



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

MONETARY POLICY

REVIEW

MAY 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



Table of Content

Foreword	i	Executive Summary	1
The Board of Governors	i	1. Global and Domestic Economic Developments	2
Table of Content	ii	2. Bank Indonesia Policy Response	6



Executive Summary

Global financial market uncertainty remains high despite a solid US economic outlook. The US economy posted strong growth on the back of increasing domestic demand, including an accommodative fiscal policy stance, and higher exports. US inflation in April 2024 remained high in line with solid economic growth despite moderating on the rate recorded in March 2024. The latest inflation developments have increased the possibility of Federal Funds Rate (FFR) reductions by the end of 2024. At the same time, the risk of deepening geopolitical tensions since the end of April 2024 has not materialised. This has had a positive impact on reining in the strong US dollar globally and lowering US Treasury yields compared with conditions in the middle of April 2024, despite remaining at high levels. Capital flows to emerging market economies have resumed, thus alleviating currency pressures. Moving forward, the risks associated with the direction of FFR reductions and dynamics of global geopolitical tensions will continue to demand vigilance due to their potential impact on raising global financial market uncertainty, intensifying currency pressures in emerging market economies, exacerbating inflationary pressures and undermining the global economic growth outlook. Such conditions require a strong policy response to mitigate the adverse impact of global uncertainty spillovers on emerging market economies, including Indonesia.

At home, Indonesia's economy remains resilient despite a period of high global uncertainty. Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. The Rupiah is appreciating in response to the monetary policy mix instituted by Bank Indonesia to mitigate the impact of global uncertainty spillovers.

Inflation has been maintained within the $2.5\% \pm 1\%$ target corridor. 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, thereby supporting Rupiah stabilisation efforts. Monetary policy transmission remains effective after the recent BI-Rate hike. Loans disbursed by the banking industry continue accelerating. Financial system resilience remains solid. Payment system transactions continue to post solid growth. Infrastructure stability and the structure of the payments industry remain solid.

The BI Board of Governors Meeting agreed on 21st-22nd May 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the $2.5\% \pm 1\%$ target corridor in 2024 and 2025, which includes effectively sustaining foreign capital inflows and safeguarding Rupiah stability. 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 financial market uncertainty remains high despite a solid US economic outlook. The US economy posted strong growth on the back of increasing domestic demand, including an accommodative fiscal policy stance, and higher exports. US inflation in April 2024 remained high in line with solid economic growth despite moderating on the rate recorded in March 2024. The latest inflation developments have increased the possibility of Federal Funds Rate (FFR) reductions by the end of 2024. At the same time, the risk of deepening geopolitical tensions since the end of April 2024 has not materialised. This has had a positive impact on reining in the strong US dollar globally and lowering US Treasury yields compared with conditions in the middle of April 2024, despite remaining at high levels. Capital flows to emerging market economies have resumed, thus alleviating currency pressures. Moving forward, the risks associated with the direction of FFR reductions and dynamics of global geopolitical tensions will continue to demand vigilance due to their

potential impact on raising global financial market uncertainty, intensifying currency pressures in emerging market economies, exacerbating inflationary pressures and undermining the global economic growth outlook. Such conditions require a strong policy response to mitigate the adverse impact of global uncertainty spillovers on emerging market economies, including Indonesia.

At home, Indonesia's economy remains resilient despite a period of high global uncertainty. Economic growth in the first quarter of 2024 was recorded at 5.11% (yoy), up from 5.04% (yoy) in the previous period. Stronger growth was driven by domestic demand. Furthermore, private and government consumption improved due to the positive impact of the general election and recent national religious holidays. Investment is growing, primarily supported by building investment in line with ongoing infrastructure projects. On the other hand, export performance

moderated in response to persistently weak demand from Indonesia's major trading partners. Economic performance in the first quarter of 2024 was also supported by stronger sectoral growth in relation to mobility, including Wholesale and Retail Trade, Accommodation and Food Service Activities as well as Information and Communication. Spatially, economic growth accelerated in most regions. The latest developments pointed to solid economic activity in the second quarter of 2024, as reflected in several household consumption and investment indicators, including the Consumer Confidence Index (CCI), Real Sales Index (RSI) and Manufacturing Purchasing Managers Index (PMI). Consequently, economic growth in 2024 is projected in the 4.7-5.5% range. Bank Indonesia will continue strengthening synergy between macroprudential policy and the fiscal stimuli implemented by the Government to foster sustainable economic growth, particularly from the domestic demand side.

Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. The current account deficit in the first quarter of 2024 remained narrow, supported by a surplus goods trade balance. Meanwhile, the capital and financial account recorded a deficit in the first quarter of 2024 in response to global financial market uncertainty. The latest indications in the second quarter of 2024 show improving BOP performance, underpinned by a USD3.6 billion trade surplus recorded in April 2024 on the back of non-oil and gas exports. Meanwhile, portfolio investment in the second quarter of 2024 (as of 20th May 2024) moved back into positive territory, recording a net inflow of USD1.8 billion, given the positive response of Bank Indonesia's monetary policy mix. The position of foreign reserve at the end of April 2024 remained high at USD136.2 billion, equivalent to 6.1 months of imports or 6.0 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports. Overall, BOP performance in 2024 is projected to be maintained, underscored 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 an influx of foreign capital inflows as global financial market uncertainty eases along with positive investor perception of the promising domestic economic outlook and attractive yields on financial assets for investment.

The Rupiah is appreciating in response to the monetary policy mix instituted by Bank Indonesia to mitigate the impact of global uncertainty spillovers. On a monthly basis, the Rupiah in May 2024 (as of 21st May 2024)

appreciated 1.66% (ptp) after losing 2.49% (ptp) in April 2024. Rupiah appreciation stems from the positive monetary policy mix response of Bank Indonesia in April 2024, which attracted foreign capital inflows, primarily to SBN and SRBI instruments, totalling USD4.2 billion in May (as of 20th May 2024). Consequently, the Rupiah has lost just 3.74% of the value recorded at the end of December 2023, less severe than the depreciation experienced by the Philippine peso, South Korean won and Thai baht at 4.91%, 5.52% and 5.99% respectively. Moving forward, the Rupiah exchange rate is projected to remain stable and appreciating trend given attractive yields in line with the higher BI-Rate, lower risk premium, promising economic outlook and BI commitment to continue stabilising the Rupiah. Furthermore, Bank Indonesia continues strengthening Rupiah stabilisation policy by optimising the full panoply of monetary instruments available, which includes optimising its pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments. 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 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 April 2024 was recorded at 3.00% (yoy), down from 3.05% in March 2024. Lower headline inflation was influenced by core inflation and administered prices (AP) inflation, which were recorded low at 1.82% (yoy) and 1.54% (yoy) respectively. Meanwhile, volatile food (VF) inflation fell from 10.33% (yoy) to 9.63% (yoy) given price corrections affecting various food commodities at the start of the harvesting season, coupled with synergy to manage inflation between Bank Indonesia and the Government. Moving forward, Bank Indonesia is confident that CPI 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 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. Furthermore, Bank Indonesia will continue strengthening its pro-stability monetary policy stance and bolstering policy synergy with the (central and

regional) Government to maintain inflation in 2024 and 2025 within the 2.5%±1% target range.

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, thereby supporting Rupiah stabilisation efforts. A recent assessment showed that issuing SRBI has increased monetary policy transmission to the money market, SBN market and foreign exchange market, while having a positive impact on the utilisation of bank portfolio assets to optimise lending/financing. As of 21st May 2024, the respective positions of SRBI, SVBI and SUVBI instruments stood at Rp508.41 trillion, USD2.13 billion and USD257 million. Against a backdrop of elevated global financial market uncertainty, SRBI issuances have also attracted foreign capital inflows to Indonesia, as reflected by a significant increase in non-resident holdings of SRBI from Rp71.55 trillion (18.18% of total outstanding) on 23rd April 2024 to Rp142.90 trillion (28.11% of total outstanding) on 21st May 2024. Moving forward, Bank Indonesia will continue optimising the various innovative pro-market instruments in terms of volume and attractive yields, underpinned by solid economic fundamentals, in pursuit of further portfolio inflows to domestic financial markets. Moreover, Bank Indonesia continues optimising pro-market monetary instruments to strengthen policy transmission effectiveness towards controlling inflation and stabilising the Rupiah.

Monetary policy transmission remains effective after the recent BI-Rate hike. The IndONIA money market reference rate is still moving within the BI-Rate range, recorded at 6.05% on 21st May 2024. SRBI rates remain attractive at 7.29%, 7.38% and 7.48% for tenors of 6, 9 and 12 months respectively (as of 17th May 2024), up from 6.81%, 6.82%, and 6.94% on 19th April 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 were relatively stable in April 2024 at 4.59% and 9.25% respectively. Meanwhile, the yields on SBN of 2 and 10-year tenors increased after the BI-Rate hike from 6.31% and 6.71% at the end of March 2024 to 6.86% and 7.21% at the end of April 2024, thereby increasing the attractiveness of SBN yields. More recently, SBN yields tracked downward trends to 6.70% and 6.86% as of 21st May 2024 in response to a surge of foreign capital flows to SBN instruments.

Loans disbursed by the banking industry continue accelerating. Credit growth in April 2024 was recorded high at 13.09% (yoy), driven by loans extended to various economic sectors, including the Manufacturing Industry, Corporate Services and Trade, in line with higher economic growth. On the supply side, high credit growth was attributable to maintained lending appetite in the banking industry as a consequence of solid capital capacity, the current bank strategy to reallocate assets to credit and the application of Macroprudential Liquidity Incentive (MLI) policy to maintain adequate liquidity in the banking system. Credit growth was also supported by stronger growth of third-party funds, reaching 8.21% (yoy) in April 2024. On the demand side, loan growth is supported by maintained corporate and household sector performance. By loan type, credit growth is primarily supported by investment loans, working capital loans and consumer loans, growing 15.69% (yoy), 13.25% (yoy) and 10.34% (yoy) respectively. Furthermore, sharia financing maintained high growth at 14.88% (yoy), while MSME loans increased 7.30% (yoy). Consequently, Bank Indonesia projects credit growth to increase in the 10-12% range in 2024. Furthermore, Bank Indonesia will continue strengthening the effective implementation of accommodative macroprudential policy and bolstering synergy with the Government, KSSK, banking industry and businesses to provide tangible support to increase lending/financing for sustainable economic growth.

Financial system resilience remains solid. Banking resilience is reflected by ample bank liquidity, low credit risk and solid capital capacity. Bank liquidity remains adequate, as reflected by a high ratio of liquid assets to third-party funds (LA/TPF) at 25.62%. The Capital Adequacy Ratio (CAR) in the banking industry is also still high at 25.96%, recorded in March 2024, supported by low credit risk, as indicated by NPL ratios of 2.25% (gross) and 0.77% (nett). Solid banking industry resilience is also supported by sound corporate repayment capacity. The results of BI stress tests further confirmed solid banking industry resilience in the face of global financial market uncertainty pressures, including the mitigated risk of exposure to external debt at financial institutions and the corporate sector, supported by a sound management strategy. Bank Indonesia will continue strengthening synergy with the KSSK to mitigate various risks that could potentially disrupt financial system stability.

Payment system transactions continue to post solid growth. In April 2024, BI-RTGS transactions increased 18.65% (yoy) to reach Rp13,112.22 trillion, while BI-FAST transactions increased 56.70% (yoy) to Rp612.90 trillion. The value of digital banking transactions grew

19.08% (yoy) to Rp5,340.92 trillion and the value of electronic money transactions grew 33.99% (yoy) to Rp90.44 trillion. The value of QRIS transactions enjoyed impressive 194.06% (yoy) growth, with QRIS users and merchants totalling 48.90 million and 31.86 million respectively. On the other hand, the value of card-based payments using ATM/debit cards totalled Rp619.19 trillion in the reporting period, retreating 12.49% (yoy), while the value of credit card transactions increased 11.67% (yoy) to reach Rp34.39 trillion. In terms of Rupiah currency management, total currency in circulation grew 2.64% (yoy) to Rp1,058.23 trillion.

Infrastructure stability and the structure of the payments industry remain solid. In terms of

infrastructure, Bank Indonesia maintains a secure, safe 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, driven by the integration of industry players utilising the National Open API Payment Standard (SNAP) to improve the quality of digital services for the public. In addition, Bank Indonesia will ensure adequate availability of Rupiah currency fit for circulation in suitable denominations throughout all regions of the Republic of Indonesia, including frontier, outermost and remote (3T) regions.



CHAPTER 2

Bank Indonesia Policy Response

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

1. Strengthening the pro-market monetary operations strategy to enhance monetary policy effectiveness by:
 - a. Strengthening the interest rate structure of the Rupiah money market to maintain attractive yields and portfolio inflows to domestic financial assets for investment, thereby bolstering Rupiah stability.
 - b. Optimising Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Forex Securities (SVBI) and Bank Indonesia Forex Sukuk (SUVBI).

2. 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.
3. Strengthening the competitive SBN term-repo and FX swap transaction strategies to maintain adequate liquidity in the banking industry.
4. Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by economic sector.
5. Strengthening synergy to expand acceptance of payment system digitalisation in conjunction with the payment system industry to increase the acquisition of QRIS merchants across all MSME categories by improving the quality of services, strengthening various promotional programs and campaigning the use of QRIS, including QRIS Jelajah Indonesia.

Policy coordination between Bank Indonesia and the Government is also constantly strengthened to mitigate the risks posed by persistently high global uncertainty. In term of controlling inflation, Bank Indonesia strengthens policy coordination with the (central and regional) Government through the National Movement for Food Inflation Control (GNPIP) in various regions within the Central Government and Regional Government Inflation Control Teams (TPIP and TPID). Monetary and fiscal policy coordination is strengthened to maintain macroeconomic stability and economic growth momentum. 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.

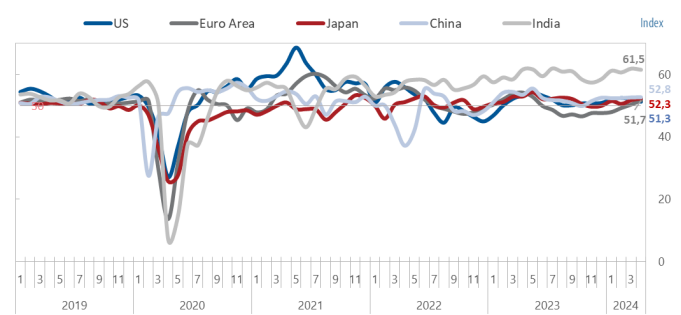
Global financial market uncertainty remains high despite a solid US economic outlook

Global GDP Growth

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

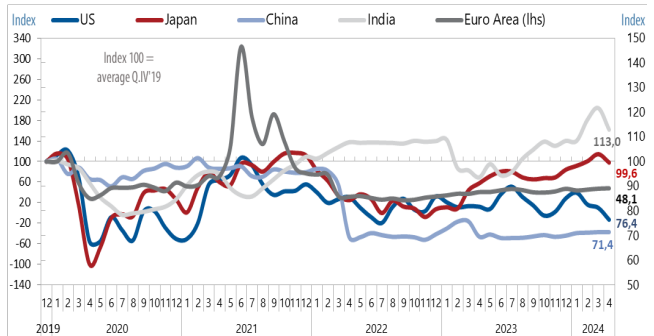
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



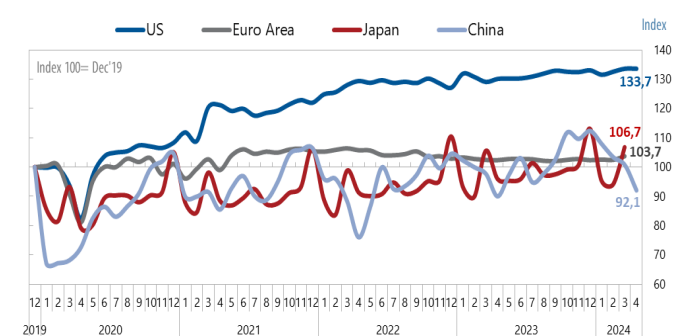
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



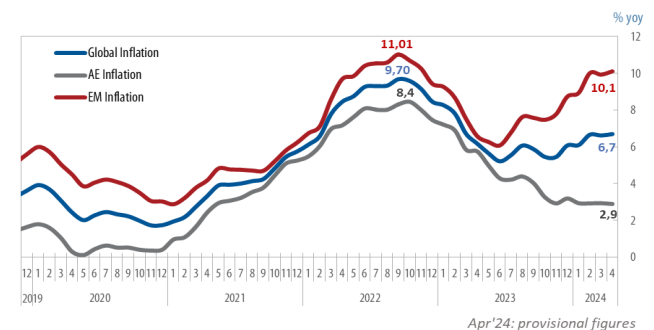
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



Source: Bloomberg and IMF, calculated

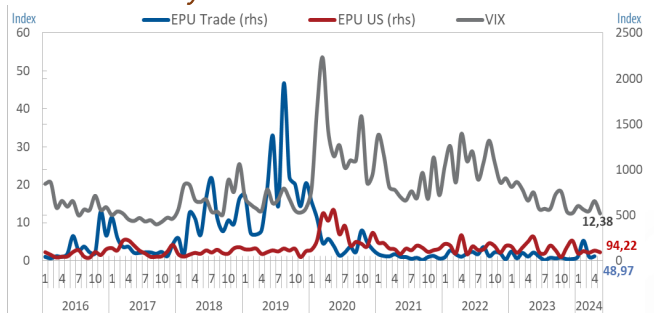
Commodity Prices

Commodity	2021				2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2023	Q1 YTD*
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
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	-25.9
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
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
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
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
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
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
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
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
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 May 20th 2024

Global Uncertainty Index



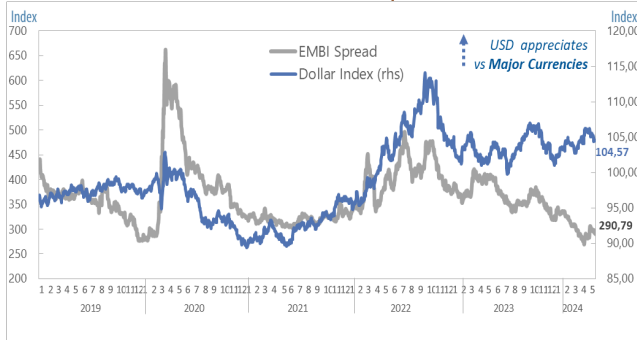
Source: Bloomberg. Data as of May 20th 2024

10 Yr UST & JGB Yield and DJIA Index



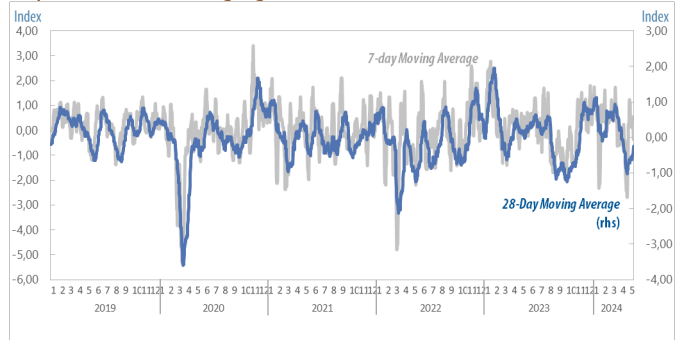
Source: Bloomberg. Data as of May 20th 2024

US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of May 20th 2024

Capital Flow to Emerging Market



Source: IIF, calculated. Data as of May 14th 2024

At home, Indonesia's economy remains resilient despite a period of high global uncertainty

Economic Growth – Expenditure Side

Components	2019	2020	2021	2022				2023				2024		
				I	II	III	IV	2022	I	II	III	IV	2023	I
Household Consumption	5.04	-2.63	2.01	4.35	5.52	5.40	4.50	4.94	4.53	5.22	5.05	4.47	4.82	4.91
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	18.11	9.83	24.29
Government Consumption	3.27	2.12	4.25	-6.60	-4.61	-2.50	-4.72	-4.47	3.31	10.47	-3.93	2.81	2.95	19.90
Investment (GFCF)	4.45	-4.96	3.80	4.08	3.09	4.98	3.33	3.87	2.11	4.63	5.77	5.02	4.40	3.79
Building Investment	5.37	-3.78	2.32	2.58	0.92	0.07	0.11	0.91	0.08	3.32	6.31	6.42	4.04	5.46
NonBuilding Investment	1.83	-8.44	8.42	8.63	9.71	19.32	12.11	12.53	7.93	8.30	4.45	1.60	5.34	-0.64
Exports	-0.48	-8.42	17.99	14.40	16.32	19.09	14.95	16.23	11.74	-2.91	-3.91	1.64	1.32	0.50
Imports	-7.13	-17.60	24.86	16.06	13.06	25.73	6.49	15.00	4.15	-3.23	-6.75	-0.15	-1.65	1.77
GDP	5.02	-2.07	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94	5.04	5.05	5.11

Source: BPS

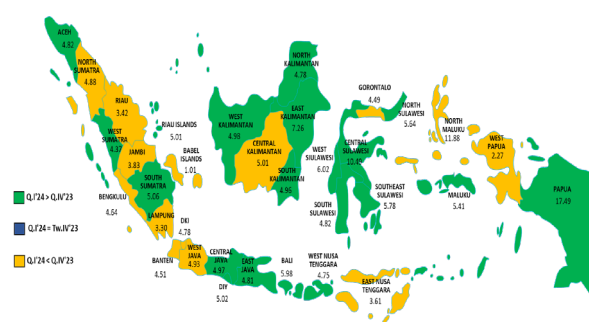
Economic Growth – Economic Sectors Side

Components	2019	2020	2021	2022				2023				2024
				I	II	III	IV	I	II	III	IV	I
Agriculture, Forestry, and Fisheries	3.61	1.77	1.87	1.16	1.95	4.51	2.25	0.44	2.03	1.49	1.12	1.30
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	7.46
Manufacture	3.80	-2.93	3.39	5.07	4.01	4.83	5.64	4.89	4.43	4.88	5.19	4.07
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	8.68
Water Supply	6.83	4.94	4.97	1.35	4.46	4.26	2.84	3.23	5.69	4.78	4.49	4.66
Construction	5.76	-3.26	2.81	4.83	1.02	0.63	1.61	2.01	0.32	5.23	6.39	7.68
Wholesale Retail, Car and Motorcycle Repairs	4.80	-3.79	4.63	5.74	4.43	5.37	6.56	5.53	4.94	5.29	5.10	4.09
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	10.33
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	7.89
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	6.74
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	6.56
Real Estate	5.76	2.32	2.78	2.16	0.63	0.39	1.72	0.37	0.96	2.21	2.18	1.43
Corporate Services	10.25	-5.44	0.73	5.96	7.92	10.79	10.42	8.77	6.37	9.59	9.37	7.62
Government Administration, Defence and Compulsory Social Security	4.86	-0.03	-0.33	-1.29	-1.53	12.47	1.77	2.51	2.10	8.16	-8.24	1.61
Education Services	6.30	2.61	0.11	-1.41	-1.07	4.45	0.40	0.57	1.02	5.43	-2.07	2.63
Health Services and Other Social Activities	8.66	11.56	10.45	4.52	6.51	-0.70	2.48	2.75	4.77	8.28	2.91	3.09
Other Services	10.57	-4.10	2.12	8.25	9.26	8.13	11.14	9.47	8.90	11.89	11.14	10.15
GDP	5.02	-2.07	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94	5.04

Source: BPS

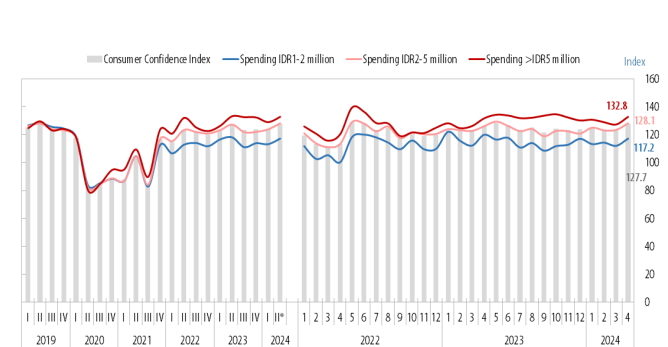
Growth of Regional Economic (GDRP) of the First Quarter of 2024

Realization of GDRP Quarter I 2024 (% yoy; compared to Quarter IV 2023)



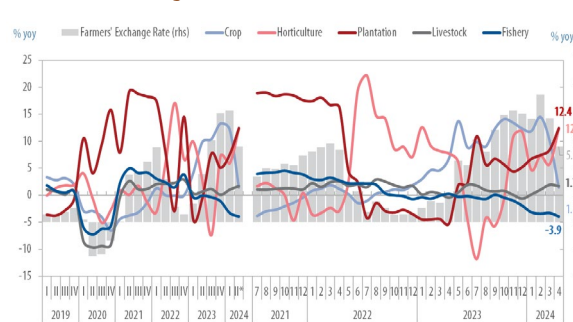
Source: BPS, calculated

Consumer Confidence Index



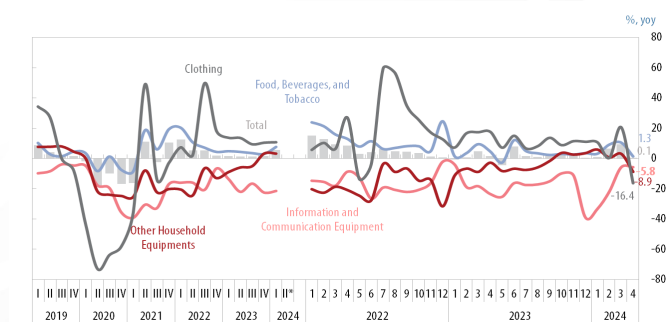
Source: Bank Indonesia. *Data as of April 2024

Farmers' Exchange Rate



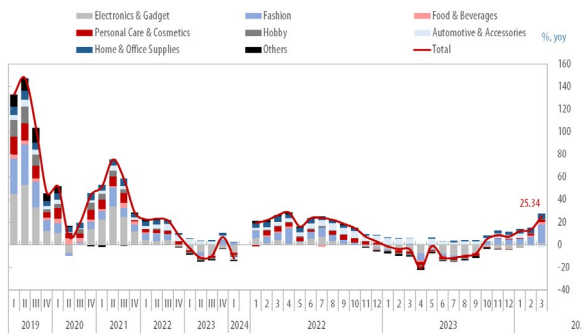
Source: BPS, calculated. *Data as of April 2024

Retail Sales



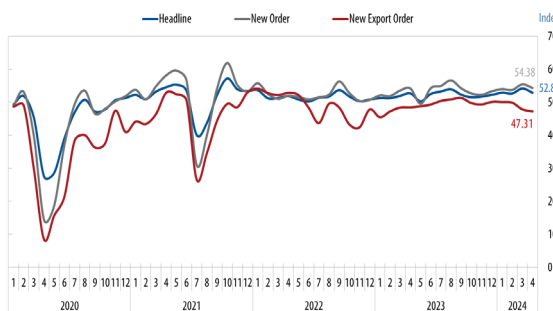
Source: Bank Indonesia. *Data as of April 2024

Online Sales



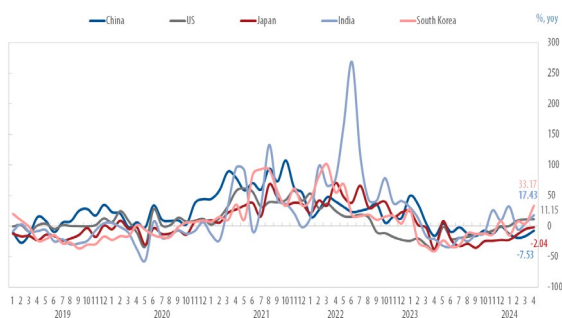
Source: Big Data Analytics Bank Indonesia

Manufacturing Purchasing Managers' Index (PMI)



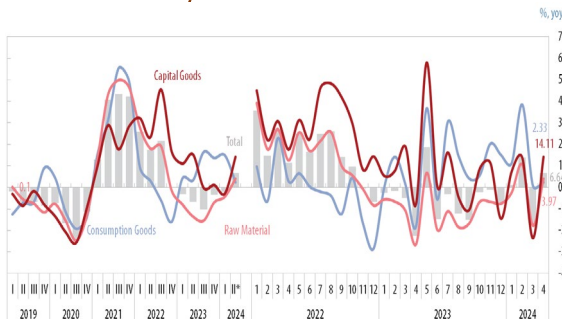
Source: Markit Economics

Non-Oil and Gas Exports to Main Destination Countries



Source: Bank Indonesia

Non-oil and Gas Imports



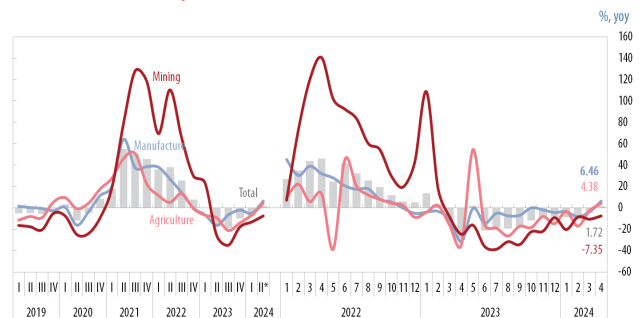
Source: Bank Indonesia. *Data as of April 2024

Realization of State Budget (APBN)

ITEMS	2020		2021		2022		2023		2024	
	Realization (IDR Trillion)	% Realization PERPRES 72	Budget (IDR Trillion)	% Realization as of December 2021	Budget (IDR Trillion)	% Realization as of December 2022	Budget (IDR Trillion)	% Realization as of December 2023	Budget (IDR Trillion)	% Realization as of April 2024
A. State Income and Grants	3,474.0	96.9%	3,740.6	2,009.6	1,986.1	2,266.2	2,838.7	2,774.3	2,800.0	876.1
1. Domestic Income	3,428.0	95.9%	3,702.7	2,005.1	1,955.6	2,256.5	2,820.6	2,763.2	2,800.0	874.1
2. Tax Income	2,285.1	91.5%	2,444.5	1,548.4	1,530.0	1,794.0	2,094.4	2,021.2	2,050.4	679.2
3. Non-Tax Income	348.8	116.9%	288.2	458.3	385.6	481.6	596.2	441.4	695.9	196.3
B. Grant	18.8	144.7%	0.9	4.5	0.6	0.6	5.6	0.4	13.0	1.7
C. State Expenditures	2,595.5	94.8%	2,750.0	2,773.6	2,734.2	3,266.4	3,095.5	3,062.2	3,062.2	860.2
1. Central Government Expenditures	3,633.0	92.8%	3,854.3	3,907.9	3,944.5	2,261.6	2,279.2	2,246.5	2,246.5	591.7
2. Employee Spending	385.1	94.3%	421.1	387.7	435.5	455.1	402.4	422.3	442.6	108.3
3. Spending for Goods	421.3	154.6%	342.1	525.6	330.7	330.7	426.0	307.1	426.0	109.9
4. Capital Expenditures	190.9	139.0%	246.8	226.6	199.2	199.2	240.4	199.1	307.3	42.8
5. Payment of Debt Obligations	314.1	92.7%	370.3	343.5	405.9	405.9	385.3	441.4	438.9	161.4
6. Subsidies	196.2	102.2%	175.4	241.0	207.0	207.0	283.7	298.5	298.5	51.8
7. Grant Expenditure	6.3	123.7%	6.8	4.3	4.8	4.8	5.8	0.0	0.0	-
8. Social Assistance	205.5	116.1%	181.4	173.6	147.4	147.4	161.5	148.6	155.9	55.5
9. Other Expenditures	120.0	26.6%	207.1	79.5	214.0	494.4	405.9	329.3	224.6	21.0
D. Transfer to Regions and Village Funds	762.5	99.8%	765.5	765.7	768.6	804.8	816.2	814.7	814.7	207.5
1. Transfer to Regions	691.4	99.8%	721.5	721.9	701.6	763.9	748.3	744.7	744.7	211.7
2. Village Funds	71.1	99.9%	72.0	71.9	68.0	68.0	67.9	70.0	69.9	21.8
E. Primary Balance	833.6	103.1%	420.5	402.2	404.0	404.0	426.0	52.2	134.6	38.3
F. Budget Surplus/Deficit	847.7	1,054.4%	1,984.6	1,944.6	1,944.6	1,944.6	1,944.6	1,944.6	1,944.6	26.8
Surplus/Deficit (NBP)	85.1	65.7%	65.8	65.8	65.8	65.8	65.8	65.8	65.8	61.2

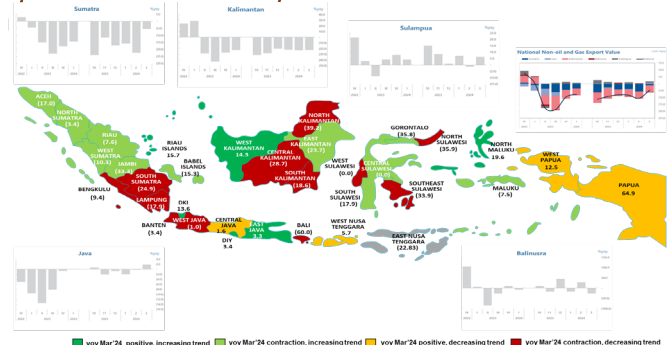
Source: Ministry of Finance

Non-oil and Gas Exports



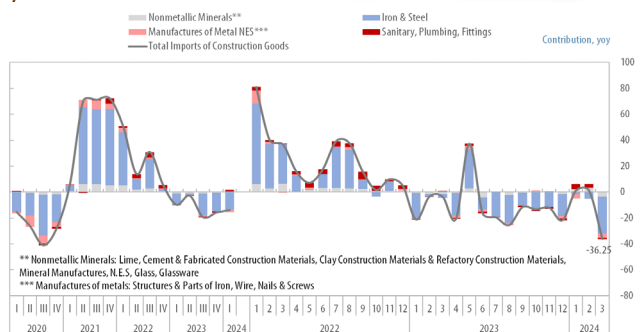
Source: Bank Indonesia. *Data as of April 2024

Spatial Non-oil and Gas Exports



Source: Bank Indonesia

Import of Construction Goods



Source: Bank Indonesia

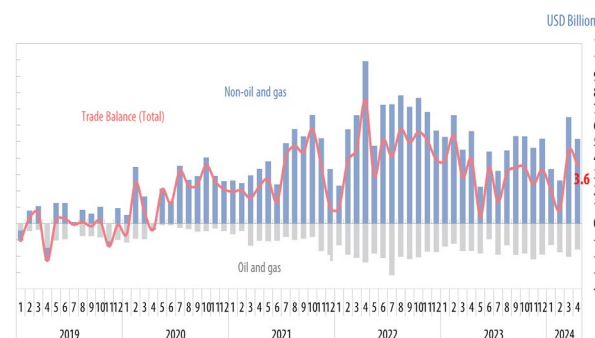
Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience

Indonesia's Balance of Payments

Items (Billion USD)	2019	2020	2021					2022					2023*					2024**
			I	II	III	IV	Total	I	II	III	IV	Total	I*	II*	III*	IV*		
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	2.78	-2.36	-1.17	-1.88	-2.16	
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	11.44	46.45	5.82	
- 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	66.27	259.51	62.10	
- 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	-54.83	-213.06	-52.28	
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	86.77	19.01	15.16	15.87	17.69	15.08	
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	-4.62	-3.95	-4.98	-19.96	
B. Services	-7.6	-9.76	-3.45	-3.65	-3.53	-3.96	-14.80	-4.33	-4.97	-5.26	-5.39	-19.96	-4.54	-4.62	-3.95	-4.98	-18.09	
C. Primary Income	-33.8	-28.91	-6.75	-8.02	-8.27	-8.91	-31.96	-7.73	-9.00	-9.93	-9.63	-35.30	-8.85	-9.30	-8.63	-35.61	-9.94	
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	5.38	
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	4.09	-5.09	-0.03	11.07	10.04	
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	4.38	3.92	3.16	3.31	14.77	
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	-2.64	-3.02	4.88	2.79	
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	-3.92	-6.30	-3.12	2.75	-1.79	
Overall Balance	4.7	2.80	4.68	-0.45	10.69	-0.84	13.45	-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	144.13	139.13	136.38	130.78	137.23	137.23	145.19	137.54	134.86	146.38	140.39	
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	6.19	
- 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	0.83	-0.67	-0.34	-0.33	-0.14	

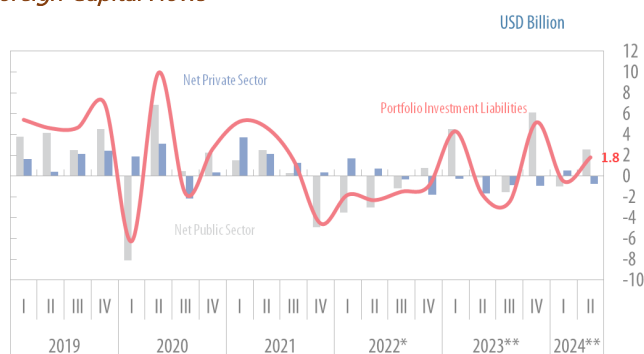
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures

Trade Balance



Source: BPS

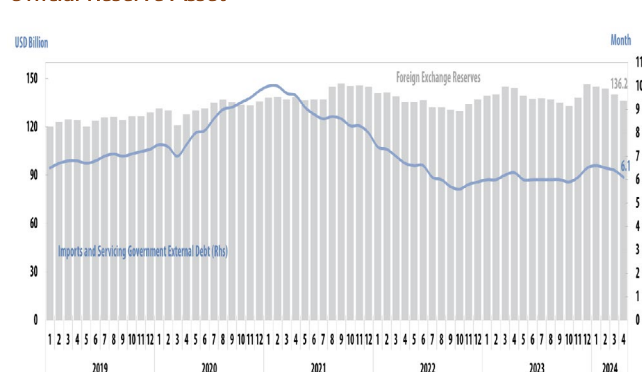
Foreign Capital Flows



Source: Bank Indonesia. Data as of 21 May 2024. *Provisional Figures **Very Provisional Figures

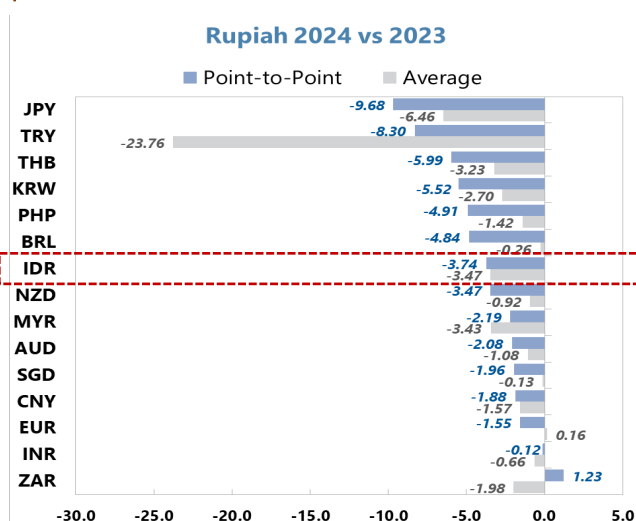
Source: Bank Indonesia. *Data as of 21st May 2024
Provisional Figures; ** Very Provisional Figures

Official Reserve Asset



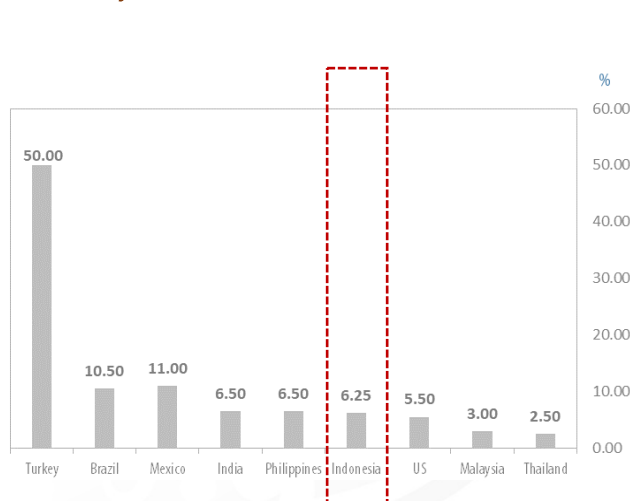
Source: Bank Indonesia

Rupiah vs Peer Countries



Source: Bloomberg and Reuters. Data as of 21st May 2024

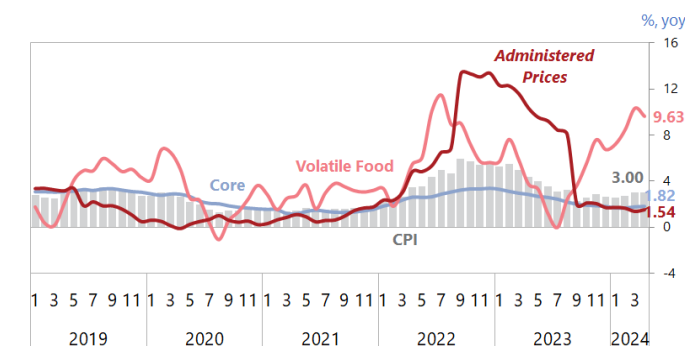
Peers Country Interest Rate Policies



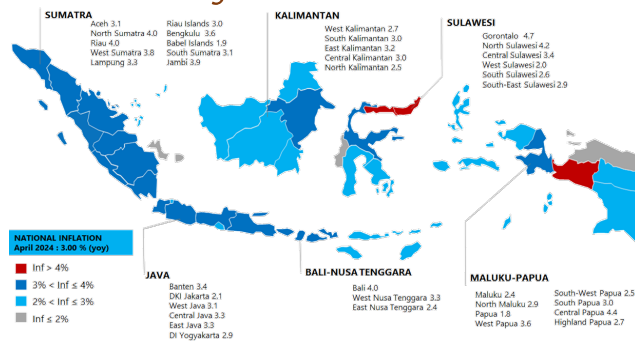
Source: Bloomberg. Data as of 21st May 2024

Inflation has been maintained within the 2.5%±1% target corridor

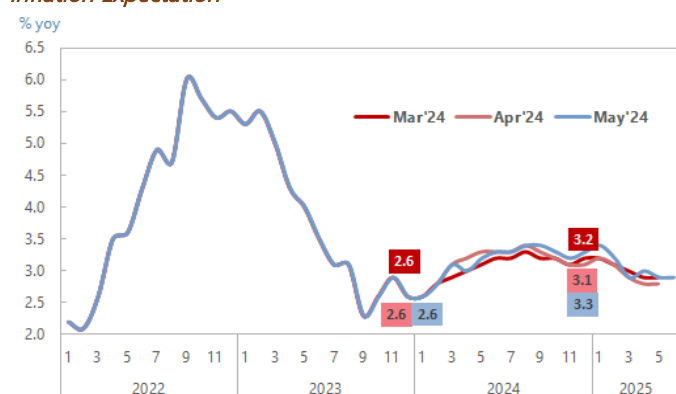
CPI Inflation



Inflation Rate among Cities in Province

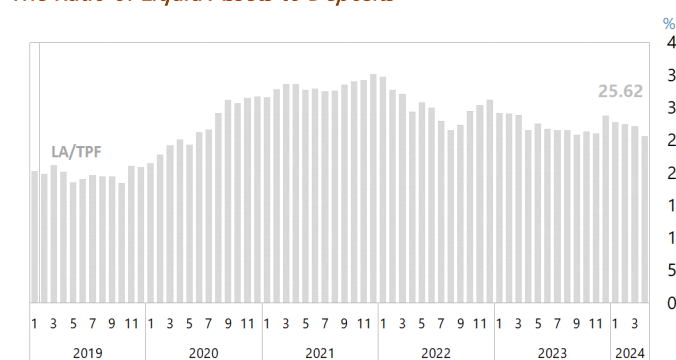


Inflation Expectation

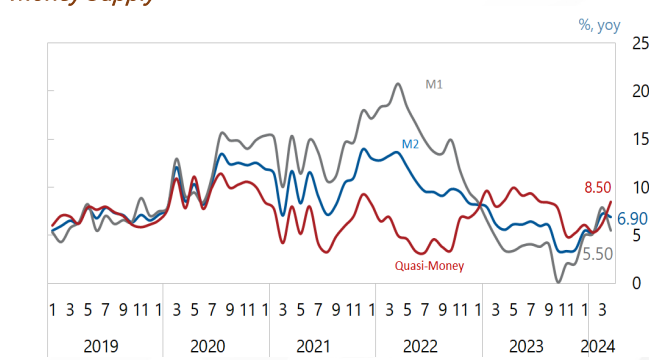


Bank Indonesia continues optimising various pro-market monetary instruments issued in 2023, namely SRBI, SVBI and SUVBI, to support money market deepening efforts and attract capital inflows, thereby supporting Rupiah stabilisation efforts. Monetary policy transmission remains effective after the recent BI-Rate hike. Loans disbursed by the banking industry continue accelerating. Financial system resilience remains solid

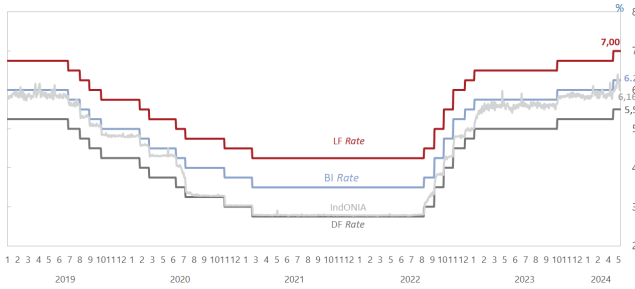
The Ratio of Liquid Assets to Deposits



Money Supply

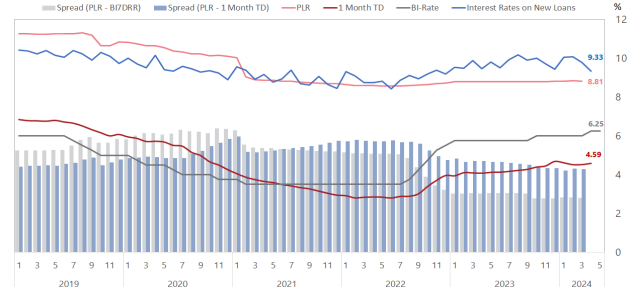


Policy Rate (BI Rate) and Overnight Interbank Rate



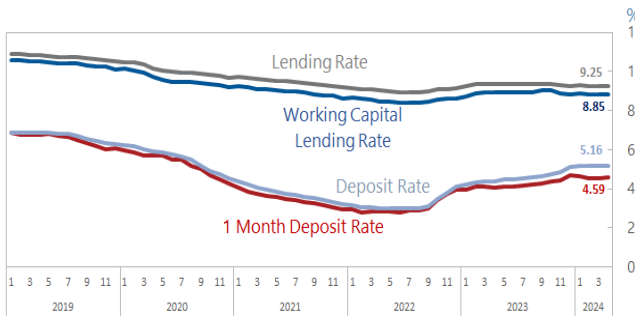
Source: Bank Indonesia

Interest Rate Development



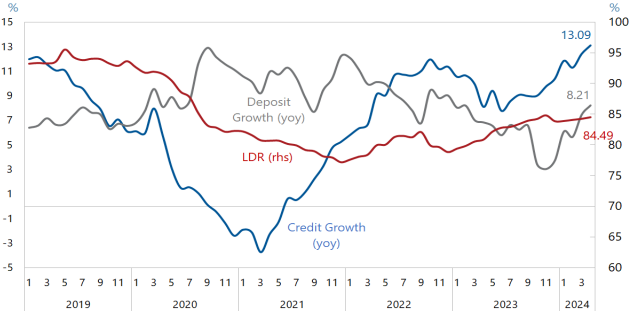
Source: OJK, Bank Indonesia, calculated

Banking Interest Rates



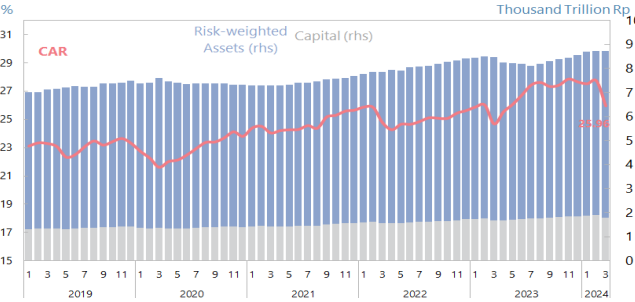
Source: Bank Indonesia

Credit and Deposit Developments



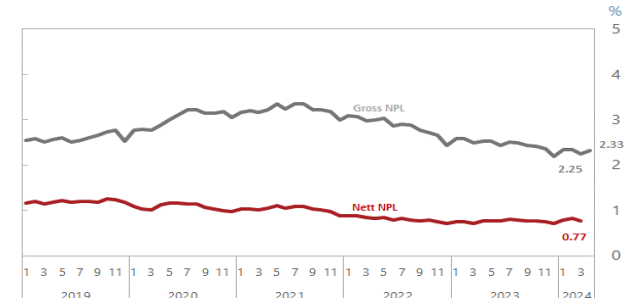
Source: Bank Indonesia

Banking Industry's Capital



Source: Bank Indonesia

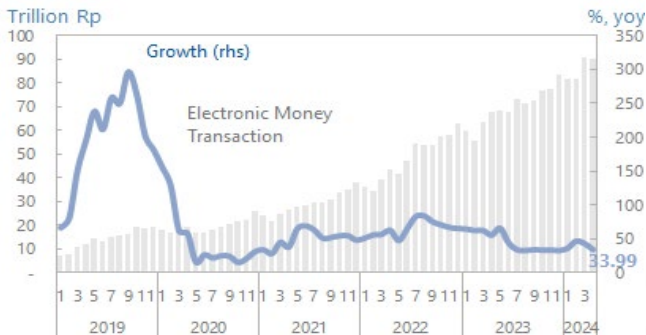
Credit Risk (NPL)



Source: Bank Indonesia, OJK

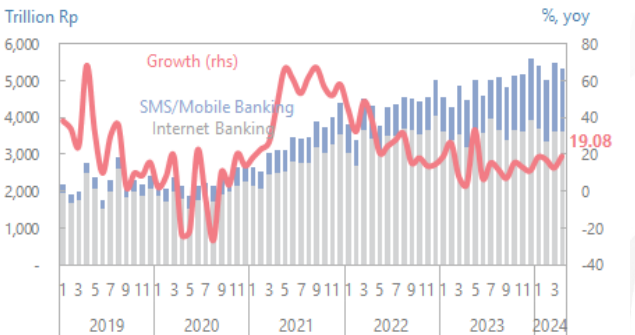
Payment system transactions continue to post solid growth. Infrastructure stability and the structure of the payments industry remain solid

Electronic Money Transactions Value



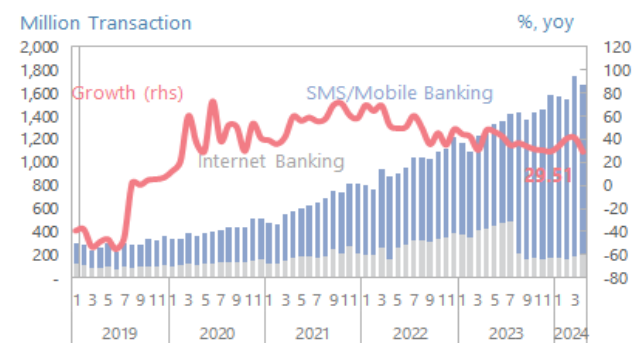
Source: Bank Indonesia

Digital Banking Transactions Value



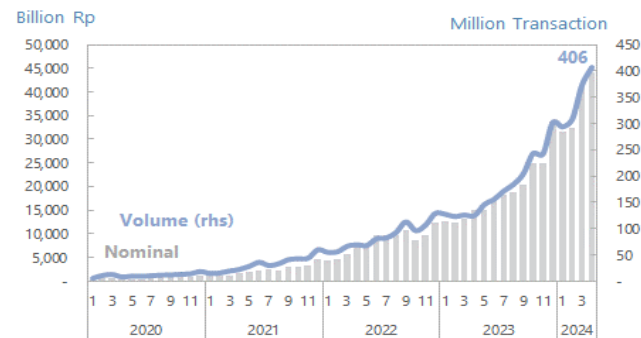
Source: Bank Indonesia

Digital Banking Transactions Volume



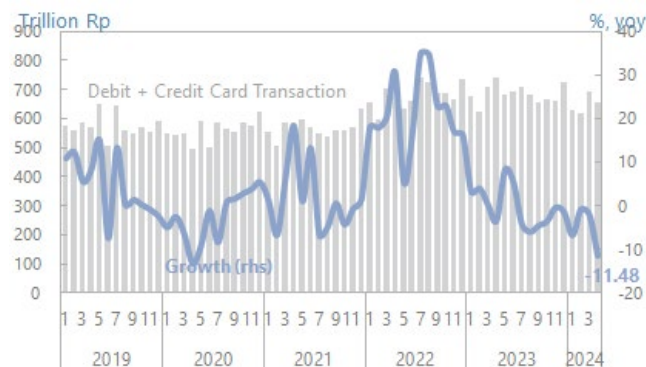
Source: Bank Indonesia

QRIS Transactions Value and Volume



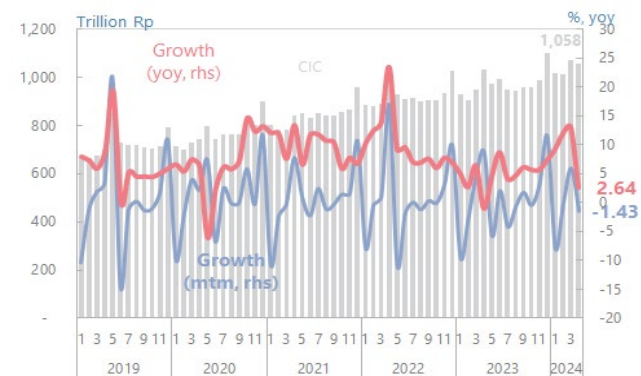
Source: Bank Indonesia

ATM/Debit and Credit Card Transactions



Source: Bank Indonesia

Currency in Circulation



Source: Bank Indonesia



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

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