



# MONETARY POLICY

# REVIEW

# November 2021







## Foreword

The Monetary Policy Review (MPR) is published monthly by Bank Indonesia after the Board of Governors' Meeting each January, March, May, June, August, September, November and December. This report is intended as a medium for the Board of Governors of Bank Indonesia to present to the public the latest evaluation of monetary conditions, assessment, and forecast for the Indonesian economy,

in addition to the Bank Indonesia monetary policy response published quarterly in the Monetary Policy Report in February, April, July and October. Specifically, the MPR presents an evaluation of the latest developments in inflation, the exchange rate, and monetary conditions during the reporting month and decisions concerning the monetary policy response adopted by Bank Indonesia.



## The Board of Governors

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**PERRY WARJIYO**

Governor

**DESTRY DAMAYANTI**

Senior Deputy Governor

**SUGENG**

Deputy Governor

**ROSMAYA HADI**

Deputy Governor

**DODY BUDI WALUYO**

Deputy Governor

**DONI PRIMANTO JOEWONO**

Deputy Governor



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# Executive Summary

The global economic recovery is proceeding as expected despite disruptions in the global supply chain and the ongoing energy shortage. Incremental domestic economic gains are expected to continue. External sector resilience in Indonesia has been maintained in line with a solid Balance of Payments (BOP). In response to Bank Indonesia's stabilisation measures, rupiah exchange rate movements remain under control despite global financial market uncertainty that has not yet fully subsided. Inflation remains low, thereby reinforcing economic stability. Liquidity conditions remain very loose in line with Bank Indonesia's accommodative monetary policy stance and the impact of synergy between Bank Indonesia and the Government to support the national economic recovery. Bank Indonesia's decision to maintain a low policy rate, coupled with very loose liquidity conditions in the banking industry, have prompted lower lending rates. Financial system resilience is solid, accompanied by a gradual revival of the bank intermediation function. Bank

Indonesia continues to accelerate digitalisation programs in accordance with the Indonesia Payment System Blueprint (BSPI) 2025 towards greater integration of the digital economy and finance as well as financial and economic inclusion, while supporting the national economic recovery.

The BI Board of Governors Meeting agreed on 17<sup>th</sup> and 18<sup>th</sup> November 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, while also maintaining the Deposit Facility (DF) rates at 2.75% and Lending Facility (LF) rates at 4.25%. The decision is consistent with the need to maintain exchange rates and financial system stability amid projected low inflation and efforts to revive economic growth. Bank Indonesia continues to optimise its policy mix towards maintaining macroeconomic and financial system stability, while supporting national economic recovery efforts.





## CHAPTER 1

# Global and Domestic Economic Developments

**The global economic recovery is proceeding as expected despite disruptions in the global supply chain and the ongoing energy shortage.** Economic growth moderated in various countries during the third quarter of 2021, including the United States, China and Japan, as a corollary of the highly contagious Delta variant of coronavirus, supply chain disruptions and the ongoing energy shortage. On the other hand, solid growth has been maintained in Europe as economies continue to reopen. Entering the fourth quarter of 2021, the global economic recovery is expected to persist, as confirmed by several early indicators in October 2021, such as the Purchasing Managers Index (PMI), consumer confidence and retail sales, as well as an easing of the energy shortage in China. Bank Indonesia, therefore, projects global economic growth in 2021 at 5.7% with similarly solid performance expected in 2022. World trade volume and international commodity prices continue to rise, thereby supporting the export outlook in developing

economies. Global financial market uncertainty remains slightly elevated by concerns of an earlier tightening of global monetary policy in response to persistently higher inflation, which would restrict capital flows and intensify currency pressures in developing countries, including Indonesia.

**Incremental domestic economic gains are expected to continue.** The national economy grew 3.51% (yoy) in the third quarter of 2021, decelerating from 7.07% (yoy) in the previous period after the Government reintroduced mobility restrictions to contain the Delta variant surge of coronavirus. Economic performance in the reporting period was supported by solid exports despite restrained household consumption and investment. By sector, the key drivers of domestic economic growth are the Manufacturing Industry, Trade as well as Mining, and spatially supported by economic performance in the Sulawesi-Maluku-Papua (Sulampua), Kalimantan and Sumatra regions. Bank Indonesia projects stronger

economic growth in the fourth quarter of 2021, underpinned by solid exports, larger fiscal spending as well as increasing consumption and investment activity. This was confirmed by improving indicators at the beginning of November 2021, including public mobility, retail sales, consumer expectations, manufacturing PMI as well as export and import realisation. Bank Indonesia expects economic growth to continue accelerating in 2022 on the back of greater mobility afforded by a faster vaccination program rollout, broader reopening of economic sectors and ongoing policy stimuli.

**External sector resilience in Indonesia has been maintained in line with a solid Balance of Payments (BOP).** The current account is expected to record a positive balance in the third quarter of 2021, supported by strong exports on increasing global demand and international commodity prices. Foreign capital inflows of direct investment and portfolio investment are predicted to maintain a capital and financial account surplus. The trade surplus reached USD5.7 billion in October 2021, which is the highest level recorded, bolstered by exports of major commodities, such as coal, crude palm oil (CPO), iron and steel. Meanwhile, portfolio investment in the fourth quarter of 2021 (as of 16<sup>th</sup> November 2021) recorded a net inflow totalling USD0.14 billion. At the end of October 2021, the position of reserve assets stood at USD145.5 billion, equivalent to 8.5 months of imports or 8.3 months of imports and servicing government external debt, which is well above the 3-month international adequacy standard. Looking ahead, Bank Indonesia projects a low and manageable current account deficit in 2021 and 2022, thus supporting external sector resilience in Indonesia.

**In response to Bank Indonesia's stabilisation measures, rupiah exchange rate movements remain under control despite global financial market uncertainty that has not yet fully subsided.** As of 17<sup>th</sup> November 2021, the rupiah depreciated 0.53% (ptp) and 0.56% on average compared with the October 2021 level. The weaker rupiah stems from restrained foreign capital inflows despite the promising domestic economic outlook and maintained domestic supply of foreign exchange. Compared with the level at the end of 2020, therefore, the rupiah has depreciated by 1.35% (ytd), which is relatively lower than the depreciation experienced in several other developing economies, namely India, Malaysia and the Philippines. Bank Indonesia continues to strengthen rupiah exchange rate stabilisation policy in line with the currency's fundamental value and market mechanisms through effective monetary operations and adequate market liquidity.

**Inflation remains low, thereby reinforcing economic stability.** In October 2021, the Consumer Price Index (CPI) recorded 0.12% (mtm) inflation, bringing headline inflation to 0.93% (ytd) for the year. Annually, CPI inflation stood at 1.66% (yoy), up from 1.60% (yoy) in September 2021. Despite early signs of growing domestic demand, core inflation remains low in line with maintained supply, stable exchange rates and anchored inflation expectations. Lower volatile food inflation was recorded due to adequate supply, while inflationary pressures on administered prices have increased as a result of rising airfares in line with greater mobility and the knock-on effect of higher tobacco excise duty. Consequently, inflation in 2021 and 2022 is projected within the 3.0%±1% target corridor. Bank Indonesia is firmly committed to maintaining price stability and strengthening policy coordination with the central and regional governments through national and regional inflation control teams (TPI and TPID) to control headline inflation within the target.

**Liquidity conditions remain very loose in line with Bank Indonesia's accommodative monetary policy stance and the impact of synergy between Bank Indonesia and the Government to support the national economic recovery.** Bank Indonesia has injected liquidity through quantitative easing (QE) to the banking industry totalling Rp137.24 trillion in 2021 (as of 16<sup>th</sup> November 2021). In addition, Bank Indonesia continues to purchase SBN in the primary market to fund the 2021 State Revenue and Expenditure Budget (APBN), totalling Rp143.32 trillion, in accordance with the Joint Decree (KB) issued by the Minister of Finance and Governor of Bank Indonesia on 16<sup>th</sup> April 2020 and subsequently extended on 11<sup>th</sup> December 2020 until 31<sup>st</sup> December 2021. SBN purchases include Rp67.87 trillion through primary auction and Rp75.46 trillion through greenshoe options (GSO). The expansive monetary policy stance supports very loose liquidity conditions in the banking industry, as reflected in October 2021 by a high ratio of liquid assets to deposits of 34.05% and deposit growth of 9.44% (yoy). Liquidity in the economy has also increased, as indicated by narrow (M1) and broad (M2) money supply aggregates, which grew 14.6% (yoy) and 10.4% (yoy) respectively in the reporting period, primarily driven by fiscal expansion and growth of outstanding loans disbursed by the banking industry.

**Bank Indonesia's decision to maintain a low policy rate, coupled with very loose liquidity conditions in the banking industry, have prompted lower lending rates.** In the markets, the overnight interbank rate and 1-month deposit rate have fallen 52bps and 151bps respectively since October 2020 to 2.80% and 3.17% in October 2021.

In the credit market, the banking industry continues to lower prime lending rates (SBDK), accompanied by low interest rates on new loans. Increasing economic activity and public mobility have improved risk perception in the banking industry, prompting lower interest rates on new loans. Bank Indonesia expects the banking industry to continue lowering lending rates as part of the joint efforts to revive lending to the corporate sector.

**Financial system resilience is solid, accompanied by a gradual revival of the bank intermediation function.** The Capital Adequacy Ratio (CAR) in the banking industry remained high in September 2021 at 25.18%, with persistently low NPL ratios of 3.22% (gross) and 1.04% (nett). Boosted by growing supply and demand, the bank intermediation function expanded 3.24% (yoy) in October 2021. Demand for loans is increasing in line with business activity and consumption as restrictions on public activity are relaxed. On the supply side, the banking industry loosened lending standards in line with lower risk perception. All loan types recorded positive growth, led by consumer loans and working capital loans, while housing loans posted higher growth at 8.87% (yoy). Meanwhile, growth of MSME loans accelerated to 3.04% (yoy) in the reporting period. Such developments demonstrate ongoing gains in the real and corporate sectors, MSMEs in particular. Bank Indonesia will maintain an accommodative macroprudential policy stance as well as policy synergy with the Government and other financial sector authorities to revive bank lending.

**Bank Indonesia continues to accelerate digitalisation programs in accordance with the Indonesia Payment System Blueprint (BSPI) 2025 towards greater integration of the digital economy and finance as well as financial and economic inclusion, while supporting the national economic recovery.** Digital economic and financial transactions continue to proliferate given greater public acceptance and growing public preference towards online retail as well as the expansion of digital payments and digital banking. The value of e-money transactions increased 55.54% (yoy) to Rp29.23 trillion in October 2021. Similarly, the value of digital banking transactions increased 63.31% (yoy) to Rp3,910.25 trillion in the same period and the value of payment transactions using ATM cards, debit cards and credit cards grew 6.37% (yoy) to Rp664.26 trillion. Such achievements were reinforced by expansion of the QRIS ecosystem, with QRIS now accepted by over 12.5 million merchants, thus exceeding the target for 2021. This achievement is the result of collaboration and synergy between the central and regional governments, government ministries and agencies, associations/organisations and the industry as well as all elements of the public. On the cash side, currency in circulation in October 2021 grew 5.9% (yoy) to reach Rp854.3 trillion. Bank Indonesia continues to ensure cash availability in all regions of Indonesia, while digitalising rupiah currency management and providing educational activities concerning love, pride and understanding the rupiah (Cinta Bangsa Paham Rupiah).





## CHAPTER 2

# Bank Indonesia Policy Response

The BI Board of Governors Meeting agreed on 17<sup>th</sup> and 18<sup>th</sup> November 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, while also maintaining the Deposit Facility (DF) rates at 2.75% and Lending Facility (LF) rates at 4.25%. The decision is consistent with the need to maintain exchange rates and financial system stability amid projected low inflation and efforts to revive economic growth. In addition, Bank Indonesia continues to optimise its policy mix towards maintaining macroeconomic and financial system stability, while supporting national economic recovery efforts through the following measures:

1. Maintaining rupiah exchange rate policy to preserve stability in line with the currency's fundamental value and market mechanisms.
2. Continuing the strengthening strategy for monetary operations to reinforce the effectiveness of the accommodative monetary policy stance.
3. Strengthening prime lending rate (SBDK) transparency in the banking industry by deepening the assessment of the largest banks that dominate 70% of the credit market.
4. Extending the 0% QRIS merchant discount rate (MDR) for micro merchants until 30<sup>th</sup> June 2022 to maintain QRIS acceptance and uptake as well as industry sustainability.
5. Promoting trade and investment as well as socialising Local Currency Settlement (LCS) in conjunction with other relevant institutions. In November and December 2021, promotional activities will be organised in Japan, China, United States, United Kingdom, Russia, Brunei and Singapore.

Bank Indonesia will also continue to strengthen policy coordination with the Government and Financial System Stability Committee to maintain financial system stability

and revive bank lending to the corporate and priority sectors, which will help catalyse economic growth and exports as well as economic and financial inclusion.

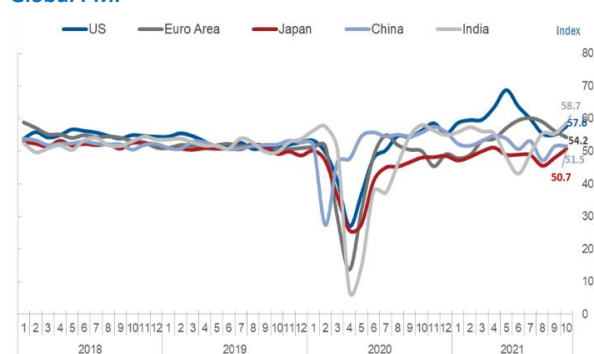
## The global economic recovery is proceeding as expected despite disruptions in the global supply chain and the ongoing energy shortage

### Global GDP Growth

Country	2018	2019	2020	2021*
<b>World</b>	<b>3.6</b>	<b>2.8</b>	<b>-3.2</b>	<b>5.7</b>
<b>Advanced economies</b>	<b>2.3</b>	<b>1.6</b>	<b>-4.6</b>	<b>5.1</b>
United States	3.0	2.2	-3.5	5.9
Europe	1.9	1.3	-6.5	4.8
Japan	0.6	0.0	-4.7	2.4
<b>Emerging economies</b>	<b>4.5</b>	<b>3.7</b>	<b>-2.1</b>	<b>6.1</b>
China	6.7	6.0	2.3	8.0
India	6.5	4.8	-7.0	8.8
ASEAN-5	5.3	4.9	-3.4	3.9
Latin America	1.2	0.1	-7.0	5.1
Emerging Euro	3.4	2.5	-2.0	4.7
Middle East & Central Asia	2.0	1.4	-2.6	3.9

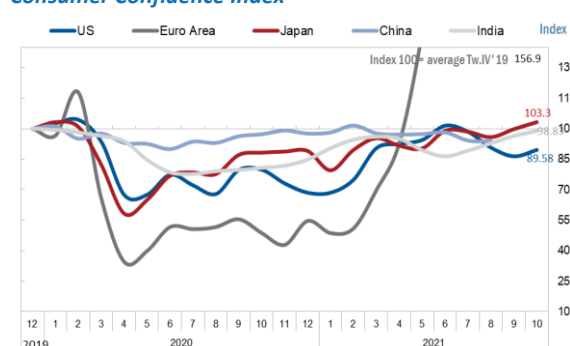
Source: IMF WEO. \*Bank Indonesia Projection

### Global PMI



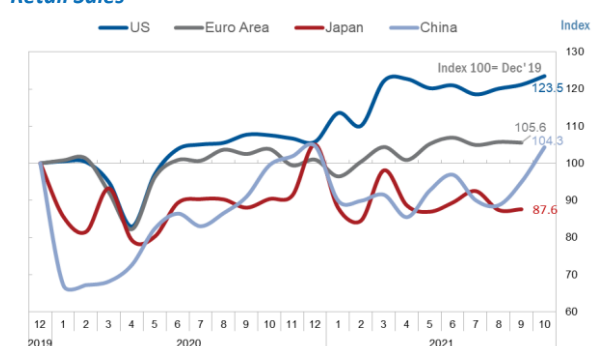
Source: IHS Markit, Bloomberg (China)

### Consumer Confidence Index



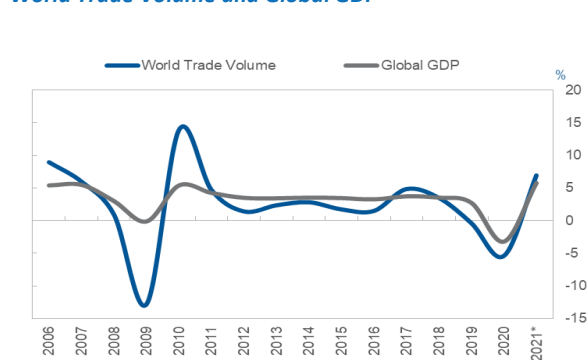
Source: Bloomberg, calculated

### Retail Sales



Source: CEIC, calculated

### World Trade Volume and Global GDP



Source: CPB, IMF, \* Bank Indonesia Projection

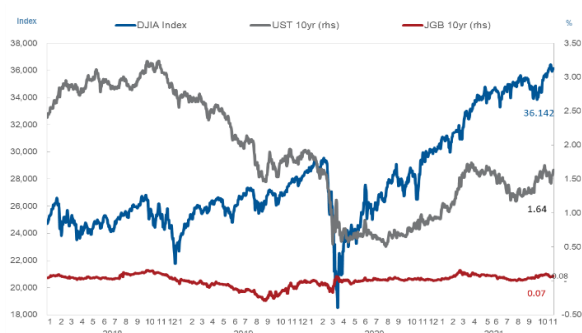
### Commodity Prices

Commodity	2016	2017	2018	2019	2020				2021				
					Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	YTD*
Copper	-10.5	27.1	6.7	-7.8	-7.8	-12.3	11.8	21.6	3.3	50.3	80.3	44.3	48.7
Coal	6.8	48.2	2.5	-8.6	-8.0	-28.2	-27.9	-9.8	-18.5	19.5	92.8	203.9	120.8
CPO	21.3	5.7	-19.2	-2.3	33.3	14.0	35.5	34.9	29.4	47.1	84.6	60.4	56.5
Rubber	-2.2	28.1	-16.8	12.4	-18.6	-22.7	3.8	36.4	-0.3	37.7	42.7	6.6	16.7
Nickel	-15.4	8.9	27.8	7.0	3.8	0.0	-8.1	3.9	-0.1	37.9	41.4	33.7	31.8
Tin	13.1	13.1	0.5	-7.5	-17.2	-20.4	3.1	12.6	-5.5	46.1	86.1	91.1	76.0
Aluminium	-3.5	22.9	7.4	-14.1	-5.8	-15.9	-2.6	9.8	-3.7	22.9	57.7	52.2	42.1
Coffee	4.3	-2.9	-15.4	-11.8	14.8	-2.8	2.9	-3.4	3.0	6.7	39.0	55.2	43.9
Others	1.0	6.8	1.2	-0.7	-2.1	-5.6	-4.9	-4.5	-4.3	0.3	7.6	3.9	3.9
Indonesian Export	5.4	21.7	-2.8	-3.0	1.5	-10.4	-1.7	7.5	-0.8	23.7	58.5	79.5	55.4
Commodity Prices													
Oil (Brent)**	44.1	54.4	71	64	51	31	43	45	42	61	69	73	70

Source: Bloomberg. Data as of 16<sup>th</sup> November 2021

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

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



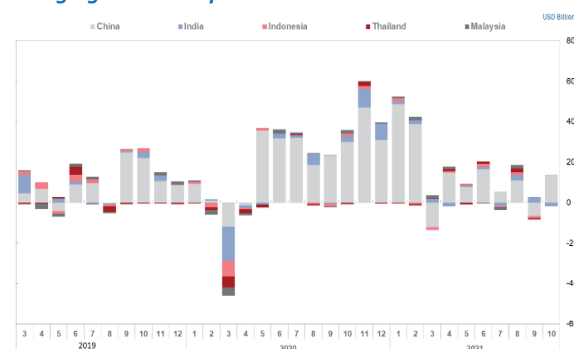
Source: Bloomberg. Data as of 16<sup>th</sup> November 2021

### Risk Perception on EM and Indonesia



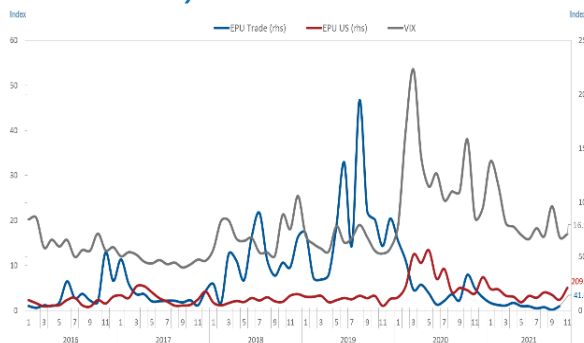
Source: Bloomberg. Data as of 16<sup>th</sup> November 2021

### Emerging Market Capital Flow



Source: IIF

### Global Uncertainty Index



Source: Bloomberg. Data as of 16<sup>th</sup> November 2021

## Domestic Economic Gains Are Expected to Continue Gradually

### Economic Growth - Expenditure Side

Components	2019	2020				2021			
		I	II	III	IV	2020	I	II	III
Household Consumption	5.04	2.83	-5.51	-4.05	-3.61	-2.63	-2.21	5.96	1.03
Non-Profit Institution Serving Household (NPISH) Consumption	10.62	-5.09	-7.76	-1.97	-2.14	-4.29	-3.99	4.15	2.96
Government Consumption	3.25	3.75	-6.90	9.76	1.76	1.94	2.58	8.03	0.66
Investment (GFCF)	4.45	1.70	-8.61	-6.48	-6.15	-4.95	-0.23	7.54	3.74
Building Investment	5.37	2.76	-5.26	-5.60	-6.63	-3.78	-0.74	4.36	3.36
NonBuilding Investment	1.80	-1.46	-18.62	-8.99	-4.71	-8.38	1.39	18.58	4.89
Exports	-0.87	0.23	-11.66	-11.66	-7.21	-7.70	7.09	31.98	29.16
Imports	-7.69	-2.19	-16.96	-23.00	-13.52	-14.71	5.38	31.72	30.11
<b>GDP</b>	<b>5.02</b>	<b>2.97</b>	<b>-5.32</b>	<b>-3.49</b>	<b>-2.19</b>	<b>-2.07</b>	<b>-0.71</b>	<b>7.07</b>	<b>3.51</b>

Source: BPS

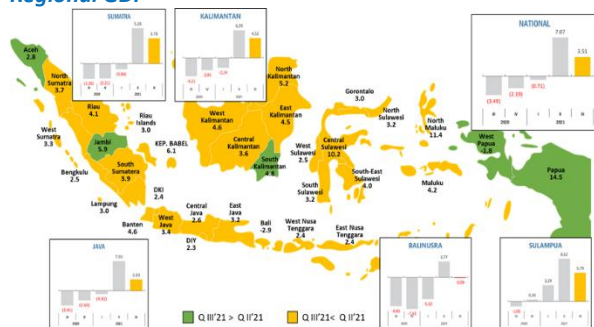
### Economic Growth – Economic Sectors Side

Components	2019	2020				2020	2021		
		I	II	III	IV		I	II	III
Agriculture, Forestry, and Fisheries	3.54	0.02	2.19	2.16	2.59	1.75	3.38	0.43	1.31
Mining and excavation	1.22	0.45	-2.72	-4.28	-1.20	-1.95	-2.02	5.22	7.78
Manufacture	3.80	2.06	-6.19	-4.34	-3.14	-2.93	-1.38	6.58	3.68
Electricity and Gas Procurement	4.04	3.85	-5.46	-2.44	-5.01	-2.34	1.68	9.09	3.85
Water Supply	6.83	4.55	4.55	5.94	4.98	4.94	5.46	5.78	4.55
Construction	5.76	2.90	-5.39	-4.52	-5.67	-3.26	-0.79	4.42	3.84
Wholesale Retail, Car and Motorcycle Repairs	4.62	1.60	-7.57	-5.05	-3.64	-3.72	-1.23	9.45	5.16
Transportation and Warehousing	6.40	1.29	-30.84	-16.71	-13.42	-15.04	-13.12	25.10	-0.72
Provision of Accommodation, Food and Beverages	5.80	1.95	-22.02	-11.81	-8.88	-10.22	-7.26	21.58	-0.13
Information and Communication	9.41	9.80	10.88	10.72	10.91	10.58	8.71	6.90	5.51
Financial Services and Insurance	6.60	10.62	1.03	-0.95	2.37	3.25	-2.97	8.33	4.29
Real Estate	5.74	3.79	2.30	1.96	1.25	2.32	0.94	2.82	3.42
Corporate Services	10.25	5.39	-12.09	-7.61	-7.02	-5.44	-6.10	9.94	-0.59
Government Administration, Defence and Compulsory Social Security	4.67	3.16	-3.22	1.82	-1.55	-0.03	-2.91	9.63	-9.96
Education Services	6.29	5.89	1.21	2.41	1.36	2.63	-1.53	5.89	-4.42
Health Services and Other Social Activities	8.68	10.39	3.71	15.29	16.54	11.60	3.38	11.68	14.06
Other Services	10.55	7.09	-12.60	-5.55	-4.84	-4.10	-5.15	11.97	-0.30
<b>GDP</b>	<b>5.02</b>	<b>2.97</b>	<b>-5.32</b>	<b>-3.49</b>	<b>-2.19</b>	<b>-2.07</b>	<b>-0.71</b>	<b>7.07</b>	<b>3.51</b>

Source: BPS

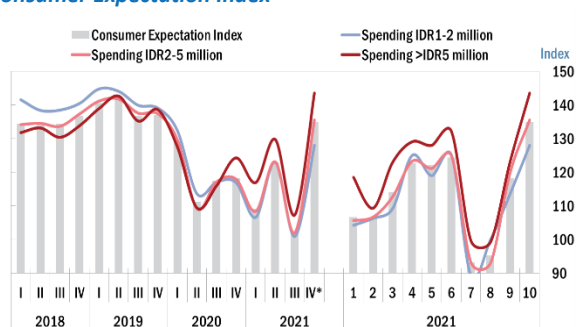


## Regional GDP



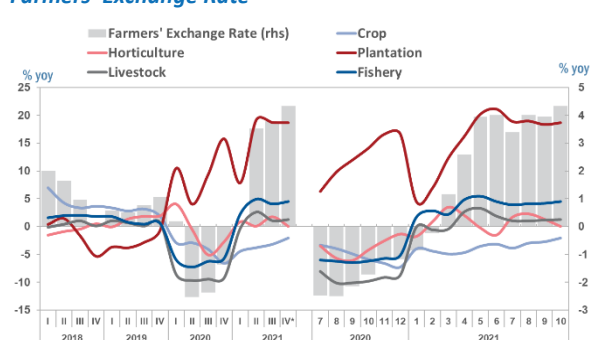
Source: BPS, calculated

## Consumer Expectation Index



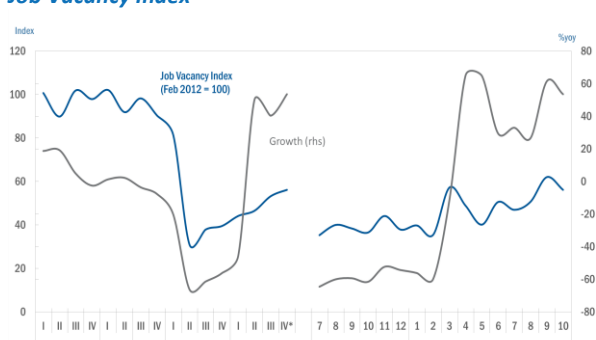
Source: Bank Indonesia. \*Data as of October 2021

## Farmers' Exchange Rate



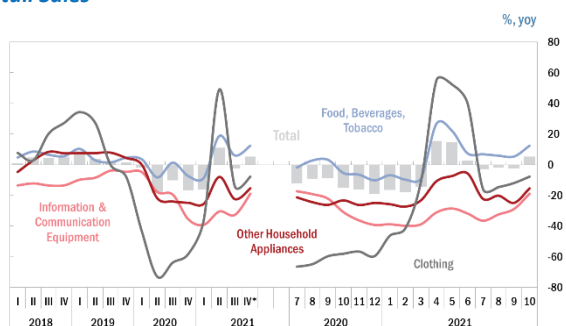
Source: BPS, calculated. \*Data as of October 2021

## Job Vacancy Index



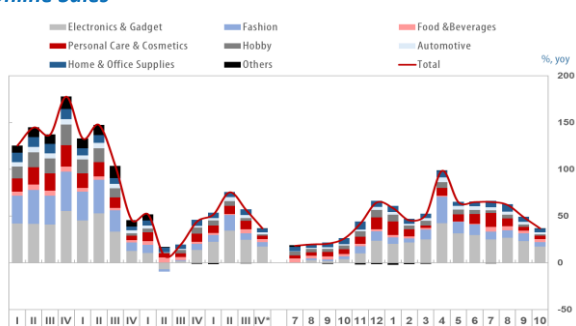
Source: Big Data Analytics Bank Indonesia. \*Data as of October 2021

## Retail Sales



Source: Bank Indonesia. \*Data as of October 2021

## Online Sales



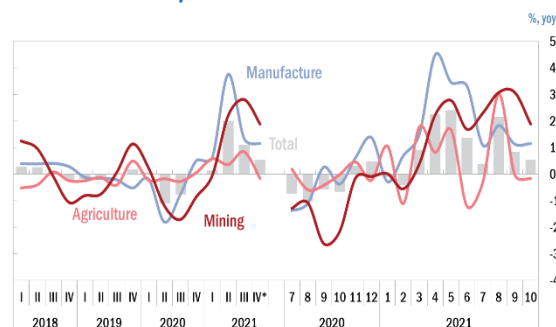
Source: Big Data Analytics Bank Indonesia. \*Data as of October 2021

## Realization of State Budget (APBN)

ITEMS	2020		2021	
	Realization (IDR Trillion)	% Realization PERPRES 72	Budget (IDR Trillion)	Realization as of September 2021 (IDR Trillion)
<b>A. State Income and Grants</b>	<b>1,647.8</b>	<b>96.9%</b>	<b>1,743.6</b>	<b>1,355.0</b>
I. Domestic Income	1,629.0	95.9%	1,742.7	1,354.0
1. Tax Income	1,285.1	91.5%	1,444.5	1,033.0
2. NonTax Income	343.8	116.9%	298.2	321.0
II. Grant	18.8	1448.7%	0.9	1.0
<b>B. State Expenditures</b>	<b>2,595.5</b>	<b>94.8%</b>	<b>2,750.0</b>	<b>1,806.9</b>
I. Central Government Expenditures	1,833.0	92.8%	1,954.5	1,265.4
1. Employee Spending	380.5	94.3%	421.1	300.1
2. Spending for Goods	422.3	154.6%	362.5	317.4
3. Capital Expenditures	190.9	139.0%	246.8	118.7
4. Payment of Debt Obligations	314.1	92.7%	373.3	253.6
5. Subsidies	196.2	102.2%	175.4	132.0
6. Grant Expenditure	6.3	123.7%	6.8	1.4
7. Social Assistance	202.5	116.1%	161.4	115.8
8. Other Expenditures	120.0	26.6%	207.3	26.3
II. Transfer to Regions and Village Funds	762.5	99.8%	795.5	541.5
1. Transfer to Regions	691.4	99.8%	723.5	491.3
2. Village Funds	71.1	99.9%	72.0	50.2
<b>C. Primary Balance</b>	<b>(633.6)</b>	<b>(633.1)</b>	<b>(1006.4)</b>	<b>(158.2)</b>
<b>D. Budget Surplus/Deficit</b>	<b>(947.7)</b>	<b>(947.7)</b>	<b>(1006.4)</b>	<b>(451.9)</b>
<b>Surplus/Deficit (%GDP)</b>	<b>(6.1)</b>	<b>(6.1)</b>	<b>(5.7)</b>	<b>(2.7)</b>

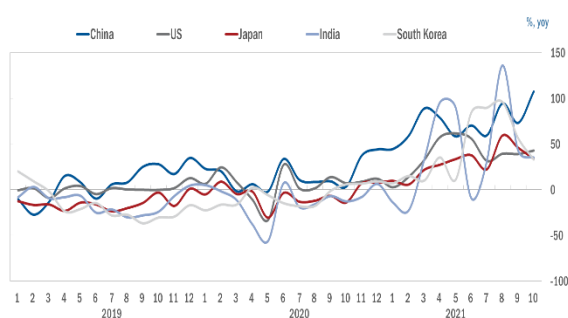
Source: Ministry of Finance

## Non-oil and Gas Exports



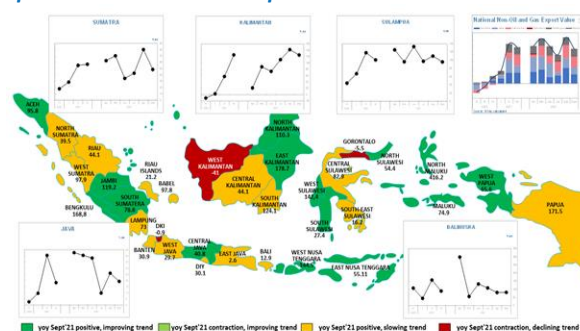
Source: Bank Indonesia. \*Data as of October 2021

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



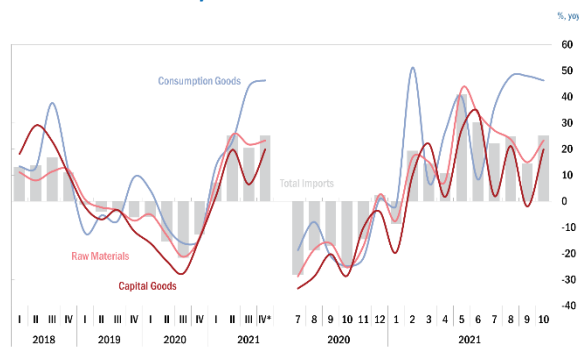
Source: Bank Indonesia

## Spatial Non-oil and Gas Exports



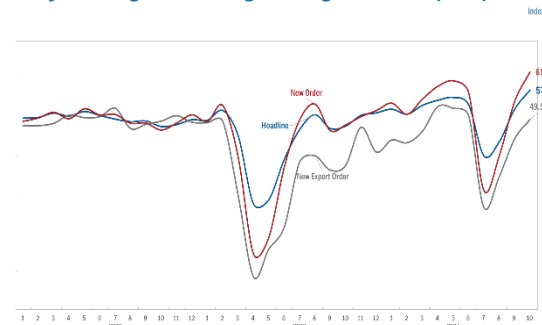
Source: Bank Indonesia

## Non-oil and Gas Imports



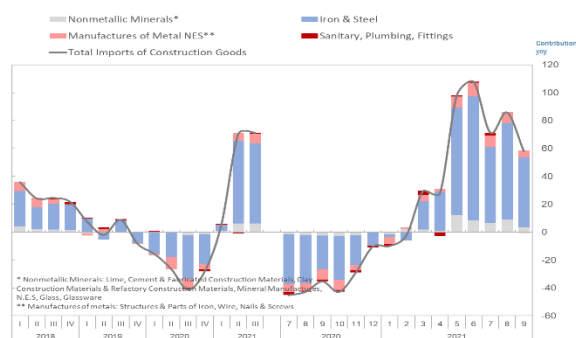
Source: Bank Indonesia. \*Data as of October 2021

## Manufacturing Purchasing Managers' Index (PMI)



Source: Markit Economics

## Import of Construction Goods



Source: Bank Indonesia

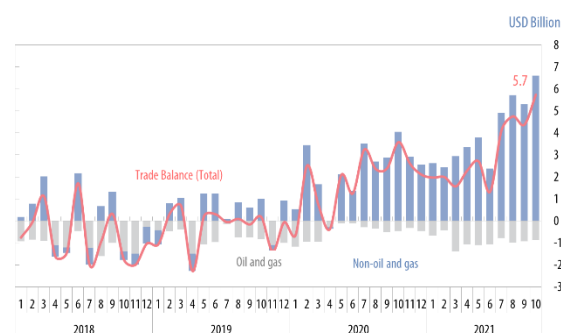
**External sector resilience in Indonesia has been maintained in line with a solid Balance of Payments (BOP); rupiah exchange rate movements remain under control**

## Indonesia's Balance of Payments

Items (Billion USD)	2019	I	II	III	IV	Total	I**	II**	III**
<b>Current Account</b>	<b>-30.3</b>	<b>-3.4</b>	<b>-2.9</b>	<b>1.1</b>	<b>0.9</b>	<b>-4.3</b>	<b>-1.1</b>	<b>-2.2</b>	<b>4.5</b>
A. Goods	3.5	4.5	4.0	9.8	10.0	28.2	7.6	8.1	15.0
- Exports, fob	168.5	41.7	34.6	40.8	46.2	163.4	49.4	54.3	61.7
- Imports, fob	-164.9	-37.2	-30.7	-31.0	-36.2	-135.1	-41.7	-46.2	-46.7
a. Non-Oil and Gas	12.0	5.8	3.3	9.4	11.3	29.9	10.0	11.6	18.1
b. Oil and Gas	-10.3	-2.6	-0.8	-0.7	-1.2	-5.4	-2.3	-3.4	-2.9
B. Services	-7.6	-1.7	-2.1	-2.7	-3.1	-9.6	-3.4	-3.7	-3.6
C. Primary Income	-33.8	-7.9	-6.2	-7.4	-7.4	-28.9	-6.7	-8.1	-8.3
D. Secondary Income	7.6	1.7	1.4	1.4	1.4	5.9	1.4	1.5	1.4
<b>Capital and Financial Account</b>	<b>36.6</b>	<b>-3.0</b>	<b>10.8</b>	<b>0.9</b>	<b>-1.0</b>	<b>7.6</b>	<b>5.5</b>	<b>1.9</b>	<b>6.10</b>
1. Direct Investment	20.5	4.3	4.2	0.9	4.2	13.6	4.2	5.3	3.3
2. Portfolio Investment	22.0	-6.3	9.7	-2.0	2.0	3.4	4.9	4.4	1.1
3. Other Investment	-6.1	-0.6	-3.3	1.9	-7.4	-9.4	-3.6	-7.8	1.5
<b>Overall Balance</b>	<b>4.7</b>	<b>-8.5</b>	<b>9.2</b>	<b>2.1</b>	<b>-0.2</b>	<b>2.6</b>	<b>4.1</b>	<b>-0.4</b>	<b>10.7</b>
<b>Memorandum :</b>									
- Reserve Assets Position	129.2	121.0	131.7	135.2	135.9	137.1	137.1	146.9	
In Months of Imports & Official Debt Repayment	7.3	7.0	8.1	9.1	9.8	9.8	9.7	8.6	
- Current Account (% GDP)	-2.7	-1.2	-1.2	0.4	0.3	-0.4	-0.4	-0.8	1.5

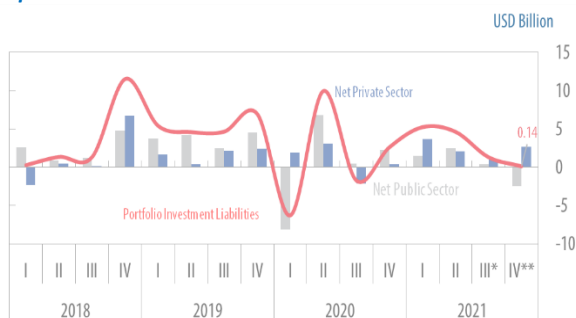
Source: Bank Indonesia. \*Provisional Figures; \*\* Very Provisional Figures

## Trade Balance



Source: BPS

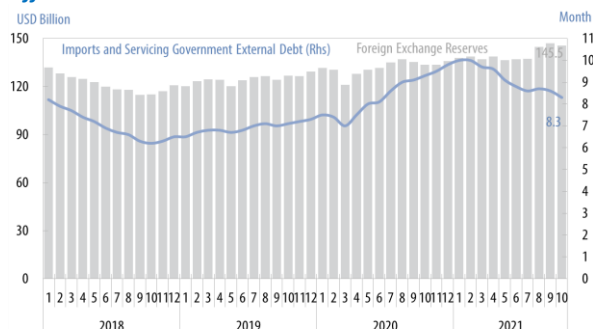
## Capital Flows



Source: Bank Indonesia. \*Data as of 16<sup>th</sup> November 2021

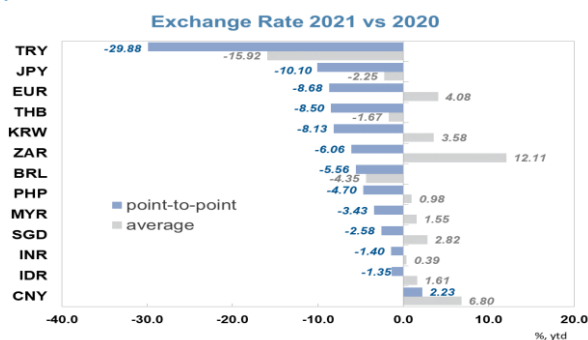
\*Provisional Figures; \*\* Very Provisional Figures

## Official Reserve Asset



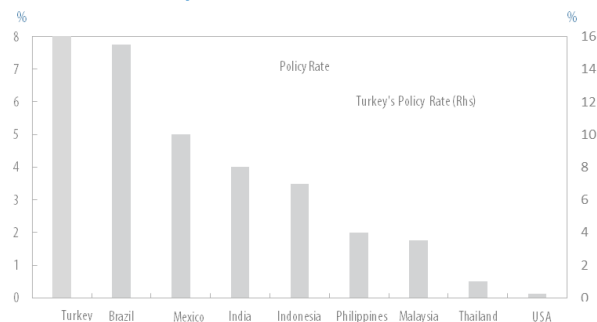
Source: Bank Indonesia

## Rupiah vs Peer Countries



Source: Bloomberg and Reuters. Data as of 17<sup>th</sup> November 2021

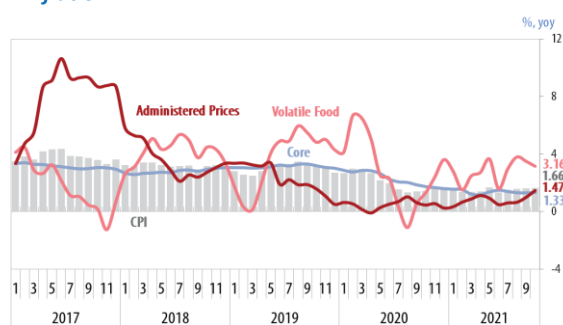
## Peer Countries' Policy Rates



Source: Bloomberg. Data as of 17<sup>th</sup> November 2021

## Inflation remains low, thereby reinforcing economic stability

### CPI Inflation



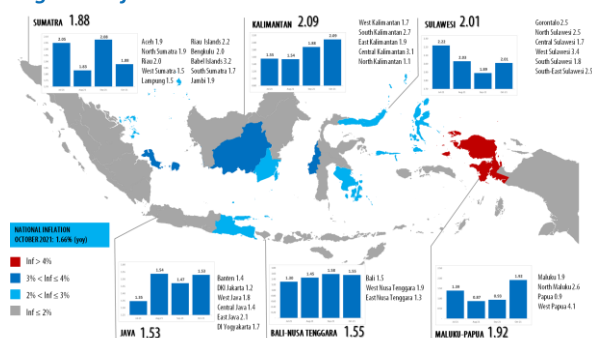
Source: BPS, calculated

### Inflation Expectations



Source: Consensus Forecast

### Regional Inflation

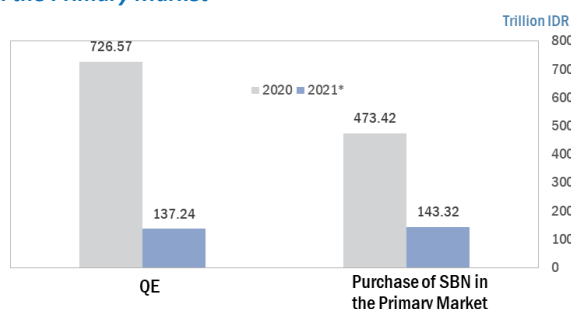


Source: BPS, calculated



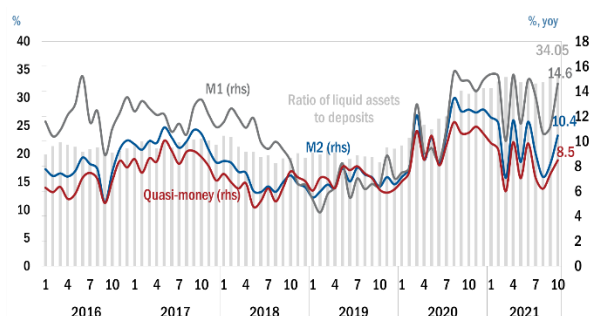
## Liquidity remains very loose while financial system resilience is solid, accompanied by a gradual revival of the bank intermediation function

### Quantitative Easing (QE) and SBN Purchases by Bank Indonesia in the Primary Market



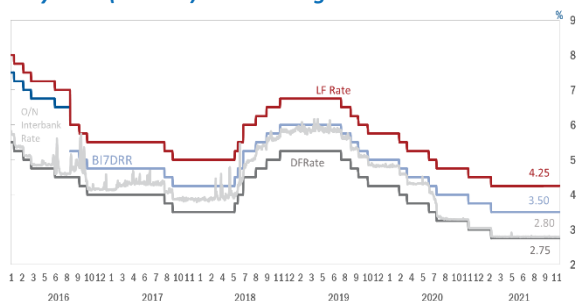
Source: Bank Indonesia. \*Data as of 16<sup>th</sup> November 2021

### Broad Money and Ratio of Liquid Assets to Deposits



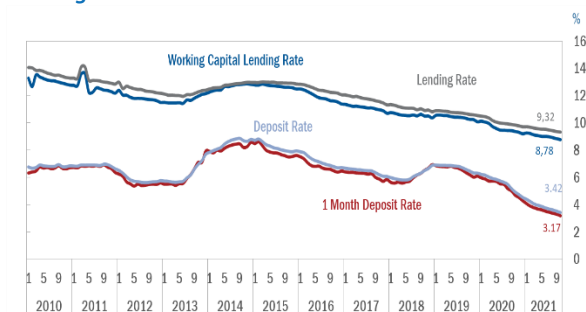
Source: Bank Indonesia

### Policy Rate (BI7DRR) and Overnight Interbank Rate



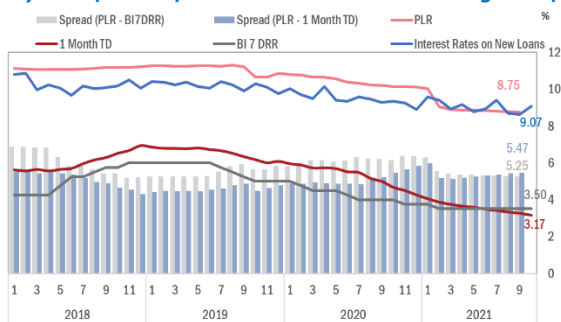
Source: Bank Indonesia

### Banking Interest Rates



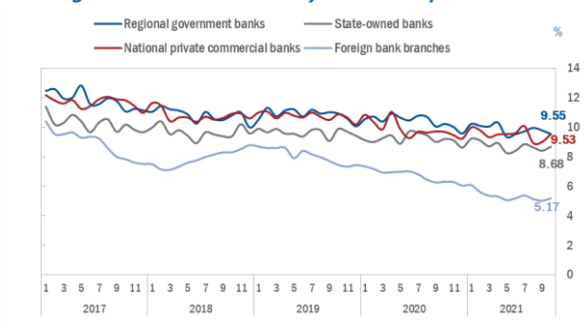
Source: Bank Indonesia

### Policy Rate (BI7DRR) Transmission to Prime Lending Rate (PLR)



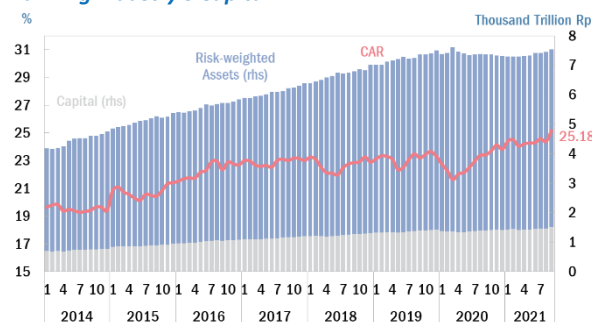
Source: OJK, Bank Indonesia, calculated

### Lending Rates on New Loans by Bank Group



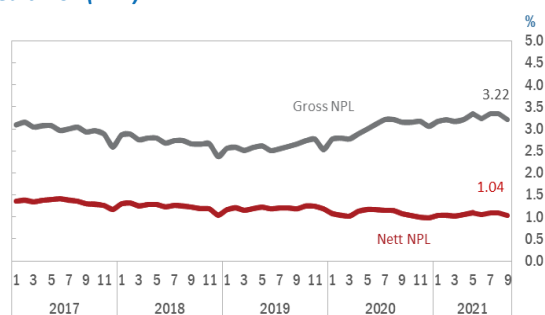
Source: OJK, Bank Indonesia, calculated

### Banking Industry's Capital



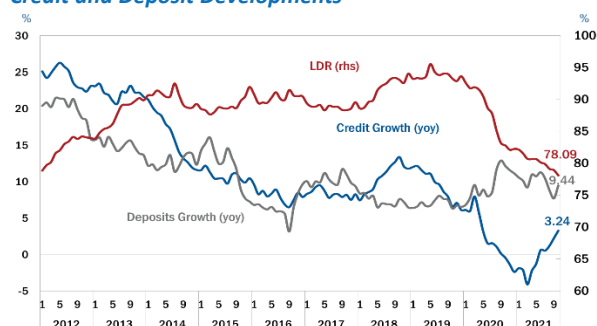
Source: Bank Indonesia

### Credit Risk (NPL)



Source: OJK, Bank Indonesia

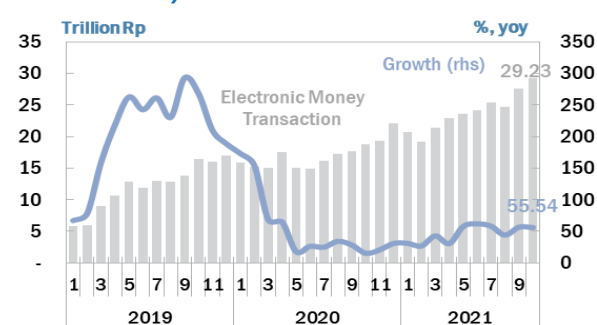
### Credit and Deposit Developments



Source: Bank Indonesia

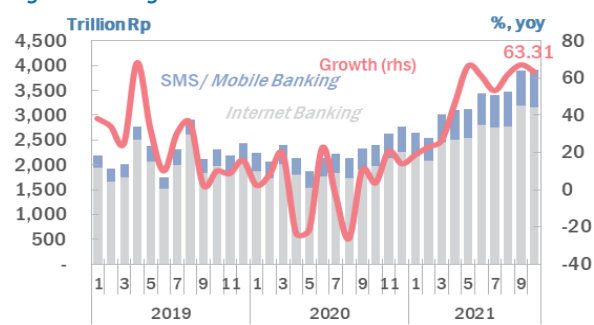
**Bank Indonesia continues to accelerate digitalisation programs in accordance with the Indonesia Payment System Blueprint (BSPi) 2025 towards greater integration of the digital economy and finance as well as financial and economic inclusion, while supporting economic recovery**

### Electronic Money Transactions



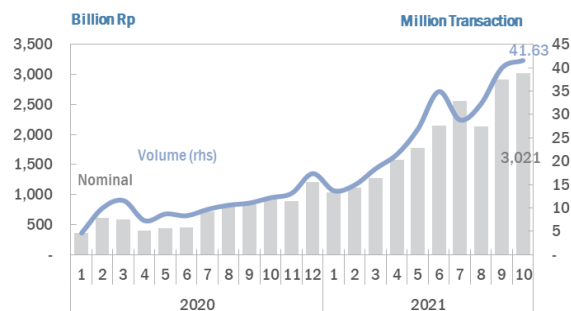
Source: Bank Indonesia

### Digital Banking Transactions Value



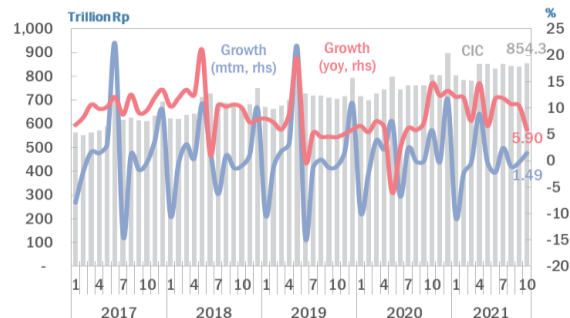
Source: Bank Indonesia

### QRIS Transactions



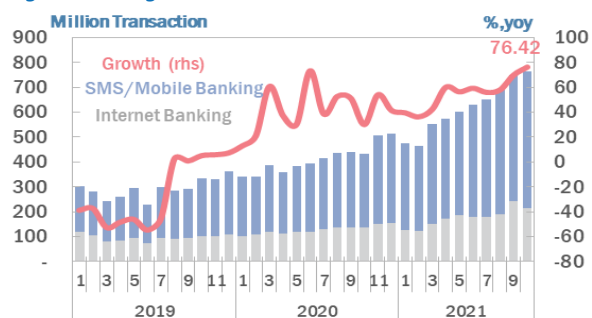
Source: Bank Indonesia

### Currency in Circulation



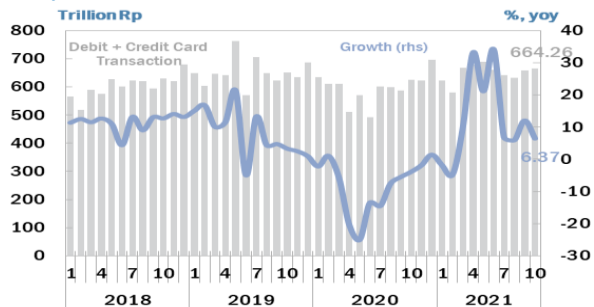
Source: Bank Indonesia

### Digital Banking Transactions Volume



Source: Bank Indonesia

### ATM/Debit and Credit Card Transactions



Source: Bank Indonesia



**BANK INDONESIA**

**For further information:**

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