

MONETARY POLICY REVIEW

MARCH 2024





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 2024. 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, payment system and rupiah currency management policies. Bank Indonesia regularly publishes the Monetary Policy Review each month after the Board of Governors Meeting has been convened in January, February, March, April, May, June, July, August, September, October, 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 economic recovery momentum remains intact despite persistently high financial market uncertainty. World economic growth in 2024 is forecast to reach 3.0%. Economic growth in the United States (US) remains solid, underpinned by domestic demand. Growth in India is also higher than previously expected due to government and private investment. Meanwhile, the economic outlook in China remains sluggish despite a moderate uptick on the previous projection as a corollary of increasing fiscal stimuli. International commodity prices are rising on the back of higher transportation costs triggered by deepening geopolitical tensions and tighter supply caused by inclement weather. Such developments are prolonging the global disinflation process, with inflation in advanced economies remaining above target. The Federal Funds Rate (FFR) is not expected to decrease until the second semester of 2024. Global financial market uncertainty is still high, as reflected by rising US Treasury (UST) yields in line with the long-term risk premia and inflation that remains above market expectations. This has led to broad-based US dollar appreciation, while impacting foreign capital inflows and intensifying currency pressures in emerging market economies (EMEs). Such conditions demand a strong policy response to mitigate the adverse impact of global spillovers, including in Indonesia.

At home, national economic growth in Indonesia is still solid. Indonesia's Balance of Payments (BOP) remains solid, thereby supporting external resilience. Rupiah stability has been maintained in line with the stabilisation

policy instituted by Bank Indonesia. Inflation has been maintained within the $2.5\% \pm 1\%$ target corridor. Bank Indonesia continues strengthening its monetary policy response and innovation to increase policy effectiveness in terms of controlling inflation and maintaining Rupiah stability. Monetary policy transmission remains effective. Loans disbursed by the banking industry continue tracking an upward trend, supported by efforts to strengthen economic growth. Banking industry resilience remains solid. Payment system transactions continue to perform solidly. Infrastructure stability and the structure of the payments industry remain solid.

The BI Board of Governors Meeting agreed on 19th-20th March 2024 to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75% respectively. The decision to hold the BI Rate at 6.00% remains consistent with the pro-stability focus of monetary policy, namely to strengthen Rupiah stabilisation policy, and as a pre-emptive and forward-looking measure to maintain inflation within the $2.5\% \pm 1\%$ target corridor in 2024. Meanwhile, Bank Indonesia will maintain pro-growth macroprudential and payment system policies to foster sustainable economic growth. Bank Indonesia will hold an accommodative macroprudential policy stance to revive bank lending/financing to businesses and households. Payment system policy will be oriented towards bolstering reliable infrastructure and reinforcing the structure of the payment system industry, while expanding acceptance of payment system digitalisation.



CHAPTER 1

Global and Domestic Economic Developments

Global economic recovery momentum remains intact despite persistently high financial market uncertainty. World economic growth in 2024 is forecast to reach 3.0%. Economic growth in the United States (US) remains solid, underpinned by domestic demand. Growth in India is also higher than previously expected due to government and private investment. Meanwhile, the economic outlook in China remains sluggish despite a moderate uptick on the previous projection as a corollary of increasing fiscal stimuli. International commodity prices are rising on the back of higher transportation costs triggered by deepening geopolitical tensions and tighter supply caused by inclement weather. Such developments are prolonging the global disinflation process, with inflation in advanced economies remaining above target. The Federal Funds Rate (FFR) is not expected to decrease until the second semester of 2024. Global financial market uncertainty is still high, as reflected by rising US Treasury (UST) yields in line with the long-

term risk premia and inflation that remains above market expectations. This has led to broad-based US dollar appreciation, while impacting foreign capital inflows and intensifying currency pressures in emerging market economies (EMEs). Such conditions demand a strong policy response to mitigate the adverse impact of global spillovers, including in Indonesia.

At home, national economic growth in Indonesia is still solid. Domestic economic growth is supported by domestic demand in the form of household consumption and investment. Building investment exceeded the previous projection due to ongoing national strategic projects (PSN) in several regions along with private property developments spurred by government incentives. Household consumption and non-building investment were maintained yet must be nurtured to sustain the national economic recovery. Persistently strong domestic demand is reflected in several indicators, including the Consumer Confidence

Index (CCI), Retail Sales Index (RSI) and Manufacturing Purchasing Managers Index (PMI), which remain in optimistic territory. Goods exports have an opportunity to improve given weaker demand from Indonesia's main trading partner countries, particularly in terms of crude palm oil (CPO), iron and steel as well as coal, while services exports posted solid growth, led by tourism. Consequently, economic growth in 2024 is projected within the 4.7-5.5% range. Furthermore, Bank Indonesia will continue strengthening synergy between macroprudential policy and the fiscal stimuli implemented by the Government to foster economic growth, particularly from the domestic demand side.

Indonesia's Balance of Payments (BOP) remains solid, thereby supporting external resilience. The current account (CA) outlook for the first quarter of 2024 has been impacted by a narrower surplus in the goods trade balance. In February 2024, the trade balance amassed a USD0.9 billion surplus, down from USD2.0 billion the month earlier. Meanwhile, foreign capital inflows, specifically portfolio inflows, were maintained, recording a net inflow of USD1.4 billion cumulatively as of 18th March 2024 since the beginning of the year, despite an outflow recorded in March 2024 triggered by elevated global financial market uncertainty. The position of reserve assets at the end of February 2024 remained high at USD144.0 billion, equivalent to 6.5 months of imports or 6.3 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports. Overall, Bank Indonesia forecasts a BOP surplus in 2024, underpinned by a low and manageable current account deficit in the 0.1%-0.9% of GDP range. Meanwhile, Bank Indonesia expects the capital and financial account surplus to persist on the back of foreign capital inflows given positive investor perception of the promising domestic economic outlook along with attractive yields on financial assets for investment.

Rupiah stability has been maintained in line with the stabilisation policy instituted by Bank Indonesia. The Rupiah has remained relatively stable in March 2024 (as of 19th March 2024) in response to the stabilisation policy implemented by Bank Indonesia and despite a rebalancing of foreign capital flows in the domestic financial markets in line with persistently high global financial market uncertainty. Consequently, the Rupiah lost 2.02% in value against the level recorded at the end of December 2023, nevertheless outperforming the Malaysian ringgit, South Korean won and Thai baht that depreciated 3.02%, 3.87% and 5.39% respectively. Moving forward, Rupiah stability will be maintained, while tracking an appreciating trend as foreign capital inflows return to

domestic financial markets in line with positive investor perception regarding the promising economic outlook in Indonesia. Meanwhile, Bank Indonesia stabilisation policy and optimisation of the pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments will further support the prospect of Rupiah appreciation. Moreover, Bank Indonesia will continue strengthening coordination with the Government, banking industry and businesses to support the effective implementation of instruments that retain the proceeds of natural resources exports in accordance with Government Regulation Number 36 of 2023 (PP DHE SDA) concerning the Foreign Exchange Proceeds of Exports and the Exploitation, Management and/or Processing of Natural Resources.

Inflation has been maintained within the 2.5%±1% target corridor. Consumer Price Index (CPI) inflation in February 2024 was recorded at 2.75% (yoy), supported by low core inflation at 1.68% (yoy) and administered prices (AP) inflation that fell to 1.67% (yoy). Conversely, volatile food (VF) inflation increased to 8.47% (yoy) from 7.22% (yoy) the month earlier, primarily edged up by rice and red chilis. Moving forward, Bank Indonesia is confident that headline inflation in 2024 will remain under control and within the target corridor. Low core inflation is expected in line with anchored inflation expectations, massive economic capacity in response to domestic demand, low imported inflation in line with Rupiah stability, as well as the positive impact of structural factors relating to digitalisation. Bank Indonesia also expects VF inflation to fall as production increases at the onset of the harvesting season, supported by inflation control synergy with the TPIP and TPID teams through the GNPIP movement in various regions, thereby supporting efforts to maintain overall price stability. Bank Indonesia will continue strengthening pro-stability monetary policy and increasing policy synergy with the (central and regional) Government to manage inflation in 2024 within the 2.5%±1% target range.

Bank Indonesia continues strengthening its monetary policy response and innovation to increase policy effectiveness in terms of controlling inflation and maintaining rupiah stability. To that end, Bank Indonesia continues optimising various pro-market monetary instruments issued in 2023, namely SRBI, SVBI and SUVBI, to support money market deepening efforts and attract capital inflows. As of 19th March 2024, the respective positions of SRBI, SVBI and SUVBI instruments stood at Rp409.38 trillion, USD2.31 billion and USD387 million. The SRBI, SVBI and SUVBI vehicles issued by Bank Indonesia are strengthening money market deepening efforts and attracting foreign capital

inflows to Indonesia. This is reflected by non-resident holdings of SRBI totalling Rp85.02 trillion (20.77% of total outstanding). Moving forward, the various innovative financial instruments issued by Bank Indonesia are expected to continue strengthening the external resilience of the Indonesian economy from the impact of global spillovers.

Monetary policy transmission remains effective. The IndONIA money market reference rate is moving within the BI-Rate range, recorded at 5.93% on 18th March 2024. SRBI rates remain attractive at 6.68%, 6.69%, and 6.87% for tenors of 6, 9 and 12 months respectively (as of 15th March 2024), thereby supporting SRBI effectiveness as a pro-market monetary instrument. Meanwhile, the banking industry maintained competitive interest rates given adequate liquidity in the banking system and PLR transparency policy to increase interest rate efficiency in the banking industry. Accordingly, the 1-month term deposit rate and lending rate improved in February 2024 to 4.52% and 9.28% respectively. Meanwhile, the yields on SBN of 2 and 10-year tenors were comparatively stable despite persistently high global financial market uncertainty.

Loans disbursed by the banking industry continue tracking an upward trend, supported by efforts to strengthen economic growth. Credit growth in February 2024 was recorded at 11.28% (yoy), primarily driven by loans extended for agriculture, mining, construction, trade, social services and corporate services. On the supply side, high credit growth was attributable to maintained lending appetite in the banking industry as a corollary of solid capital capacity and ample liquidity. This was reflected by a high ratio of liquid assets to third-party funds (LA/TPF) at 27.41% and supported by Macroprudential Liquidity Incentives Policy (KLM) from Bank Indonesia. Pursuing credit growth targets in 2024 against 5.66% (yoy) growth of third-party funds, banks continue to reallocate assets and optimise the pricing of funding. Banks are also optimising other sources of funds, including loans, issuing long-term debt securities and initiating rights issues. On the demand side, loan growth is supported by positive corporate and household sector performance, which is expected to continue improving after the recent general election. By loan type, credit growth was primarily supported by investment loans, working capital loans and consumer loans, growing 11.82% (yoy), 12.04% (yoy) and 9.70% (yoy) respectively. Furthermore, sharia financing maintained high growth at 15.89% (yoy) in February 2024, while MSME loans increased by 8.85% (yoy). Moving forward, Bank Indonesia expects credit growth to increase in the 10-12% range in 2024. Bank Indonesia

will also continue strengthening the effectiveness of accommodative macroprudential policy and increasing synergy with the Government, financial authorities, government ministries/agencies, the banking industry and businesses. Seeking to foster new loan disbursements, Bank Indonesia is strengthening the implementation of KLM by optimising available liquidity incentives and expanding the scope of priority sectors with a large contribution to financing national economic growth.

Banking industry resilience remains solid. Bank liquidity remains adequate, as reflected by a high ratio of liquid assets to third-party funds (LA/TPF) in February 2024. Furthermore, liquidity management in the banking system is improving given large banking industry placements in liquid securities and the strategy to invest in pro-market monetary instruments, which includes trading SRBI in the secondary market, thereby providing the banks flexibility in terms of liquidity management. In terms of capital, the Capital Adequacy Ratio (CAR) in the banking industry is still high at 27.52%, recorded in January 2024, supported by low credit risk, as indicated by NPL ratios of 2.35% (gross) and 0.79% (nett). Overall, solid banking industry resilience is supported by sound corporate and household repayment capacity, as demonstrated by improving corporate performance and improving expectations of household income. The results of BI stress tests further confirmed solid banking industry resilience in the face of various uncertainty risks moving forward. Bank Indonesia will continue strengthening synergy with the KSSK to mitigate various domestic and global economic risks that could potentially disrupt financial system stability.

Payment system transactions continue to perform solidly. In February 2024, BI-RTGS transactions increased 8.96% (yoy) to reach Rp12,916.42 trillion, while BI-FAST transactions increased 36.45% (yoy) to reach Rp478.42 trillion. The value of digital banking transactions grew 19.72% (yoy) to Rp5,103.03 trillion and the value of electronic money transactions grew 44.24% (yoy) to Rp80.03 trillion. The value of QRIS transactions enjoyed impressive 161.51% (yoy) growth, with QRIS users and merchants totalling 46.98 million and 31.27 million respectively. On the other hand, the value of card-based payments using ATM, debit and credit cards totalled Rp566.65 trillion in the reporting period, retreating 8.81% (yoy). In terms of Rupiah currency management, total currency in circulation in February 2024 grew 11.89% (yoy) to Rp1,013.05 trillion. In close synergy with the Government and payments industry, Bank Indonesia will continue expanding acceptance of payment system digitalisation and strengthening various aspects of consumer

protection in terms of product innovation through digital literacy campaigns, including QRIS Jelajah Indonesia, and expanding cross-border QRIS payment linkages.

Infrastructure stability and the structure of the payments industry remain solid. In terms of infrastructure, Bank Indonesia maintains a secure and reliable payment system, supported by adequate liquidity and operational functionality. Regarding the structure of the payments industry, payment system interconnection and the digital economy and finance ecosystem continue to expand. SNAP-based payment transactions that facilitate interconnection between

industry players in the payment system are increasing in response to greater cooperation between existing and new users. Moving forward, Bank Indonesia will continue ensuring the availability, reliability and security of the BI and industry payment systems, which includes monitoring the reliability of participants' systems to provide payment transactions during the Ramadan and Eid-ul-Fitr 1445 H festive period. Furthermore, Bank Indonesia will also ensure the availability of Rupiah currency fit for circulation in suitable denominations throughout all regions of the Republic of Indonesia, particularly ahead of Ramadan and Eid-ul-Fitr 1445 H, through the SERAMBI 2024 program.



CHAPTER 2

Bank Indonesia Policy Response

The BI Board of Governors Meeting agreed on 19th-20th March 2024 to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75% respectively. The decision to hold the BI Rate at 6.00% remains consistent with the pro-stability focus of monetary policy, namely to strengthen Rupiah stabilisation policy, and as a pre-emptive and forward-looking measure to maintain inflation within the $2.5\% \pm 1\%$ target corridor in 2024. Meanwhile, Bank Indonesia will maintain pro-growth macroprudential and payment system policies to foster sustainable economic growth. Bank Indonesia will hold an accommodative macroprudential policy stance to revive bank lending/financing to businesses and households. Payment system policy will be oriented towards bolstering reliable infrastructure and reinforcing the structure of the payment system industry, while expanding acceptance of payment system digitalisation.

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

1. Stabilising the Rupiah 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;
2. Strengthening the pro-market monetary operations strategy for effective monetary policy, which includes optimising Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Forex Securities (SVBI) and Bank Indonesia Forex Sukuk (SUVBI);
3. Deepening the money market and foreign exchange market by increasing the volume of repurchase agreement (repo) transactions and number of participants;

4. Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by economic sector;
5. Strengthening various aspects of consumer protection in terms of product innovation through digital literacy campaigns, including QRIS *Jelajah Indonesia*, and expanding cross-border QRIS payment linkages.

Policy coordination between Bank Indonesia and the Government is also constantly improved to maintain macroeconomic stability and bolster economic growth. Bank Indonesia strengthens policy coordination with the (central and regional) Government and strategic partners, including the

National Movement for Food Inflation Control (GNPIP) in various regions within the Central Government and Regional Government Inflation Control Teams (TPIP and TPID), as well as P2DD Teams to Accelerate and Expand the Electronification of Central and Regional Government Transactions. Furthermore, policy synergy between Bank Indonesia and the Financial System Stability Committee (KSSK) is also strengthened to maintain financial system stability and revive lending/financing to businesses, particularly those in priority sectors. Bank Indonesia is also strengthening and expanding international cooperation, which includes accelerating payment system connectivity and fostering local currency transactions (LCT).

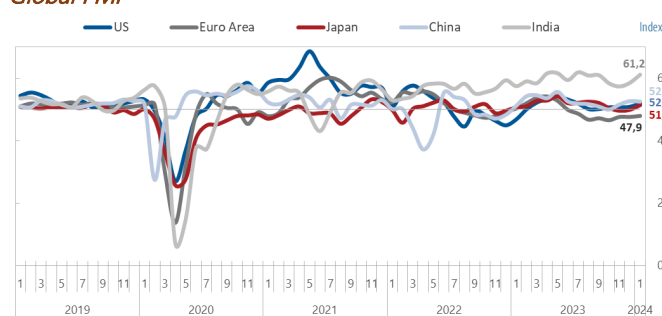
Global economic recovery momentum remains intact despite persistently high financial market uncertainty

Global GDP Growth

Country	2019	2020	2021	2022	2023	2024*
World	2,8	-2,8	6,3	3,5	3,1	3,0
Advanced economies	1,7	-4,2	5,6	2,6	1,6	1,6
United States	2,3	-2,8	5,9	1,9	2,5	1,9
Europe	1,6	-6,1	5,6	3,4	0,5	0,8
Japan	-0,4	-4,2	2,2	1,0	1,9	1,1
Emerging economies	3,6	-1,8	6,9	4,1	4,2	4,1
China	6,0	2,2	8,4	3,0	5,2	4,6
India	4,8	-6,6	8,3	6,8	7,7	6,4
ASEAN-5	4,3	-4,4	4,0	5,5	4,4	4,7
Latin America	0,2	-7,0	7,4	4,2	2,5	2,0
Emerging Euro	2,5	-1,6	7,3	1,2	2,7	2,7
Middle East & Central Asia	1,6	-2,6	4,3	5,5	2,0	3,1

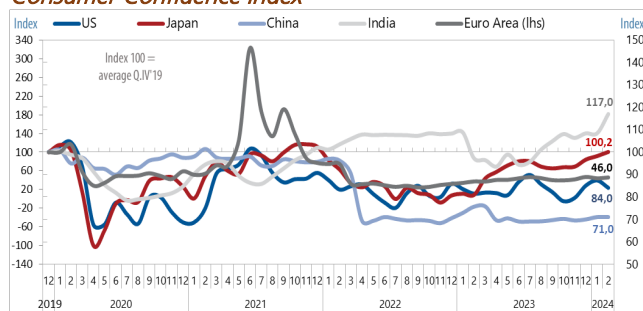
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



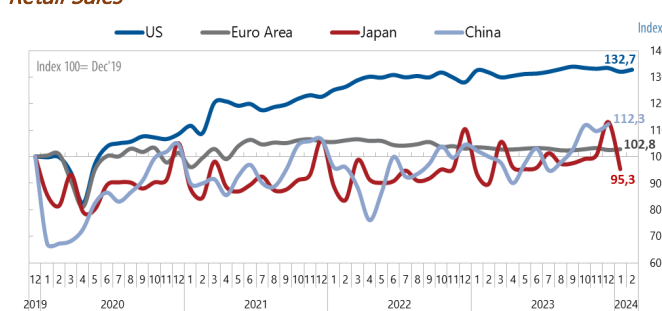
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



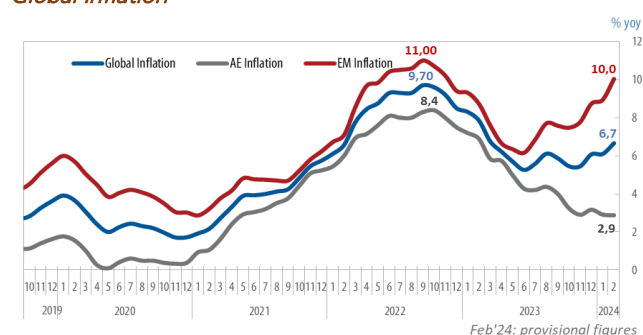
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



Source: Bloomberg and IMF, calculated

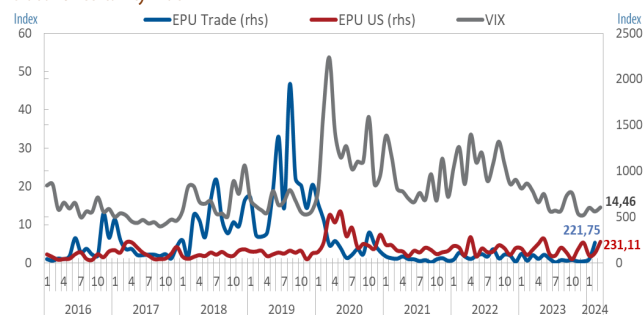
Commodity Prices

Commodity	2021						2022						2023				2024 YTD*
	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023		
Copper	50.3	80.3	44.3	33.1	50.2	17.4	-1.8	-17.7	-16.4	-5.2	-10.2	-11.0	8.6	3.1	-3.3	-0.4	
Coal	19.5	92.8	203.9	204.7	123.2	94.1	73.2	11.1	-1.6	32.3	-2.9	-27.7	-35.7	-35.8	-25.9	-11.3	
CPO	47.1	84.6	60.4	53.0	59.9	56.7	55.5	-12.2	-24.9	15.3	-35.6	-42.0	-3.2	-5.9	-25.9	3.5	
Rubber	37.7	42.7	6.6	-11.2	16.2	1.7	2.2	-6.0	-19.8	-4.9	-21.1	-27.3	-8.0	11.5	-13.5	23.5	
Nickel	37.9	41.4	33.7	23.0	33.3	59.4	66.7	16.0	30.3	42.1	-6.7	-22.6	-7.0	-31.8	-17.3	-22.5	
Tin	46.1	86.1	91.1	101.2	82.0	80.6	25.3	-30.3	-43.1	0.0	-38.6	-29.4	13.8	14.6	-16.8	1.3	
Aluminium	22.9	57.7	52.2	43.0	43.6	54.3	20.2	-11.0	-14.7	9.4	-24.9	-21.3	-6.6	-5.5	-15.7	-2.5	
Coffee	6.7	39.0	55.2	91.4	48.4	82.5	50.8	18.3	-21.2	24.6	-26.4	-19.3	-28.6	-2.1	-20.1	8.5	
Others	0.3	7.6	3.9	4.0	3.9	5.2	6.4	7.3	6.3	6.3	-1.5	-1.7	-2.2	-3.1	-2.1	-1.5	
Indonesian Export Commodity Prices	23.7	58.5	79.5	76.5	57.0	47.0	37.7	1.3	-6.8	15.3	-12.7	-21.7	-12.2	-12.0	-16.0	-1.9	
Oil (Brent)**	61	69	73	79	71	101	113	101	88	101	81	78	87	84	83	83	

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

Source: Bloomberg. Data as of March 18th 2024

Global Uncertainty Index



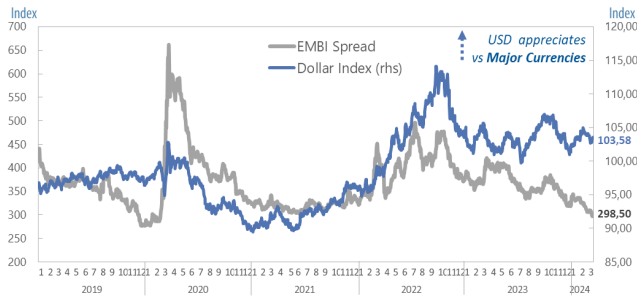
Source: Bloomberg. Data as of March 18th 2024

10 Yr UST & JGB Yield and DJIA Index



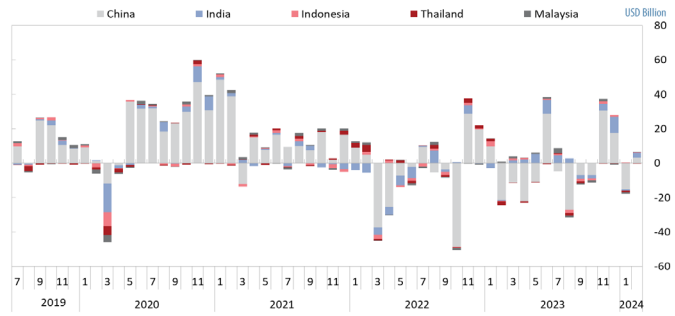
Source: Bloomberg. Data as of March 18th 2024

US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of March 18th 2024

Capital Flow to Emerging Market



Source: IIF, diolah

At home, national economic growth in Indonesia is still solid

Economic Growth – Expenditure Side

Components	2019	2020	2021	2022				2023			
				I	II	III	IV	I	II	III	IV
Household Consumption	5.04	-2.63	2.01	4.35	5.52	5.40	4.50	4.94	4.53	5.22	4.47
Non-Profit Institution Serving Household (NPISH)	10.62	-4.21	1.62	5.91	5.03	5.99	5.72	5.66	6.16	8.59	6.18
Government Consumption	3.27	2.12	4.25	-6.60	-4.61	-2.50	-4.72	-4.47	3.31	10.47	-3.93
Investment (GFCF)	4.45	-4.96	3.80	4.08	3.09	4.98	3.33	3.87	2.11	4.63	5.77
Building Investment	5.37	-3.78	2.32	2.58	0.92	0.07	0.11	0.91	0.08	3.32	6.31
NonBuilding Investment	1.83	-8.44	8.42	8.63	9.71	19.32	12.11	12.53	7.93	8.30	4.45
Exports	-0.48	-8.42	17.99	14.40	16.32	19.09	14.95	16.23	11.74	-2.91	1.64
Imports	-7.13	-17.60	24.86	16.06	13.06	25.73	6.49	15.00	4.15	-3.23	-6.75
GDP	5.02	-2.07	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94

Source: BPS

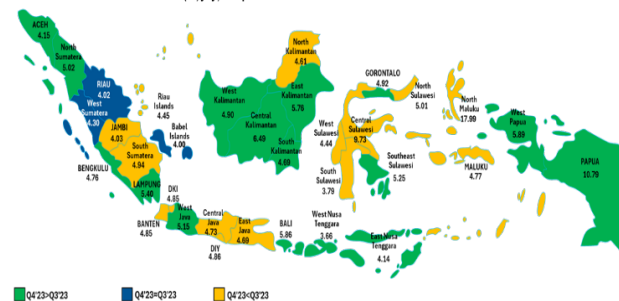
Economic Growth – Economic Sectors Side

Components	2019	2020	2021	2022				2023			
				I	II	III	IV	I	II	III	IV
Agriculture, Forestry, and Fisheries	3.61	1.77	1.87	1.16	1.68	1.95	4.51	2.25	0.44	2.03	1.12
Mining and excavation	1.22	-1.95	4.00	3.82	4.01	3.22	6.46	4.38	4.92	5.01	6.95
Manufacture	3.80	-2.93	3.39	5.07	4.01	4.83	5.64	4.89	4.43	4.88	5.19
Electricity and Gas Procurement	4.04	-2.34	5.55	7.04	9.33	8.05	2.31	6.61	2.67	3.15	5.06
Water Supply	6.83	4.94	4.97	1.35	4.46	4.26	2.84	3.23	5.69	4.78	4.49
Construction	5.76	-3.26	2.81	4.83	1.02	0.63	1.61	2.01	0.32	5.23	6.39
Wholesale Retail, Car and Motorcycle Repairs	4.60	-3.79	4.63	5.74	4.43	5.37	6.56	5.53	4.94	5.29	5.10
Transportation and Warehousing	6.38	-15.05	3.24	15.79	21.27	25.80	16.99	19.87	15.93	15.28	14.74
Provision of Accommodation, Food and Beverages	5.79	-10.26	3.88	6.57	9.79	17.79	13.77	11.94	11.54	9.91	10.94
Information and Communication	9.42	10.61	6.82	7.15	8.06	6.94	8.72	7.73	7.11	8.03	8.51
Financial Services and Insurance	6.61	3.25	1.56	1.64	1.50	0.87	3.76	1.93	4.45	2.86	5.24
Real Estate	5.78	2.32	2.78	3.78	2.16	0.63	0.39	1.72	0.37	0.96	2.21
Corporate Services	10.25	-5.44	0.73	5.96	7.92	10.79	10.42	8.77	6.37	9.59	9.37
Government Administration, Defence and Compulsory Social Security	4.66	-0.03	-0.33	-1.29	-1.53	12.47	1.77	2.51	2.10	8.16	-6.24
Education Services	6.30	2.61	0.11	-1.41	-1.07	4.45	0.40	0.57	1.02	5.43	-2.07
Health Services and Other Social Activities	8.66	11.56	10.45	4.52	6.51	-1.70	2.48	2.75	4.77	8.28	2.91
Other Services	10.57	-4.10	2.12	8.25	9.26	9.13	11.14	9.47	8.90	11.89	11.14
GDP	5.02	-2.07	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94

Source: BPS

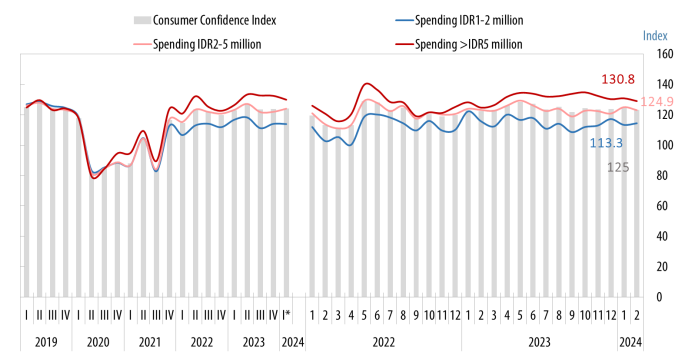
Growth of Regional Economic (GDRP) of the Fourth Quarter of 2023

Realization of GRDP Quarter IV 2023 (% yoy; compared to the Quarter III 2023)



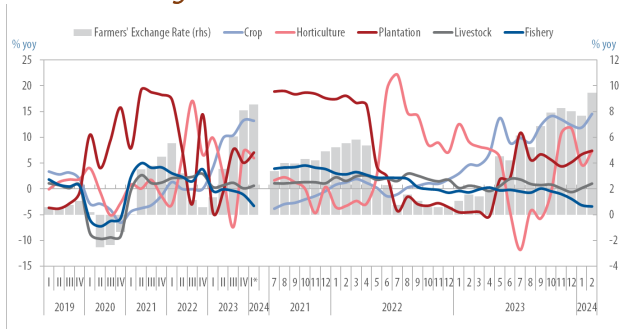
Source: BPS, calculated

Consumer Confidence Index



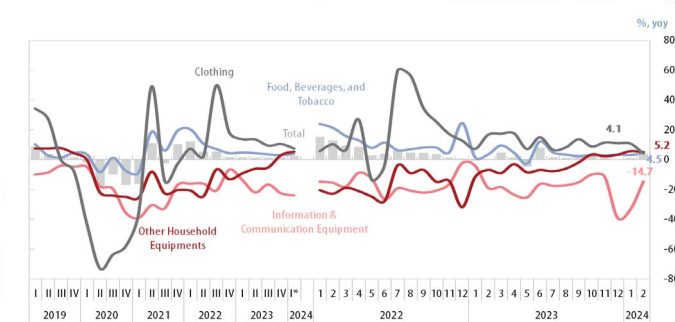
Source: Bank Indonesia. *Data as of February 2024

Farmers' Exchange Rate



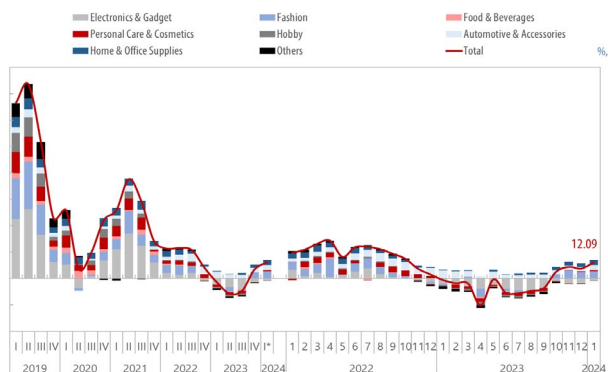
Source: BPS, calculated. *Data as of February 2024

Retail Sales



Source: Bank Indonesia. *Data as of February 2024

Online Sales

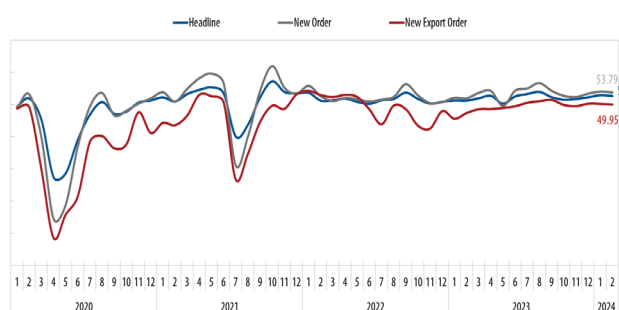


Realization of State Budget (APBN)

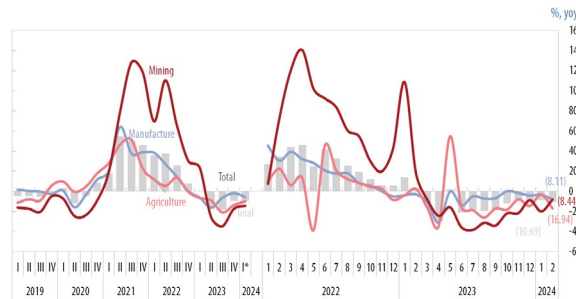
ITEMS	2020		2021		2022		2023		2024		
	Realization (IDR Trillion)	% Realization PESPES 12	Budget (IDR Trillion)	Realization as of December 2021 (IDR Trillion)	Budget (IDR Trillion)	PESPES 12/2022 (IDR Trillion)	Realization as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2023 (IDR Trillion)	Budget (IDR Trillion)	Realization as of January 2024 (IDR Trillion)
A. State Income and Grants	1,497.2	96.9%	1,748.6	2,015.5	1,961.1	2,365.2	2,655.4	2,453.0	2,774.3	2,453.0	2,677.0
1. Domestic Income	1,529.0	95.9%	1,747.7	2,015.1	1,955.6	2,355.6	2,628.7	2,453.0	2,792.3	2,453.0	2,659.0
1.1 Tax Income	1,395.1	91.9%	1,484.5	1,548.8	1,510.0	1,780.0	2,014.6	2,012.2	2,155.4	2,012.2	1,959.0
2. Non-Tax Income	363.9	156.9%	298.2	438.3	355.6	410.6	595.2	440.8	636.9	440.8	418.0
B. Grant	18.8	144.7%	8.9	4.5	0.6	0.6	5.6	0.4	13.0	0.4	0.0
C. State Expenditures	2,195.5	94.8%	2,700.0	1,773.6	2,714.2	3,106.4	3,095.5	3,082.2	3,121.9	3,082.2	1,942.5
1. Central Government Expenditures	1,833.0	92.8%	1,954.5	1,587.9	1,944.5	2,301.6	2,279.2	2,246.5	2,246.5	2,246.5	964.0
1.1 Employee Spending	385.5	94.3%	421.1	387.7	425.5	425.5	422.4	442.6	422.3	442.6	365.0
2. Spending for Goods	422.3	154.0%	362.5	526.6	339.7	339.7	425.0	387.0	429.8	387.0	110.0
3. Capital Expenditures	195.9	129.0%	246.8	238.6	199.2	199.2	240.4	198.1	307.3	198.1	4.1
4. Payment of Debt Obligations	34.1	92.7%	379.3	343.5	405.9	405.9	386.3	441.4	439.9	441.4	38.1
5. Subsidies	196.2	102.2%	175.4	241.0	207.0	207.0	252.8	298.5	299.6	298.5	0.0
6. Grant Expenditures	6.3	129.7%	6.8	4.3	4.8	4.8	5.8	0.0	0.2	0.0	-
7. Social Assistance	201.5	136.1%	181.4	173.6	147.4	147.4	161.5	148.6	157.6	148.6	12.4
8. Other Expenditures	121.0	26.0%	307.3	79.5	214.0	694.4	425.9	329.3	214.6	325.3	11.1
D. Transfer to Regions and Village Funds	762.2	99.8%	755.5	785.7	769.6	884.8	884.7	884.7	884.7	884.7	878.0
1. Transfer to Regions	691.4	99.8%	723.5	713.6	713.6	758.8	748.3	748.3	748.3	748.3	741.0
2. Village Funds	70.8	99.9%	22.0	72.1	56.0	68.0	67.9	70.0	69.9	70.0	1.9
E. Primary Balance	(638.6)		(638.6)	(428.1)	(642.2)	(434.4)	(444.4)	(156.0)	(92.2)	(156.0)	(129.0)
F. Budget Surplus/Deficit	(947.7)		(1,065.4)	(768.1)	(684.1)	(840.2)	(840.2)	(589.2)	(347.6)	(589.2)	(172.0)
Surplus/Deficit (NGDP)	(6.1)		(5.7)	(4.5)	(4.9)	(4.5)	(1.3)	(2.8)	(1.45)	(2.8)	(0.88)

Source: Ministry of Finance

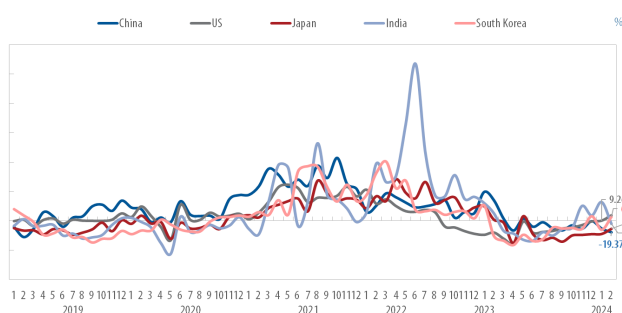
Manufacturing Purchasing Managers' Index (PMI)



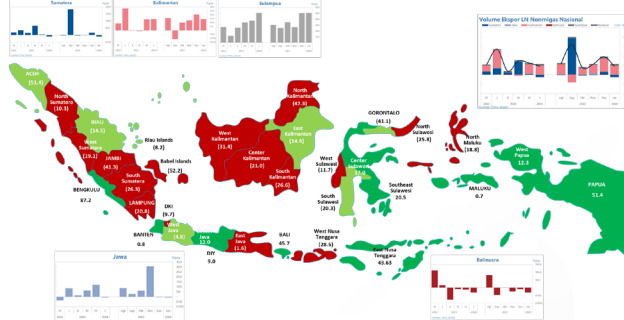
Non-oil and Gas Exports



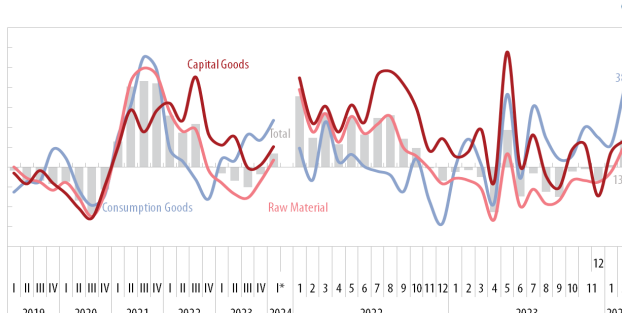
Non-Oil and Gas Exports to Main Destination Countries



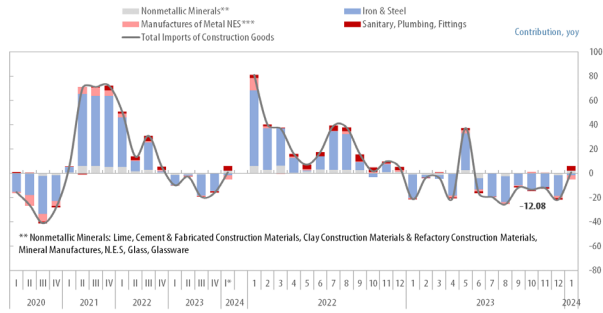
Spatial Non-oil and Gas Exports



Non-oil and Gas Imports



Import of Construction Goods



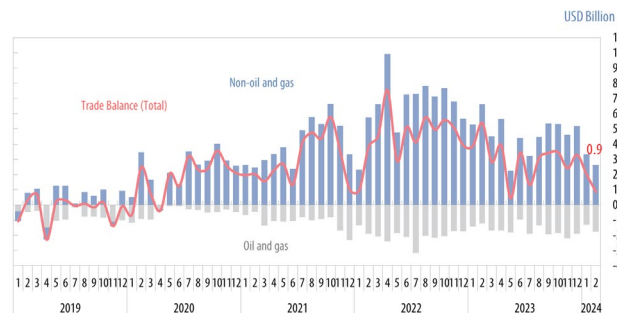
Indonesia's Balance of Payments (BOP) remains solid, thereby supporting external resilience

Indonesia's Balance of Payments

Items (Billion USD)	2019	2020	2021					2022*					2023				
			I	II	III	IV	Total	I	II	III	IV	Total	I*	II*	III*	IV**	Total**
Current Account	-30.3	-4.43	-1.14	-1.88	5.02	1.51	3.51	0.72	4.28	4.71	3.50	13.22	3.01	-2.25	-1.04	-1.29	-1.57
A. Goods	3.5	28.30	7.63	8.34	15.41	12.43	43.81	11.30	16.80	17.62	16.95	62.67	14.72	10.13	10.16	11.33	46.35
- Exports, fob	168.5	163.40	49.38	54.32	61.65	67.49	232.84	66.77	75.17	77.84	72.76	292.54	67.34	61.97	63.93	66.23	259.47
- Imports, fob	-164.9	-135.10	-41.75	-45.98	-46.24	-55.05	-189.03	-55.47	-58.38	-60.21	-55.81	-229.87	-52.62	-51.84	-53.77	-54.89	-213.12
a. Non-Oil and Gas	12.0	29.95	9.98	11.58	18.12	18.13	57.80	17.21	24.44	25.16	22.96	89.77	19.01	15.16	15.87	17.59	67.63
b. Oil and Gas	-10.3	-5.39	-2.27	-3.14	-2.51	-5.04	-12.97	-5.69	-7.19	-6.48	-5.42	-24.78	-3.96	-4.55	-5.28	-5.87	-19.66
B. Services	-7.6	-9.76	-3.45	-3.66	-3.53	-3.96	-14.60	-4.33	-4.97	-5.26	-5.39	-19.96	-4.53	-4.62	-3.98	-4.79	-17.92
C. Primary Income	-33.8	-28.91	-6.75	-8.02	-8.27	-8.91	-31.96	-7.73	-9.00	-8.93	-9.63	-36.30	-8.63	-9.18	-8.47	-9.07	-35.36
D. Secondary Income	7.6	5.93	1.43	1.46	1.42	1.95	6.26	1.49	1.46	1.28	1.57	5.80	1.45	1.43	1.25	1.24	5.36
Capital and Financial Account	36.60	7.92	5.84	1.54	7.32	-2.13	12.57	-2.01	-1.69	-5.58	0.61	-8.68	4.04	-5.01	-0.07	9.78	8.75
1. Direct Investment	20.5	14.14	4.52	5.39	3.48	3.89	17.29	4.65	6.60	3.44	3.38	18.07	4.32	4.05	3.13	3.05	14.56
2. Portfolio Investment	22.0	3.37	4.92	3.99	1.20	-5.02	5.09	-3.18	-3.61	-3.12	-1.72	-11.63	3.03	-2.63	-3.01	4.92	2.31
3. Other Investment	-6.1	-9.64	-3.72	-7.87	2.46	-1.09	-10.21	-3.62	-4.60	-5.94	-1.48	-15.64	3.52	-6.36	-0.14	1.69	-8.33
Overall Balance	4.7	2.60	4.06	-0.45	10.69	-0.84	13.46	-1.82	2.39	-1.30	4.73	4.00	6.52	-7.37	-1.46	8.62	6.30
- Reserve Assets Position	129.2	135.90	137.10	137.09	146.87	144.91	144.91	139.13	136.38	130.78	137.23	137.23	145.19	137.54	134.86	146.38	146.38
In Months of Imports & Official Debt Repayment	7.3	9.76	9.66	8.78	8.64	7.77	7.77	6.97	6.41	5.73	5.90	5.90	6.22	5.98	5.97	6.47	6.47
- Current Account (% GDP)	-2.7	-0.42	-0.41	-0.65	1.67	0.48	0.30	0.23	1.27	1.39	1.06	1.00	0.90	-0.64	-0.30	-0.38	-0.11

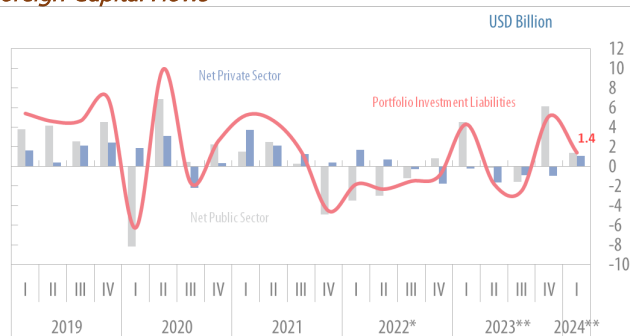
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures

Trade Balance



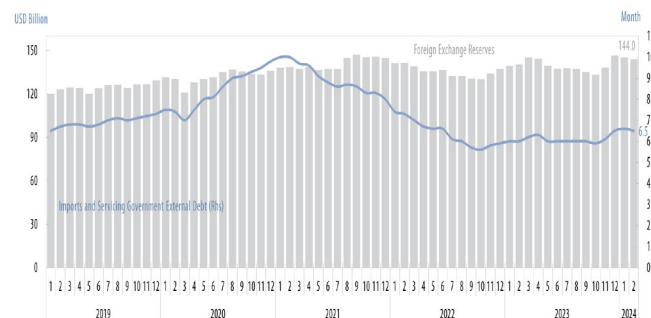
Source: BPS

Foreign Capital Flows



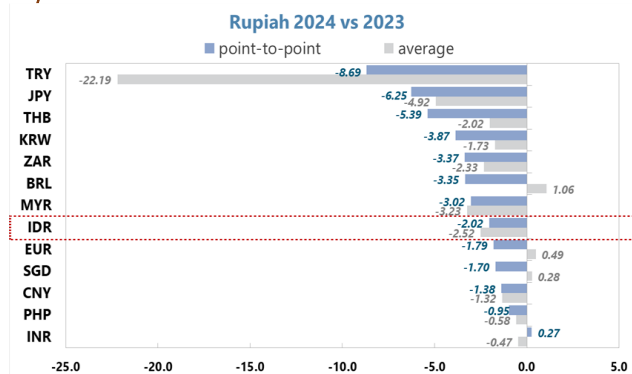
Source: Bank Indonesia. *Data as of 19th March 2024
Provisional Figures; ** Very Provisional Figures

Official Reserve Asset



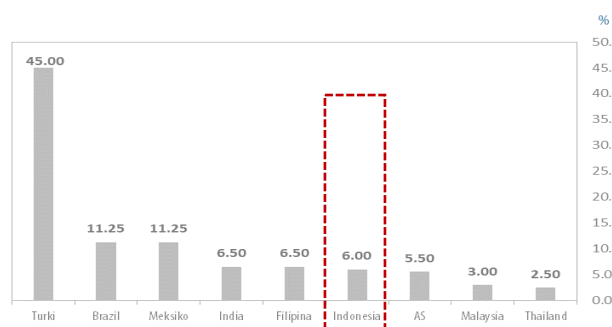
Source: Bank Indonesia

Rupiah vs Peer Countries



Source: Bloomberg and Reuters. Data as of 20th March 2024

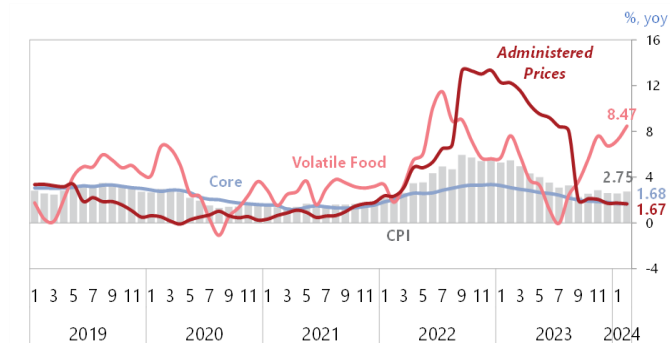
Peers Country Interest Rate Policies



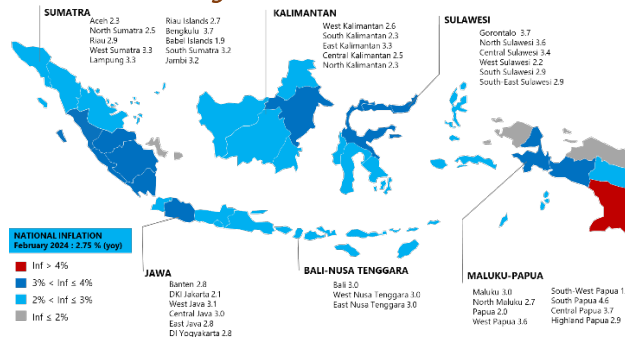
Source: Bloomberg. Data as of 20th March 2024

Low inflation has been maintained within the 2.5%±1% target corridor, supported by pro-stability monetary policy

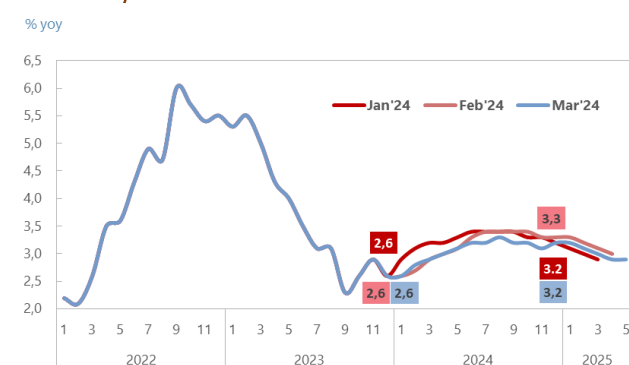
CPI Inflation



Inflation Rate among Cities in Province

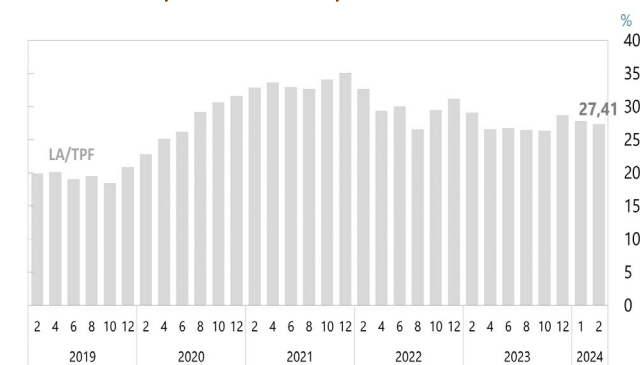


Inflation Expectation

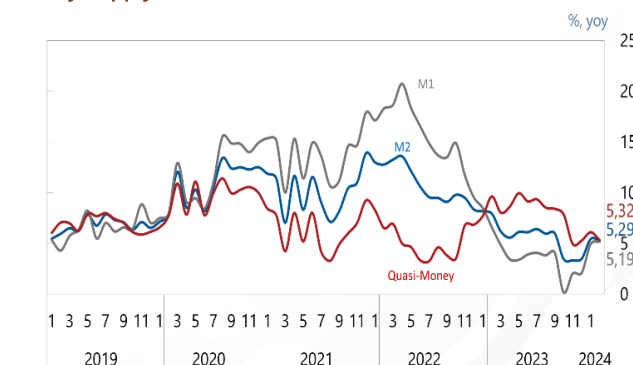


Banking industry resilience remains solid

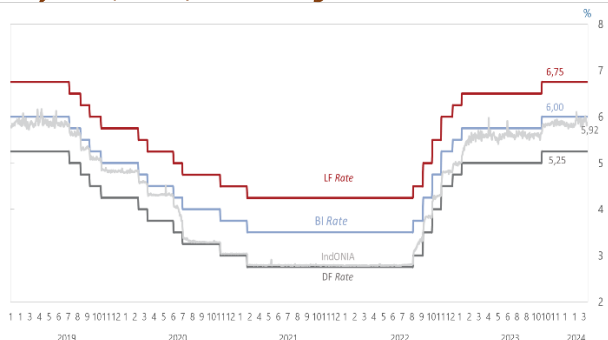
The Ratio of Liquid Assets to Deposits



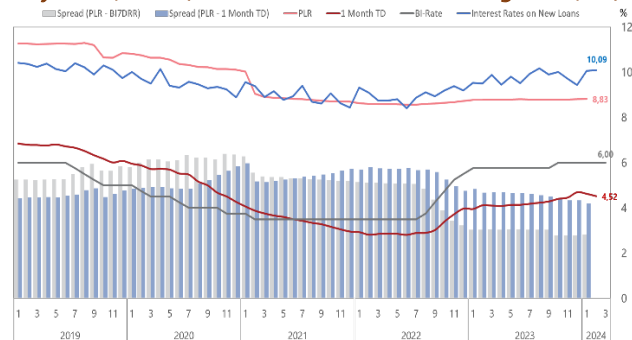
Money Supply



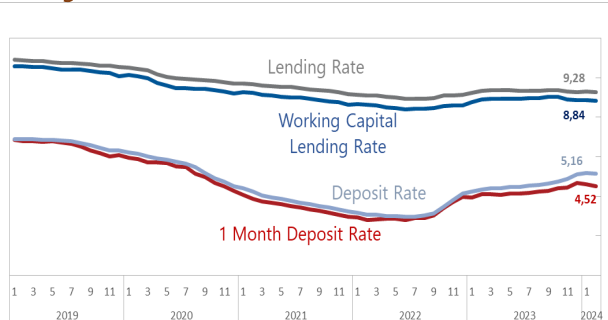
Policy Rate (BI Rate) and Overnight Interbank Rate



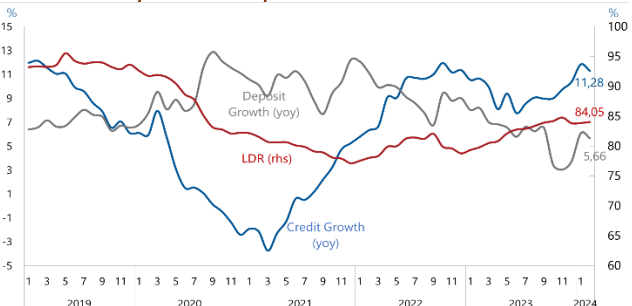
Policy Rate (BI Rate) Transmission to Prime Lending Rate (PLR)



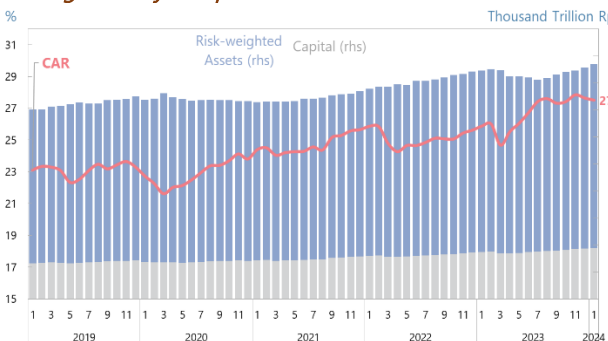
Banking Interest Rates



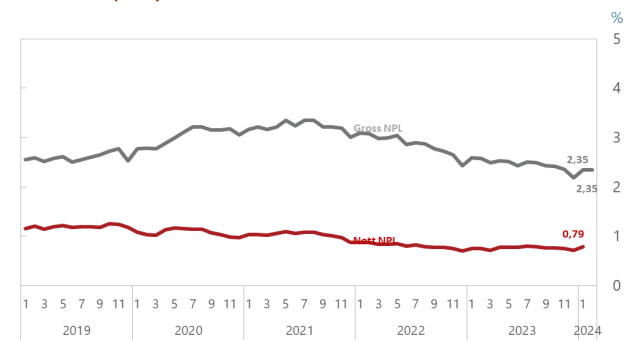
Credit and Deposit Developments



Banking Industry's Capital

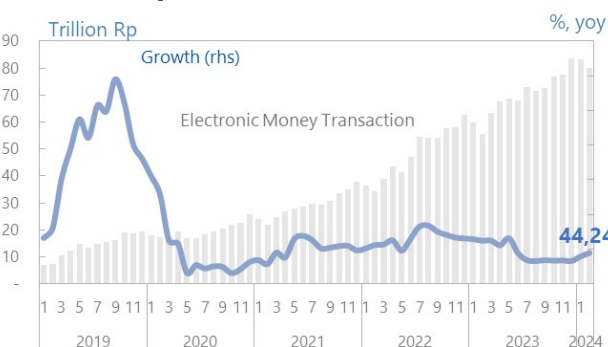


Credit Risk (NPL)

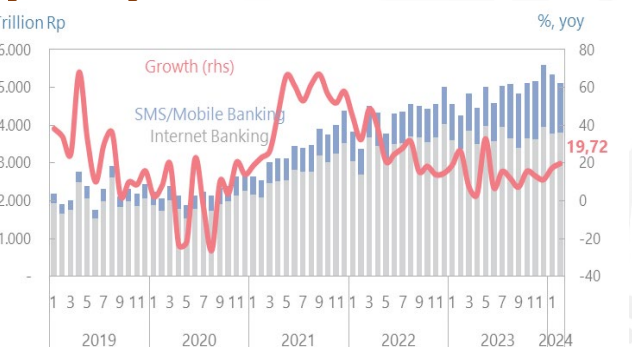


Payment system transactions continue to perform solidly

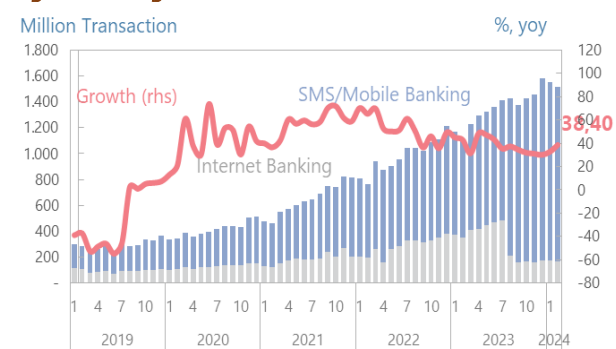
Electronic Money Transactions Value



Digital Banking Transactions Value

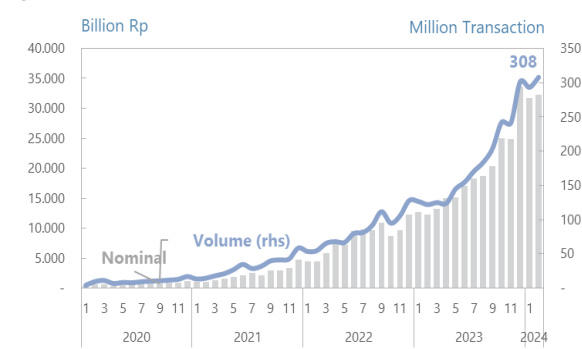


Digital Banking Transactions Volume



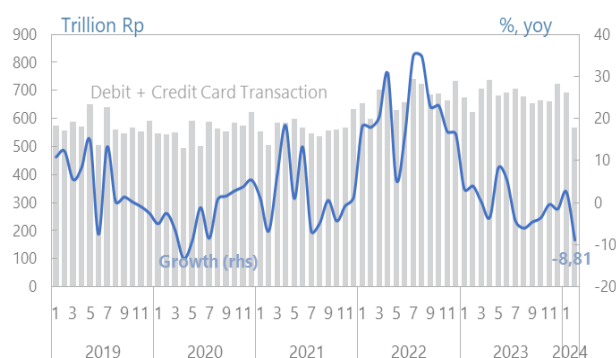
Source: Bank Indonesia

QRIS Transactions Value and Volume



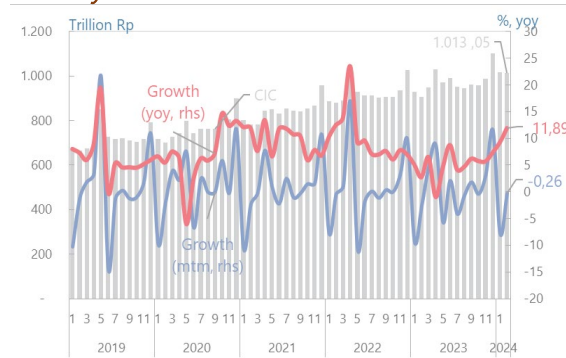
Source: Bank Indonesia

ATM/Debit and Credit Card Transactions



Source: Bank Indonesia

Currency in Circulation



Source: Bank Indonesia



BANK INDONESIA
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For further information:

Monetary Policy Communication Division
Policy Formulation Group
Economic and Monetary Policy Department

Tel : Contact Center BICARA (+62 21) 131
Fax : +62 21 345 2489
Email : DKEM-KKP@bi.go.id
Website : <https://www.bi.go.id>