy with the Financial System Stability Committee (KSSK) to maintain financial system stability. Bank Indonesia will also continue to strengthen and expand international cooperation in the area of central banking, including payment system connectivity and the use of local currency transactions (LCT), as well as to facilitate investment and trade promotion in priority sectors in collaboration with relevant institutions.



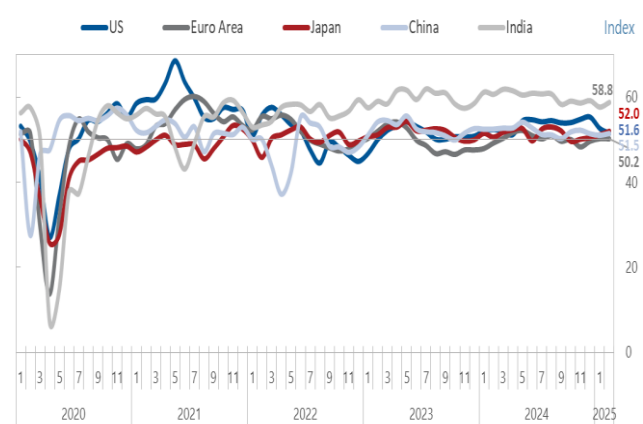
Global uncertainty remains high as a result of more extensive import tariffs imposed by the United States (US) Government.

### Global GDP Growth

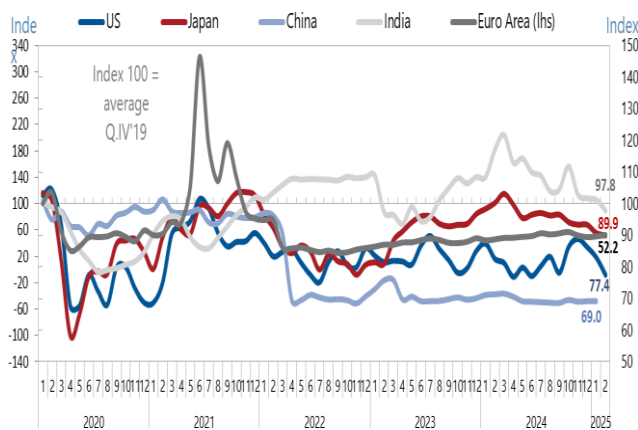
Country	2019	2020	2021	2022	2023	2024	2025*	2026*
<b>World</b>	2.8	-2.8	6.3	3.5	3.3	3.2	3.2	3.1
<b>Advanced economies</b>	1.7	-4.2	5.6	2.6	1.7	1.7	1.7	1.8
United States	2.3	-2.8	5.9	1.9	2.9	2.8	2.3	2.2
Europe	1.6	-6.1	5.6	3.4	0.4	0.7	1.0	1.3
Japan	-0.4	-4.2	2.2	1.0	1.5	0.1	1.2	0.5
<b>Emerging economies</b>	3.6	-1.8	6.9	4.1	4.4	4.2	4.1	4.0
China	6.0	2.2	8.4	3.0	5.2	5.0	4.6	3.9
India	4.8	-6.6	8.3	6.8	7.7	6.7	6.6	6.7
ASEAN-5	4.3	-4.4	4.0	5.5	4.0	4.6	4.7	4.6
Latin America	0.2	-7.0	7.4	4.2	2.4	1.8	2.3	2.5
Emerging Euro	2.5	-1.6	7.3	1.2	3.3	2.8	2.2	2.5
Middle East & Central Asia	1.6	-2.6	4.3	5.4	2.0	2.7	3.6	3.6

Source: IMF WEO. \*Bank Indonesia Projection

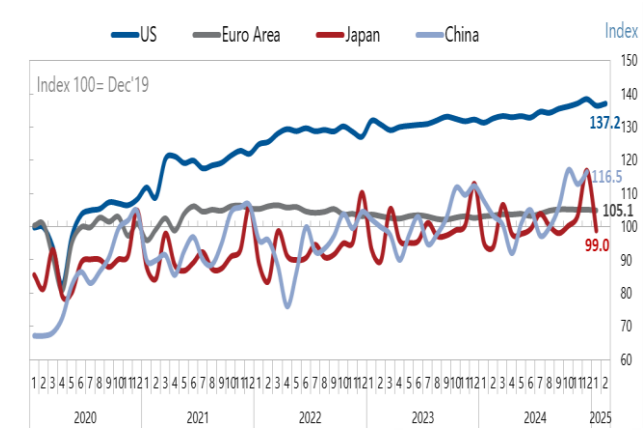
### Global PMI



### Consumer Confidence Index



### Retail Sales



### Global Inflation



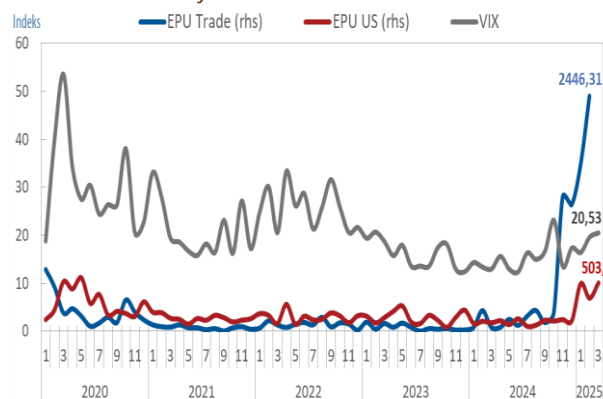
### Commodity Prices

Commodity	2022				2023				2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*	YTD*
Copper	17.4	-1.8	-17.7	-16.4	-5.2	-10.2	-11.0	8.6	3.1	-3.3	-4.7	16.8	11.2	12.8
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
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
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
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
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
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
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
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
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
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75

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

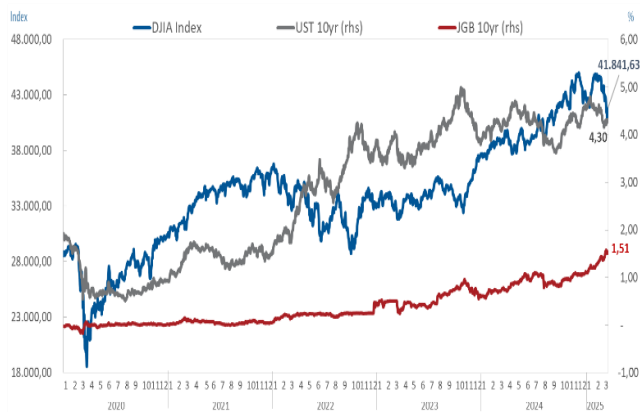
Source: Bloomberg. Data as of 17<sup>th</sup> March 2025

## Global Uncertainty Index



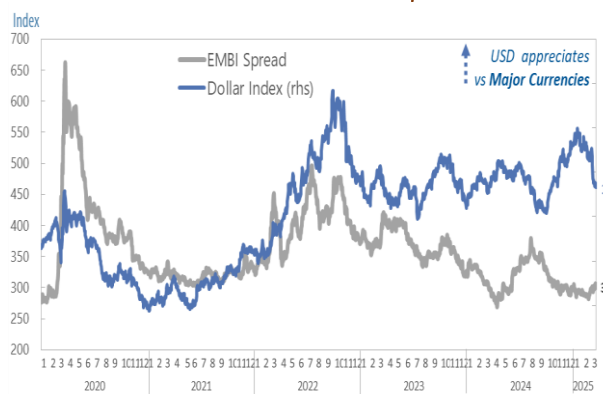
Source: Bloomberg. Data as of 17<sup>th</sup> March 2025

## 10 Yr UST & JGB Yield and DJIA Index



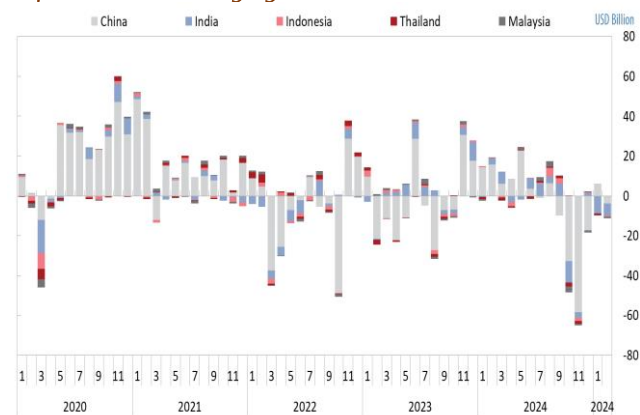
Source: Bloomberg. Data as of 17<sup>th</sup> March 2025

## US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of 17<sup>th</sup> March 2025

## Capital Flow to Emerging Market



Source: IIF.

## Indonesia's economic growth remains robust despite persistently high uncertainty.

### Economic Growth – Expenditure Side

Components	2019	2020	2021	2022	2023				2024			
					I	II	III	IV	I	II	III	IV
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
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
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
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
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
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
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
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
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

Source: BPS

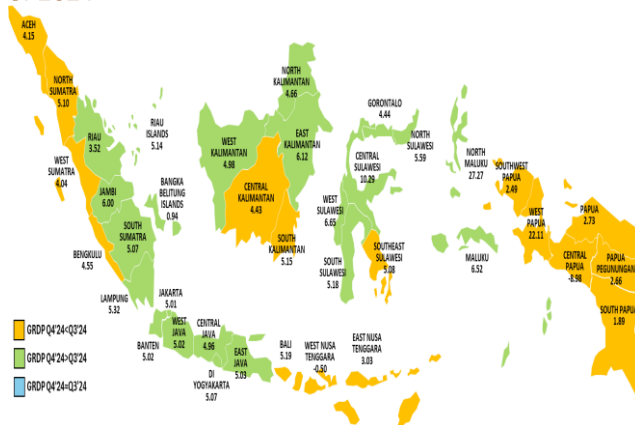
### Economic Growth – Economic Sectors Side

Components	2019	2020	2021	2022	2023				2024			
					I	II	III	IV	I	II	III	IV
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
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
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
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
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
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
Wholesale Retail, Car and Motorcycle Repairs	4.60	-3.79	4.63	5.53	4.94	5.30	5.10	4.10	4.86	4.58	4.85	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
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
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
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
Real Estate	5.76	2.32	2.78	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32
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
Government Administration, Defence and Compulsory Social Security	4.66	-0.03	-0.33	2.51	2.12	8.19	-6.23	1.64	1.52	18.89	2.81	3.94
Education Services	6.30	2.61	0.11	0.57	1.00	5.38	-2.12	2.62	1.75	7.43	2.44	2.56
Health Services and Other Social Activities	8.66	11.56	10.45	2.75	4.77	8.28	2.92	3.10	4.67	11.65	8.57	7.65
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
GDP	5.02	-2.07	3.70	5.31	5.04	5.18	4.94	5.04	5.05	5.11	5.05	4.95

Source: BPS

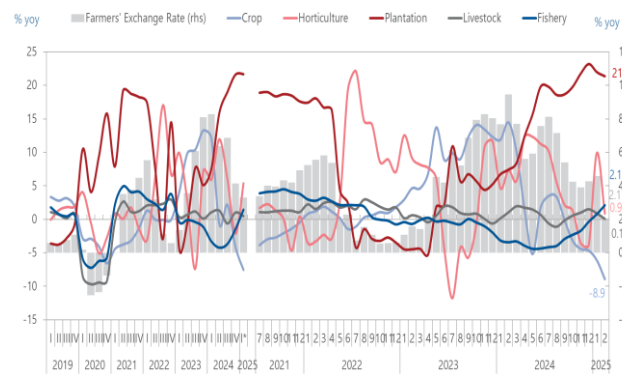


## Growth of Regional Economic (GRDP) of the Fourth Quarter of 2024



Source: BPS, calculated

## Farmers' Exchange Rate



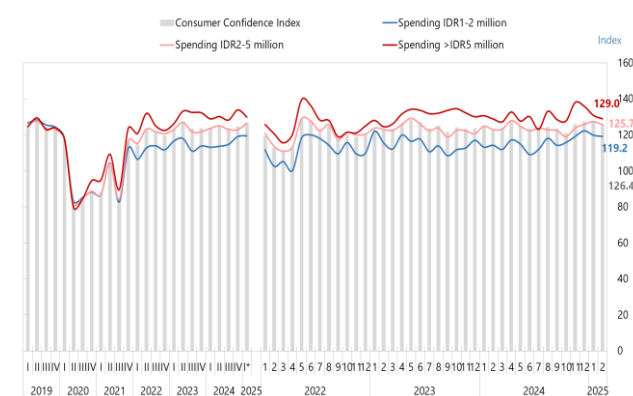
Source: BPS, calculated. \*Data as of February 2025

## Realization of State Budget (APBN)

ITEMS	2021		2022		2023		2024		2025	
	Budget (IDR Trillion)	Realization as of December 2021 (IDR Trillion)	Budget (IDR Trillion)	PERPRES No. 2/2022 as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2023 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2024 (IDR Trillion)	Budget (IDR Trillion)	Realization as of February 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	439.5	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	71.9	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)	(347.6)	(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)

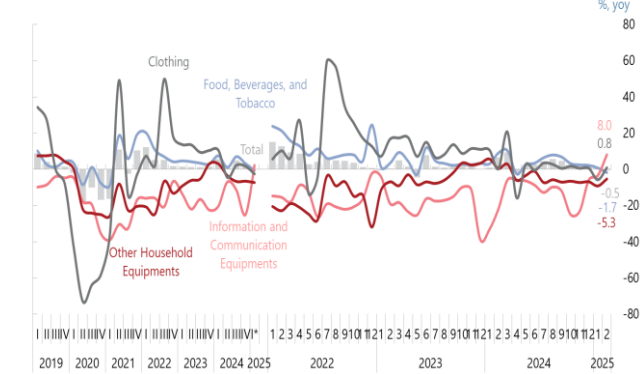
Source: Ministry of Finance

## Consumer Confidence Index



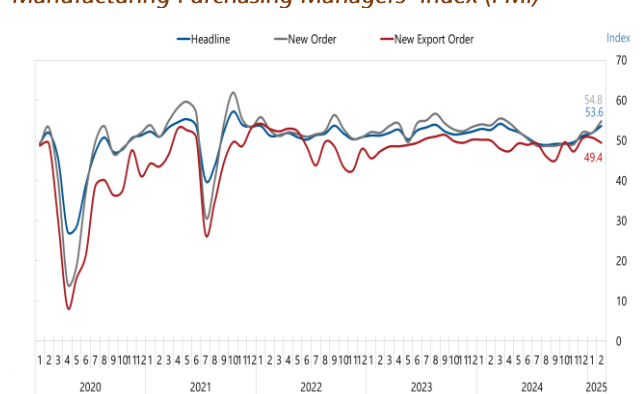
Source: Bank Indonesia. \*Data as of February 2025

## Retail Sales



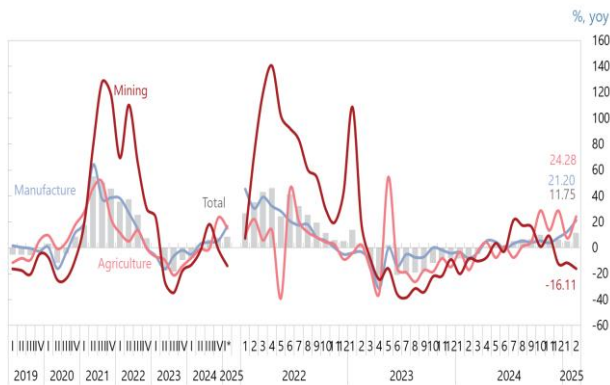
Source: Bank Indonesia. \*Data as of February 2025

## Manufacturing Purchasing Managers' Index (PMI)

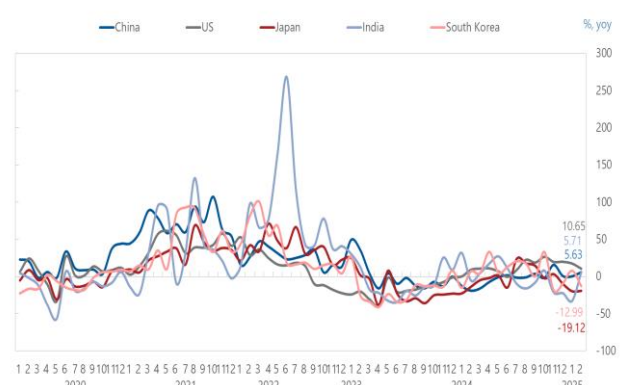


Source: Markit Economics

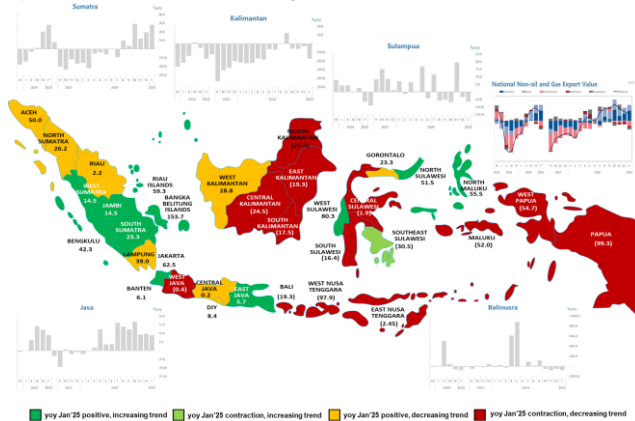
## Non-oil and Gas Exports



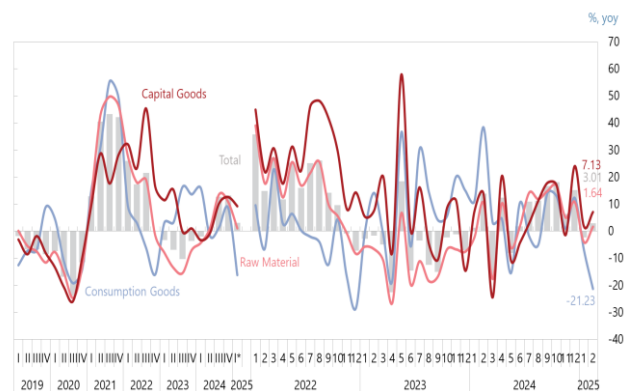
## Non-Oil and Gas Exports to Main Destination Countries



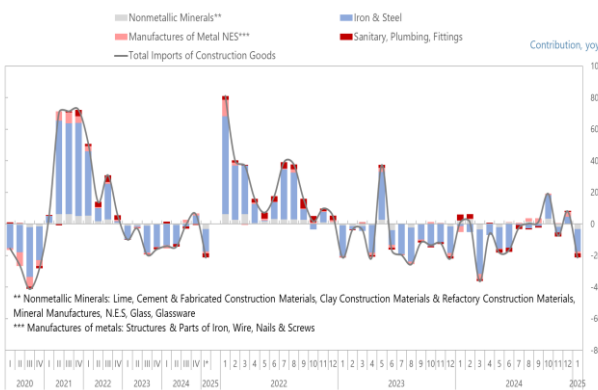
## Spatial Non-oil and Gas Exports



## Non-oil and Gas Imports



## Import of Construction Goods





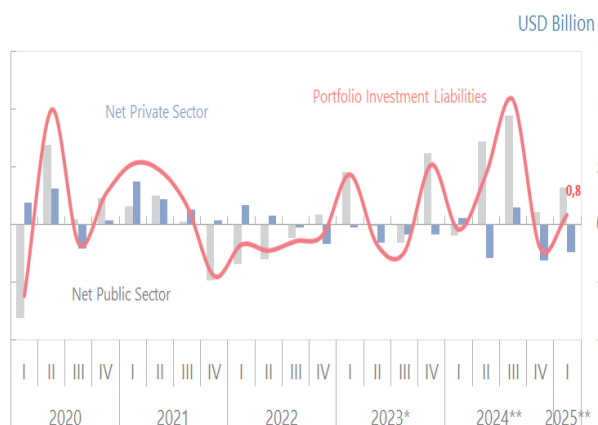
Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. Rupiah exchange rates remain under control, underpinned by Bank Indonesia's stabilization policy.

### Indonesia's Balance of Payments

Items (Billion USD)	2020	2021	2022*				2023				2024**			
			I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>Current Account</b>	<b>-4.43</b>	<b>3.51</b>	<b>0.72</b>	<b>4.28</b>	<b>4.71</b>	<b>3.50</b>	<b>13.22</b>	<b>2.85</b>	<b>-2.50</b>	<b>-1.25</b>	<b>-1.24</b>	<b>-2.41</b>	<b>-3.13</b>	<b>-2.01</b>
A. Goods	28.30	43.81	11.30	16.80	17.82	16.95	62.67	14.76	9.88	10.06	11.39	48.19	9.28	10.01
- Exports, fob	163.40	232.84	66.77	75.17	77.84	72.76	292.54	66.87	61.54	63.40	65.85	257.67	61.70	62.06
- Imports, fob	-135.10	-189.03	-55.47	-58.38	-60.21	-55.81	-229.87	-52.11	-51.56	-53.34	-54.46	-211.47	-52.42	-52.04
a. Non-Oil and Gas	29.95	57.80	17.21	24.44	25.16	22.96	89.77	19.01	15.16	15.87	17.69	67.74	15.08	15.20
b. Oil and Gas	-5.39	-12.97	-5.69	-7.19	-6.48	-5.42	-24.78	-3.91	-4.70	-5.38	-5.92	-19.92	-5.51	-4.84
B. Services	-9.76	-14.60	-4.33	-4.97	-5.26	-5.39	-19.96	-4.50	-4.60	-3.92	-4.95	-17.97	-4.18	-5.08
C. Primary Income	-28.91	-31.96	-7.73	-9.00	-8.93	-9.63	-35.30	-8.86	-9.30	-8.64	-8.92	-35.73	-8.83	-9.49
D. Secondary Income	5.93	6.26	1.49	1.46	1.28	1.57	5.80	1.45	1.43	1.25	1.24	5.36	1.32	1.43
<b>Capital and Financial Account</b>	<b>7.92</b>	<b>12.57</b>	<b>-2.01</b>	<b>-1.69</b>	<b>-5.58</b>	<b>0.61</b>	<b>-8.68</b>	<b>4.12</b>	<b>-5.03</b>	<b>-0.03</b>	<b>11.08</b>	<b>10.14</b>	<b>-1.64</b>	<b>2.82</b>
1. Direct Investment	14.14	17.29	4.65	6.60	3.44	3.38	18.07	4.43	3.95	3.26	3.34	14.98	4.66	2.05
2. Portfolio Investment	3.37	5.09	-3.18	-3.61	-3.12	-1.72	-11.63	3.00	2.64	-3.02	4.88	2.22	-1.79	3.19
3. Other Investment	-9.64	-10.21	-3.62	-4.60	-5.94	-1.48	-15.64	-3.52	-6.28	-0.23	2.75	-7.28	-4.09	-2.82
<b>Overall Balance</b>	<b>2.60</b>	<b>13.46</b>	<b>-1.82</b>	<b>2.39</b>	<b>-1.30</b>	<b>4.73</b>	<b>4.00</b>	<b>6.52</b>	<b>-7.37</b>	<b>-1.46</b>	<b>8.62</b>	<b>6.30</b>	<b>-5.97</b>	<b>-5.87</b>
- Reserve Assets Position	135.90	144.91	139.13	136.38	130.78	137.23	137.23	145.19	137.54	134.86	146.38	140.39	140.18	149.92
In Months of Imports & Official Debt Repayment	9.76	7.77	6.97	6.41	5.73	5.90	5.90	6.23	6.00	6.00	6.51	6.51	6.21	6.14
- Current Account (% GDP)	-0.42	0.30	0.23	1.27	1.39	1.06	1.00	0.88	-0.67	-0.36	-0.41	-0.15	-0.76	-0.91
- Current Account (% GDP)	-0.42	0.30	0.23	1.27	1.39	1.06	1.00	0.88	-0.67	-0.36	-0.41	-0.15	-0.76	-0.91

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 17<sup>th</sup> March 2025

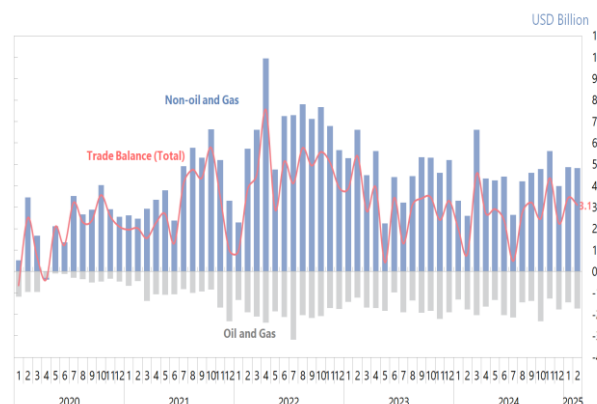
### IDR Indexes Against USD, AE Exc. US and EM Currencies

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



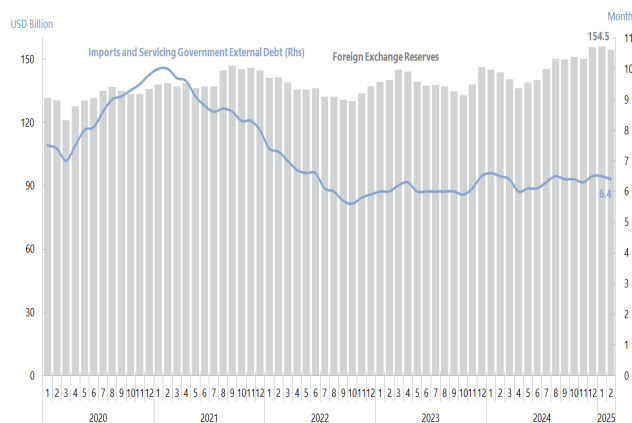
Source: Bloomberg. Data as of 18<sup>th</sup> March 2025

### Trade Balance



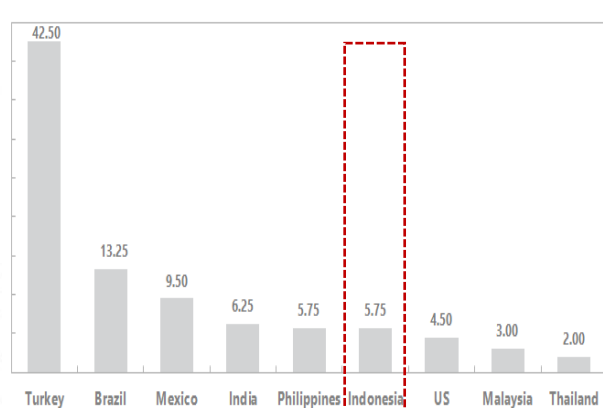
Source: BPS.

### Official Reserve Asset



Source: Bank Indonesia

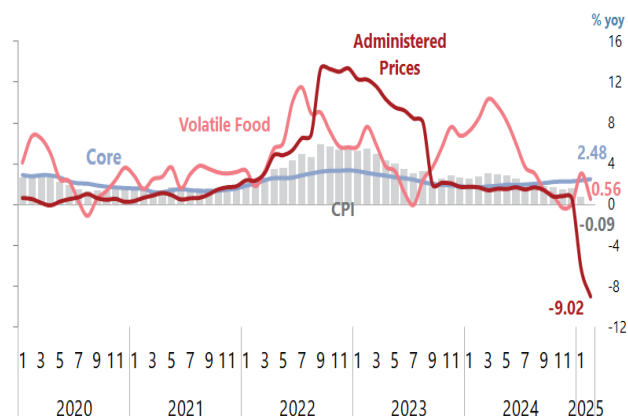
### Peers Country Interest Rate Policies



Source: Bloomberg. Data as of 18<sup>th</sup> March 2025

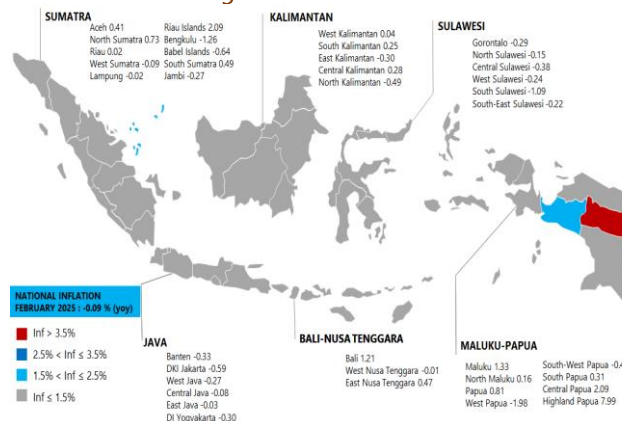
Consumer Price Index (CPI) inflation remained low in February 2025, thus underpins a stable economy.

### CPI Inflation



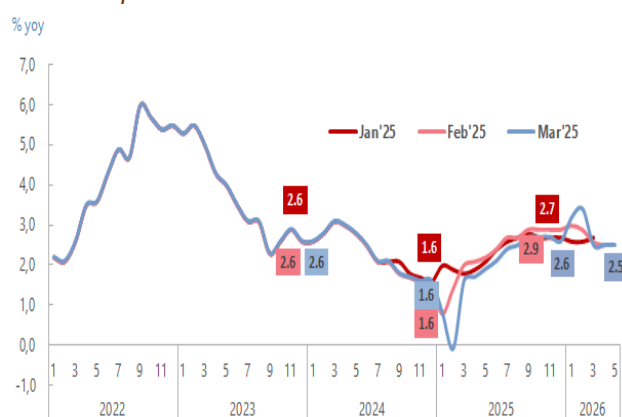
Source: BPS

### Inflation Rate among Provinces



Source: BPS

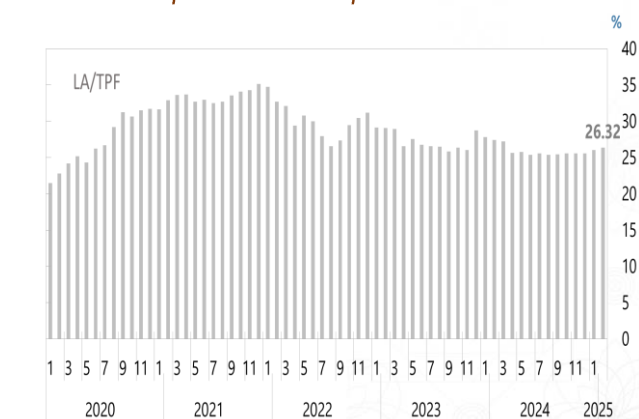
### Inflation Expectation



Source: Consensus Economics

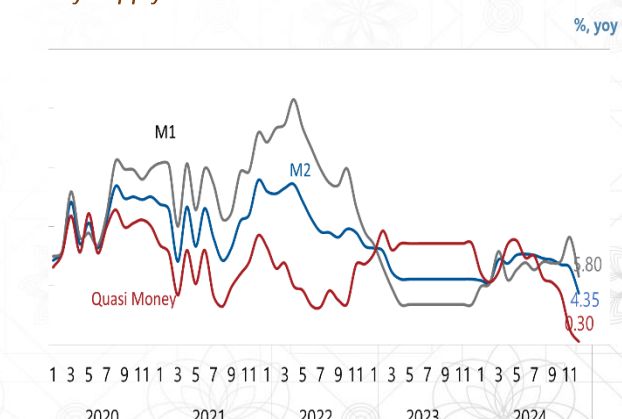
Bank Indonesia continues optimizing its pro-market monetary operations strategy and instruments to strengthen Rupiah stability and achieve the inflation target. Monetary policy transmission remains effective, primarily to the money market. Growth of loans disbursed by the banking industry remains solid, thus supporting economic growth. Banking industry resilience remains solid, thereby strengthening financial system stability.

### The Ratio of Liquid Assets to Deposits



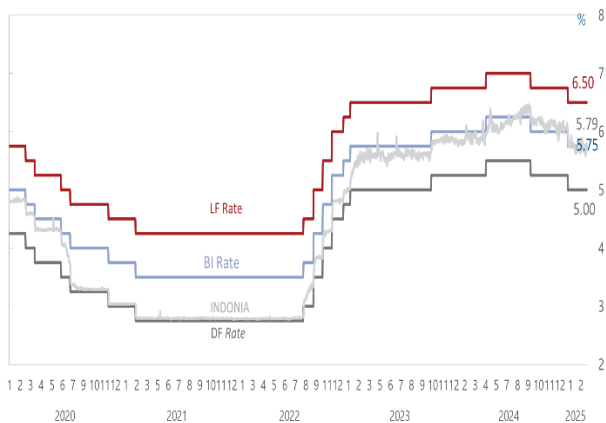
Source: Bank Indonesia

### Money Supply



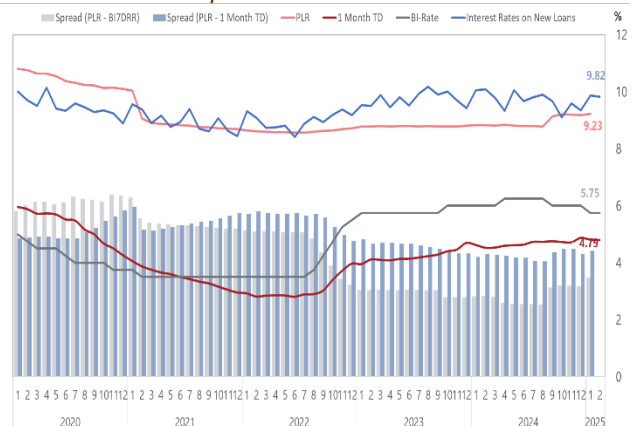
Source: Bank Indonesia

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



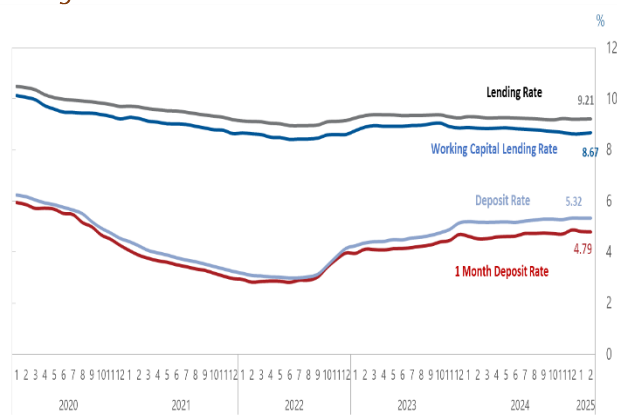
Source: Bank Indonesia

### Interest Rate Development



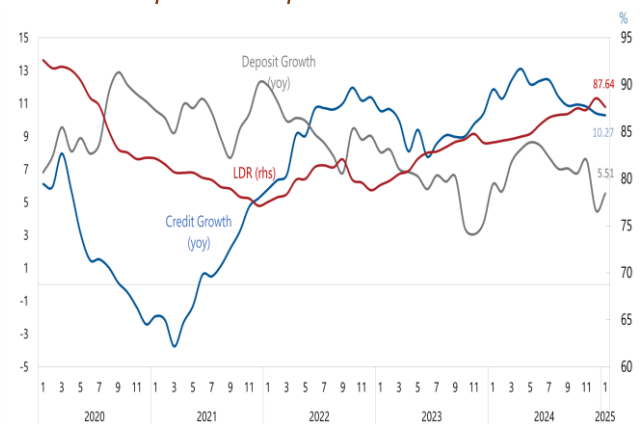
Source: OJK, Bank Indonesia, calculated

### Banking Interest Rates



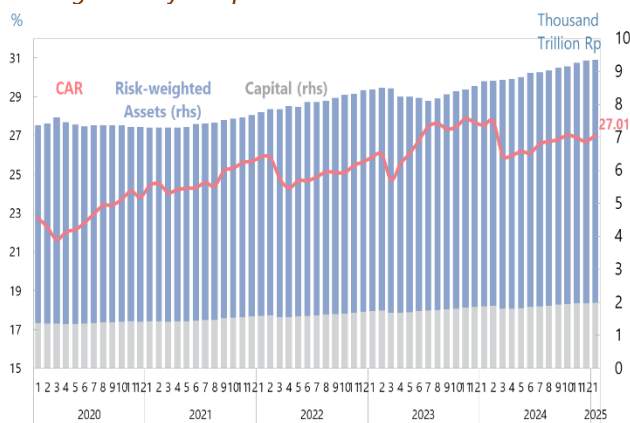
Source: Bank Indonesia

### Credit and Deposit Developments



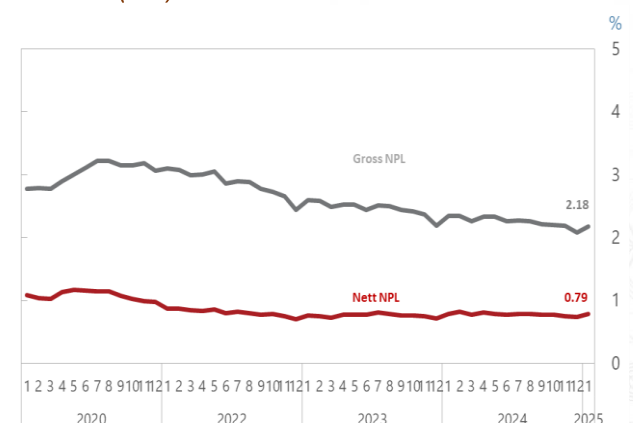
Source: Bank Indonesia

### Banking Industry's Capital



Source: Bank Indonesia

### Credit Risk (NPL)

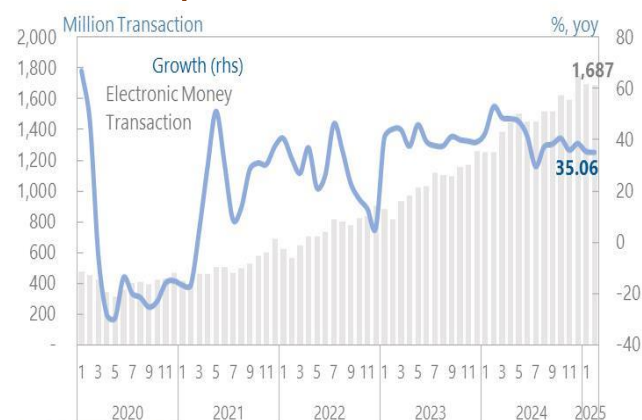


Source: Bank Indonesia, OJK



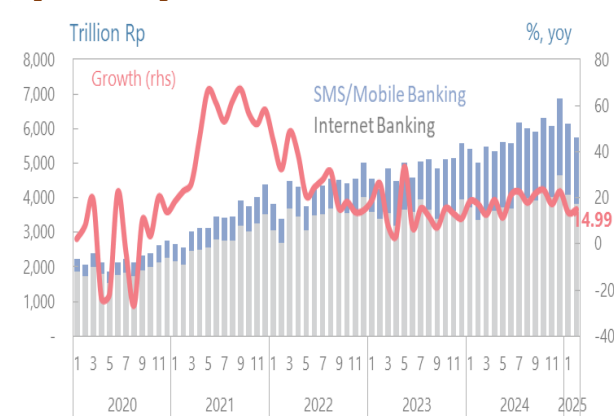
Digital economic and financial transactions continued growing in February 2025, supported by secure, seamless and reliable payment systems. Payment system stability has been maintained, supported by stable infrastructure and a sound industry structure.

#### Electronic Money Transactions Volume



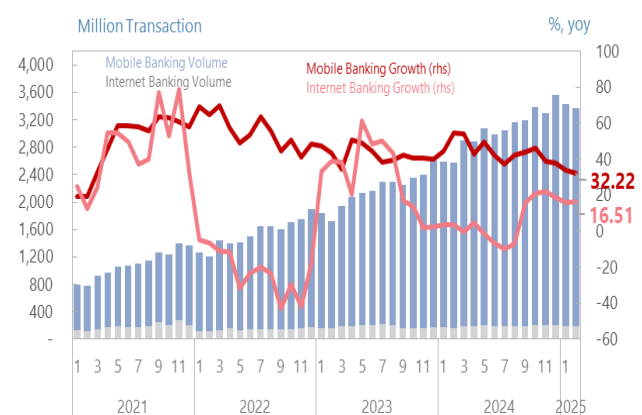
Source: Bank Indonesia

#### Digital Banking Transactions Value



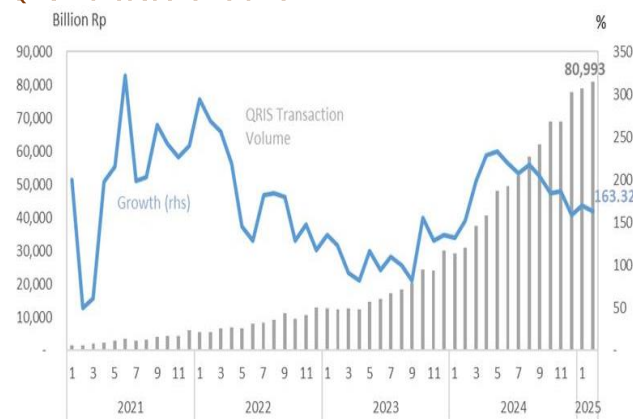
Source: Bank Indonesia

#### Digital Banking Transactions Volume



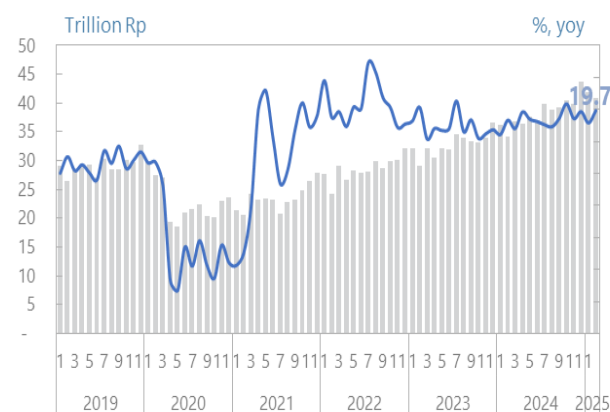
Source: Bank Indonesia

#### QRIS Transactions Volume



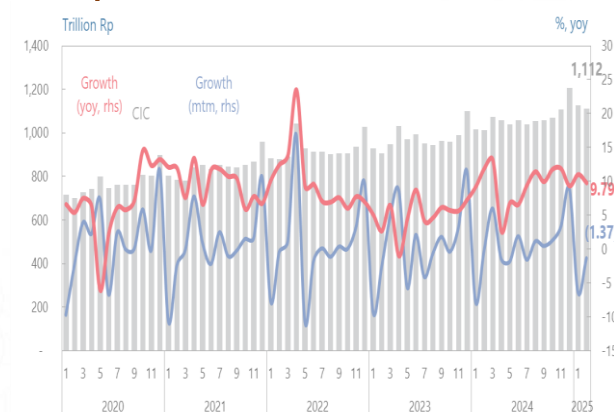
Source: Bank Indonesia

#### Credit Card Transactions Volume



Source: Bank Indonesia

#### Currency in Circulation



Source: Bank Indonesia



**BANK INDONESIA**  
BANK SENTRAL REPUBLIK INDONESIA

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