

REGIONAL ECONOMIC AND FINANCIAL REVIEW NUSANTARA REPORT

APRIL 2026



Regional Economic and Financial Review

NUSANTARA REPORT

APRIL 2026

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Foreword

The Nusantara Report describes the latest national economic conditions and outlook from a regional perspective. The spatial economic assessments presented in this publication are based on five regions, namely Sumatera, Java, Kalimantan, Bali-Nusa Tenggara (Balinusra) and Sulawesi-Maluku-Papua (Sulampua). The Nusantara Report is published on a quarterly basis by Bank Indonesia in January, April, July and October.

Improving economic performance early in the year across various regions needs to be maintained amid the ongoing conflict in the Middle East. The potential impact of the war must continue to be monitored because it could undermine the global economic outlook and affect economic performance in various regions based on the salient characteristics of their economic structure.

We sincerely hope the Nusantara Report brings valuable insights and benefits to all stakeholders and regional economists. The spirit of optimism is reflected in the design of the Bank Indonesia Office Complex in Nusantara Capital City (IKN), which features the Garuda, symbolising the nation's determination to rise. We are confident that Bank Indonesia can continue supporting economic recovery and development across the Indonesian archipelago, taking into consideration the latest dynamics. This aspiration is visually represented in the map of the Indonesian archipelago, with a touch of the Tangkawang Ampiek batik motif, which symbolises good fortune and health towards national prosperity.

Jakarta, 22nd April 2026

Economic and Monetary Policy Department



Firman Mochtar
Executive Director

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Executive Summary

Persistently solid domestic demand drove economic improvements in most regions in the first quarter of 2026. Household consumption increased in all regions due to higher income from disbursements of the mandatory religious holiday allowance (THR) and rising commodity prices, particularly in regions reliant on natural resources, as well as government incentive programs and social spending. Investment also improved in most regions, driven by ongoing government and private projects in key sectors. In the Kalimantan and Balinusra regions, however, the improvement in domestic demand failed to fully raise overall economic performance in the first quarter of 2026. By sector, improving domestic demand, particularly household consumption, was reflected in stronger trade sector performance, especially domestic retail.

Improving economic momentum in various regions must be maintained throughout 2026 amid the ongoing war in the Middle East. Economic improvements primarily stem from resilient domestic demand, particularly household consumption, thereby supporting stronger economic growth in 2026 compared with 2025 in most regions, except Kalimantan, which faces pressure on external performance. Investment is also projected to improve, driven by government infrastructure projects, Danantara strategic projects and ongoing multiyear private investment in all regions. Nevertheless, the escalating conflict in the Middle East has intensified pressure on external performance in various regions. By sector, improving domestic demand is supporting the trade sector in most regions as well as accommodation and food service activities in the western regions, alongside domestically oriented manufacturing in Java. Meanwhile, export-oriented industries, particularly in Sulampua, achieved limited growth due to sluggish demand from trading partners affected indirectly by the war. Growth in accommodation and food service activities in the Balinusra region was also affected by the indirect impact of the war on disrupting the mobility of international travellers from the Middle East and Europe.

Composite Consumer Price Index (CPI) inflation in the first quarter of 2026 remained under control. Core inflation remained stable, reflecting contained demand pressures despite rising global commodity prices,

particularly gold, which has had a broad impact in all regions, especially Eastern Indonesia. Inflationary pressures from administered prices (AP) remained mild, primarily due to the low base effect of electricity tariff discounts in the previous year. Meanwhile, volatile food (VF) inflation was maintained below the 5% target, supported by adequate food supply. Nevertheless, inflation in several regions was recorded above 5%, notably in Sumatra and Sulampua, which continues to demand attention.

CPI inflation in 2026 is projected to remain within the 2.5 ± 1% target corridor despite the prospect of rising international commodity prices due to the war. On-target inflation is supported by consistent monetary policy from Bank Indonesia to manage domestic demand, to anchor inflation expectations and to maintain external stability amid heightened global economic uncertainty due to the escalating conflict in the Middle East. Mild domestic demand pressures on core inflation are anticipated because economic capacity remains below potential. Volatile food inflation is projected to remain in line with the target below 5%. This is supported by strong synergy between Bank Indonesia and the (central and regional) Government through the National/Regional Inflation Control Teams (TPIP and TPID), including implementation of the National Food Security Program. Meanwhile, pressures from administered prices are also expected to remain under control due to government policy not to adjust energy prices.

Moving forward, the impact of the war demands continuous vigilance due to its potential impact on regional economies. The intensity and magnitude of disruptions caused by the war have increased financial market uncertainty, raised commodity prices and disrupted global supply chains. Such inauspicious conditions could weigh on the global economic outlook and affect economic prospects in various regions depending on the characteristics of their economic structure. Bank Indonesia will continue strengthening its policy mix through monetary, macroprudential and payment system policies and will work in synergy with government policies to maintain stability, while supporting economic growth.

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PART 1

Overview of Recent Regional Economic Developments and Outlook

Regional Economic Growth

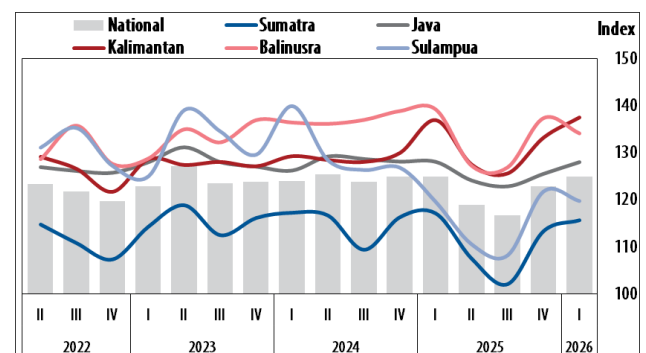
Regional economic performance in the first quarter of 2026 is forecast to improve in most regions. The improvement was primarily supported by a seasonal spike in household consumption during the Ramadan and Eid-ul-Fitr festive season. The positive impact of increased mobility during the national religious holiday mainly supported growth in Java and Sumatra, which are the predominant destinations for Muslims travelling to their hometowns to celebrate Eid-ul-Fitr (*mudik*). First-quarter investment in 2026 is also projected to improve in most regions, supported by various government and private projects in key sectors, except in Kalimantan due to limited Nusantara Capital City development. On the export side, external demand remains solid and supports export improvements, especially in Kalimantan and Sulampua. Increasing community mobility during the Eid-ul-Fitr period was reflected by stronger growth of accommodation and food service activities in Java and Sumatra. Meanwhile, strong external demand, underpinned by improving production, also supported the tradeable sectors in Eastern Indonesia, particularly the mining sector in Sulampua and Balinusra. Furthermore, the ongoing peak harvesting season for rice and maize in the first quarter of 2026 is projected to drive broad-based growth in the agriculture sector across most regions.

Domestic demand is expected to support economic growth in 2026 in most regions. Household consumption is projected to increase in the majority of regions, supported by various government policies, including the implementation of priority programs that can absorb large numbers of workers. Investment is also predicted to improve in all regions, primarily supported by various government projects, including Danantara. On the external side, export performance will be supported by Balinusra and Sumatra on the back of improved factors of production and rising prices of natural resources. By sector, strong domestic demand is reflected in the performance of the trade sector as well as accommodation and food service activities in various regions, especially Java and Sumatra. Furthermore, manufacturing industry performance in Java and mining

sector performance in Balinusra and Sulampua are projected to boost regional economic growth. Moving forward, several downside risks to regional economic growth demand attention, particularly the impact of geopolitical escalation in the Middle East. The ongoing war in the Middle East has the potential to raise energy costs, reduce cross-border mobility and undermine international trade.

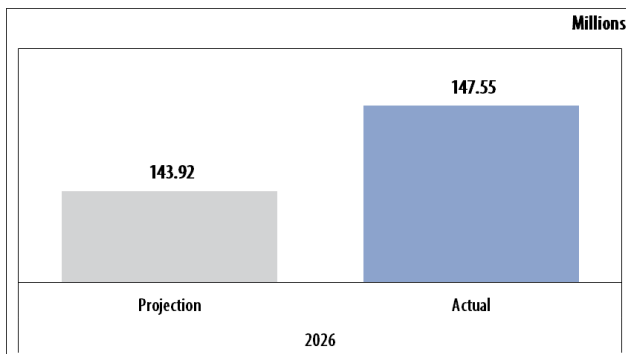
Private Consumption

Private consumption in the first quarter of 2026 is projected to experience broad-based improvements across all regions. The improvement in private consumption was primarily supported by household consumption in line with higher income and solid consumer confidence, as well as increasing consumption and mobility during Ramadan and Eid-ul-Fitr. Consumer confidence in the first quarter of 2026 improved in Java, Kalimantan and Sumatra (Graph I.1). On the income side, income from THR disbursements, commodity prices and the proceeds from exports of natural resources remained solid, thereby sustaining community income, particularly at production hubs for fresh fruit bunches (FFB) located in Sumatra and Kalimantan. Higher farm income from food crops also boosted household consumption due to the ongoing rice harvest at various production centres. Furthermore, increasing consumption and mobility during Ramadan and Eid-ul-Fitr have had a positive impact on household consumption. Community mobility in the week before and week after Eid-ul-Fitr was higher than expected (Graph I.2), thus driving household consumption at the end of the first quarter of 2026.



Source: Bank Indonesia, processed

Graph I.1. Consumer Confidence Index (CCI) by Region



Source: Ministry of Transportation, processed
Graph I.2. Community Mobility during Eid-ul-Fitr 2026

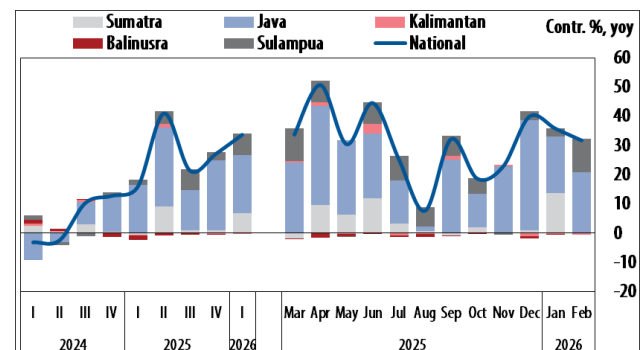
Throughout 2026, private consumption is projected to improve in most regions. Various government policies to stimulate household consumption, including a measured response to rising global oil prices due to the war, are expected to sustain solid household consumption in various regions. Fiscal incentives are set to continue, including government-borne income tax (PPh 21 DTP) for workers in the tourism sector and labour-intensive industries, as well as expanded discounts on work accident insurance (JKK) and life insurance (JKM), covering farmers, merchants, fishermen, construction workers and domestic workers. In addition, rising global commodity prices due to the war will incentivise improving incomes in regions producing natural resources.

Investment

Investment in the first quarter of 2026 is projected to improve relative to the previous period in most regions. Increasing investment was driven by ongoing government and private projects in key sectors of each region. Investment in Sumatra improved due to government infrastructure projects, post-disaster reconstruction as well as investment in the manufacturing industry. In addition to Sumatra, investment in industrial estates and special economic zones (KEK) drove improvements in Java, including the commencement of projects by Danantara. Continued downstream nickel investment was still the main contributor to growth in Sulampua, including a gold mining project in Gorontalo. Meanwhile, investment in Kalimantan was restrained due to limited Nusantara Capital City (IKN) development and the operation of an alumina smelter.

First-quarter gains will support overall investment performance in 2026. The investment realisation target for 2026 is set to increase by more than 12% from the realisation in 2025. Government infrastructure projects, strategic projects by Danantara and ongoing multiyear

private investment will drive investment in all regions. The start of manufacturing investment projects by Danantara in Java and Kalimantan will further support investment growth in these regions throughout the year. Meanwhile, investment in Sulampua will increase due to ongoing multiyear investment in nickel downstreaming, oil and gas as well as gold mining. The investment outlook remains positive in Balinusra, underpinned by projects related to tourist accommodation and government strategic projects. Government support for post-disaster infrastructure rehabilitation in Sumatra is expected to be a major driver of investment in the region. In addition, investment in the manufacturing industry, which is concentrated in the provinces of North Sumatra and the Riau Islands, will also support investment performance in the region.

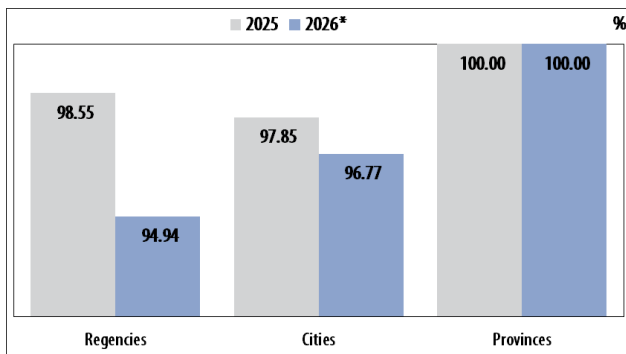


Source: Directorate General of Customs and Excise (DJBC), processed. First-quarter data as of February 2026.

Graph I.3. Imports of Capital Goods by Region

Regional Government Consumption

Regional fiscal support for the economy increased in the first quarter of 2026. Regional fiscal performance improved due to regional spending by the central government and local government spending. Regional spending by the central government is projected to increase in the first quarter of 2026 in line with plans to front load priority government programs. Meanwhile, local government spending was driven by disbursements of the mandatory religious holiday allowance (THR) alongside allowances for civil servants, the accelerated disbursement of the Teachers Professional Allowance (TPG) and School Operational Assistance (BOS), as well as economic stimuli for disaster-affected regions in Sumatra, particularly in Aceh, North Sumatra and West Sumatra. Increasing local government spending in other regions was supported by higher Transfer Fund Allocations to Regions (TKD) amid restrained locally generated revenue (PAD) performance. As of March 2026, a total of 24 local governments had still not finalised their regional budgets (Graph I.4).



Source: Ministry of Home Affairs, processed *Data as of March 2026

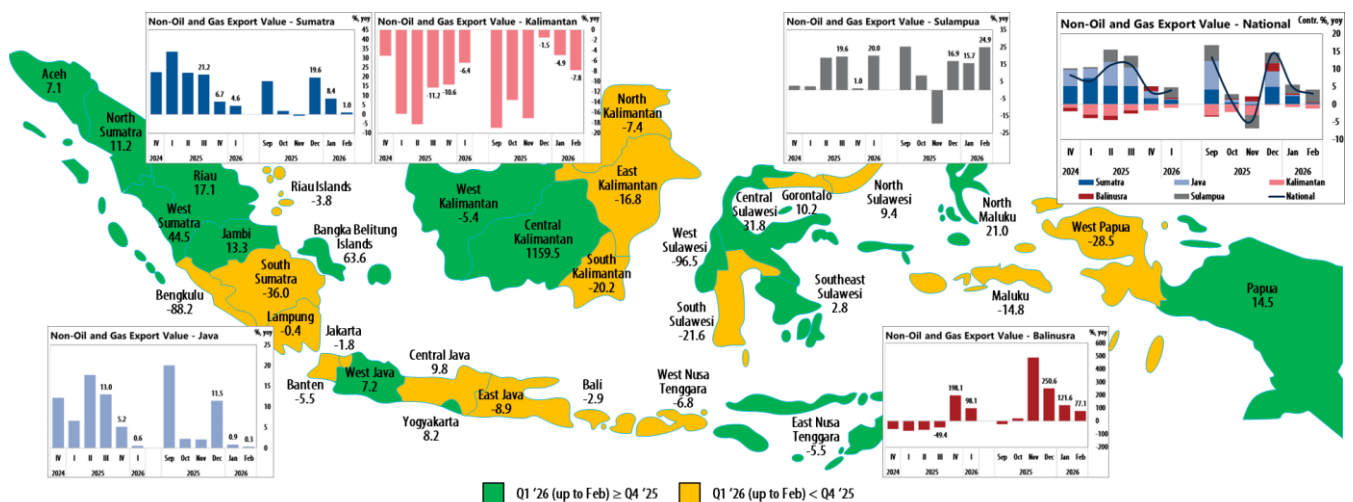
Graph I.4. Regional Budget Finalisation by Regional Governments as of March

The regional fiscal outlook for 2026 is projected to increase but remain limited in most regions. Given fiscal centralisation, fiscal support to drive regional economies will primarily stem from the realisation of priority programs, including the Free Nutritious Meals program, free health checks, the construction of community and flagship schools, as well as the operations of village cooperatives and food security programs. In Kalimantan, however, the outlook for central government spending in 2026 is more limited due to reduced spending on the Nusantara Capital City (IKN). Higher regional fiscal growth in 2026 is also constrained by local government spending. Overall, restrained local government spending is projected due to lower budgets for Transfer Fund Allocations to Regions (TKD) and locally generated revenue (PAD) compared with the previous year.

International Exports

Non-oil and gas exports improved in the first quarter of 2026, supported by the Kalimantan and Sulampua regions. The improvement in non-oil and gas exports in Kalimantan was driven by crude palm oil (CPO) due to higher demand from partner countries, particularly India, amid rising commodity prices caused by the war in the Middle East. Higher CPO exports were also observed in Sumatra due to strong CPO demand from partner countries, thereby offsetting export moderation in the region caused by declining coal exports. Exports from Sulampua also improved, supported by exports of steel and nickel derivatives. Copper exports from Balinusra continued to record high growth given the optimisation of relaxed copper concentrate export quotas, which are expected to be discontinued soon. Meanwhile, in Java, export performance was restrained due to a slowdown in gold jewellery exports.

Non-oil and gas exports are projected to remain positive in 2026. Non-oil and gas exports from Balinusra are forecast to increase in line with relaxed copper concentrate export quotas early in the year. Exports from Sumatra are also projected to remain positive due to higher prices of major commodities despite the end of front-loading exports to the United States. The war in the Middle East is expected to impact manufacturing exports from Java. Meanwhile, government policies regarding production targets for coal and nickel mining are expected to impact export improvements in Kalimantan and Sulampua.



Source: Directorate General of Customs and Excise (DJBC), processed. First-quarter data as of February 2026

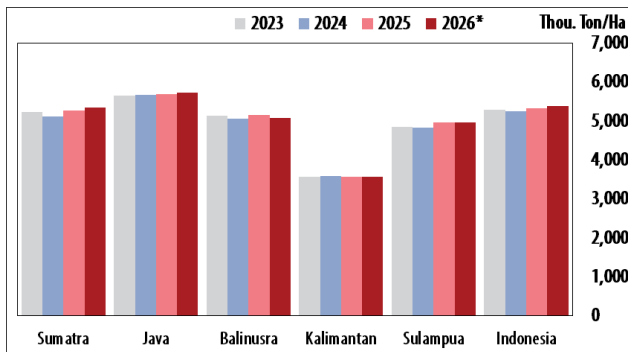
Figure I.1. Map of Non-oil and Gas Export Growth by Region in Q1/2026 (% yoy)

Agriculture

Agricultural sector performance in the first quarter of 2026 is projected to increase on the back of the peak harvesting season. The peak rice and maize harvests,

which in 2025 coincided with the second quarter, are projected to return to the first quarter in 2026, thereby boosting agricultural sector performance, especially in Java and Sumatra. Improved performance is also

supported by better land productivity (Graph I.5). This reflects various government land intensification measures, including the use of superior seeds, targeted fertiliser application, efficient irrigation management, integrated pest control and agricultural mechanisation. Nevertheless, higher agricultural growth was constrained by a decline in the production of fresh fruit bunches (FFB) in Sumatra and Kalimantan as well as horticultural crops, such as shallots and bird's eye chilli, in Java due to heavy rainfall.



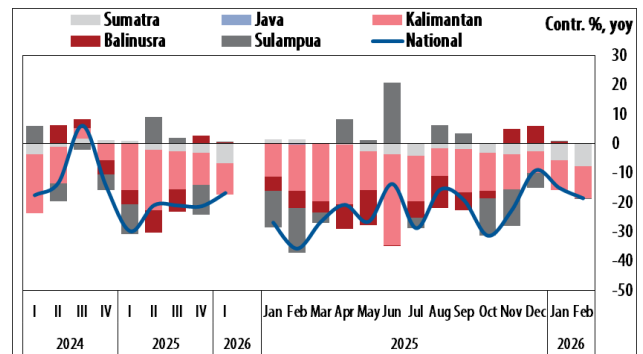
Source: BPS-Statistics Indonesia, processed

Graph I.5. Rice Field Area

Agricultural sector performance is projected to be maintained in 2026. The outlook for FFB production is forecast to improve, supported by productivity improvement initiatives, such as the Palm Oil Rejuvenation Program (PSR) and the application of Good Agricultural Practices (GAP). Increased production is also supported by downstream policies to accelerate the transition towards renewable energy through the implementation of B50 biodiesel in 2026. The weather in 2026 is predicted to be drier than in 2025 due to the Godzilla El-Nino phenomenon, which is expected to have a positive impact on horticultural production. Nonetheless, El-Nino could also precipitate lower food crop production, such as rice and maize, particularly in Java and Sumatra.

Mining

Mining sector performance is projected to improve in the first quarter of 2026 across most regions. High mining sector growth in Balinusra has persisted, driven by better ore concentrate quality, relaxed export quotas for concentrate and more optimal operation of copper cathode smelters. In Sulampua, improved mining performance was supported by the recovery of copper and gold mining operations in Papua that were suspended at the end of 2025 due to natural disasters. Meanwhile, mining activity increased in Sumatra due to oil and gas production, amid more limited coal production, similar to the situation in Kalimantan.



Source: Directorate General of Customs and Excise (DJBC), processed. First-quarter data as of February 2026

Graph I.6. Value of Mining Exports by Region

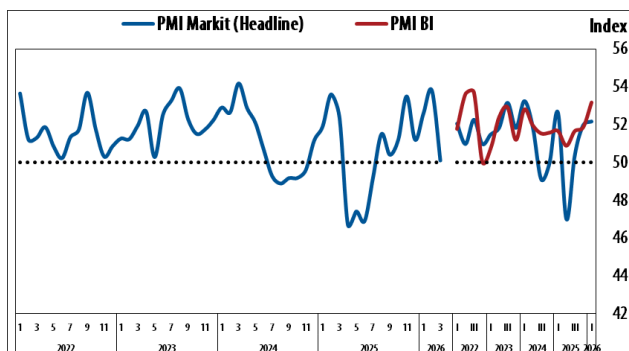
The mining sector outlook for 2026 is promising, bolstered by Balinusra and Sulampua. Mining in Balinusra will strengthen as copper concentrate production increases. Moreover, the increasingly optimal operation of copper cathode smelters will also improve mining production. Meanwhile in Sulampua, improved mining will be driven by increasing copper and gold production in Papua and the operationalisation of gold mining in Gorontalo, amid a decline in nickel mining as a corollary of policies to restrict production. Similar policies will affect coal production in Kalimantan and Sumatra, thereby restraining mining sector performance in those regions throughout 2026.

Manufacturing

Manufacturing industry performance in most regions is projected to increase in the first quarter of 2026. This was primarily supported by domestic demand, as reflected by the current increase in Indonesia's manufacturing Purchasing Managers' Index (PMI) (Graph I.7). In Java, industrial production increased to meet demand during Ramadan and Eid-ul-Fitr, originating from within and outside the region. Improvements were also observed in Kalimantan due to CPO processing. In Sumatra, manufacturing performance improved as a result of pulp and paper production on the back of higher export demand. Meanwhile, manufacturing performance in Balinusra and Sulampua is expected to slow given the normalisation of copper concentrate smelter production, operational disruptions as well as weaker export demand from China.

Maintained manufacturing sector performance is projected in 2026, supported by Java and Kalimantan. Industrial performance in Java is predicted to strengthen on improving domestic demand, particularly household consumption. In Kalimantan, industrial performance is supported by increasing CPO and oil refinery production as well as the commencement of nickel smelter

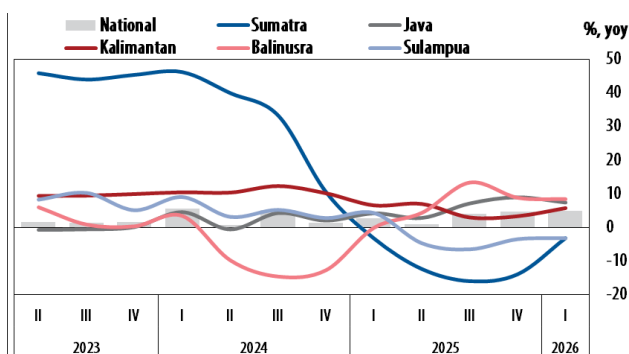
operations. The basic metals industry is also expected to improve in Balinusra, bolstered by the optimal supply of raw materials due to improved copper ore quality and smelter production. Meanwhile, restrained manufacturing performance is anticipated in Sumatra as CPO production slows. Moderation is also expected in downstream nickel industries in Sulampua in response to the global oversupply of nickel.



Source: IHS Markit and Bank Indonesia
Graph I.7. Manufacturing PMI in Indonesia

Trade

Trade sector performance in the first quarter of 2026 is projected to strengthen in line with increasing household consumption. Ramadan and Eid-ul-Fitr momentum spurred community spending, thereby boosting trade sector performance in most regions (Graph I.8). The tradition of returning home to celebrate Eid-ul-Fitr (*mudik*) was a boon to retail trade activity, particularly in regions receiving homecoming travellers in Sumatra and Java. In Sumatra, improved performance was also supported by higher CPO exports. In Java, a stronger trade outlook was reflected by increasing domestically oriented manufacturing activity. In Balinusra, trade performance was underpinned by strong domestic tourism, particularly during the festive season. Meanwhile, restrained coal production is projected to weigh on trade sector performance in Kalimantan in the first quarter of 2026.

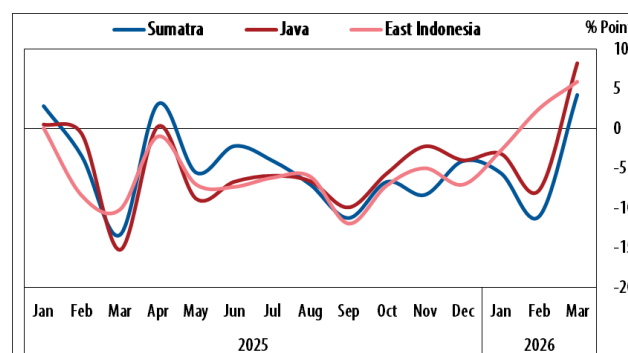


Source: Bank Indonesia, processed
Graph I.8. Retail Sales Index (RSI) by Region

Throughout 2026, trade sector performance is projected to continue growing, supported by Java, Sumatra and Sulampua. Trade in Java is supported by domestically oriented trade activity in line with improving domestic demand. In Sumatra and Sulampua, trade performance remains solid in line with well-maintained domestic consumption and the implementation of government programs. Meanwhile, the cancellation of flights due to the escalating geopolitical conflict in the Middle East has the potential to dampen mobility and trade activity, especially in tourism-related sectors in Balinusra. In Kalimantan, restrained trade performance is also anticipated due to the prospect of lower coal production in line with policies to adjust production targets in 2026.

Accommodation and Food Service Activities

The performance of accommodation and food service activities in the first quarter of 2026 is projected to remain solid, supported by increasing community mobility during the Eid-ul-Fitr festive period. This improvement was reflected in the Java and Sumatra regions, as the main destinations for homecoming travellers at the end of the first quarter of 2026. Strong accommodation and food services sector performance was also reflected in higher hotel occupancy rates in March 2026 relative to the same period last year in various regions (Graph I.9). Meanwhile, fewer inbound international travellers due to an escalation of the Middle East conflict impacted accommodation and food service activities at the end of the first quarter of 2026, particularly in Balinusra.



Source: STR Global, processed
Notes: Change in hotel occupancy relative to the same period of the previous year

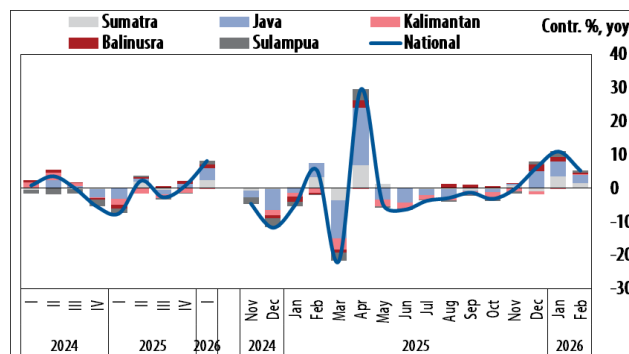
Graph I.9. Hotel Occupancy Rate

The outlook for accommodation and food service activities in 2026 is solid. Java and Sumatra are expected to continue driving sectoral performance in line with strong household consumption locally. Various events, including meetings, incentives, conferences and

exhibitions (MICE) scheduled in both regions, are also expected to boost accommodation and food service activities in 2026. On the other hand, downside risks triggered by the escalating conflict in the Middle East demand vigilance, including higher transportation costs and flight route closures, particularly in Balinusra, which dominates arrivals by inbound international travellers to Indonesia.

Construction

Stronger construction sector performance is predicted in the first quarter of 2026 in most regions. This was reflected by accelerating cement sales (Graph I.10). In Sumatra, government projects contributed to construction sector performance, particularly post-disaster rehabilitation and reconstruction programs as well as various infrastructure development projects for connectivity and water resources. Government projects also improved construction sector performance in Sulampua amid more limited private projects. Construction performance in Java was supported by the continued development of National Strategic Projects (PSN) as well as industrial estates and special economic zones, alongside the commencement of Danantara projects in the first quarter of 2026. Projects in industrial estates and special economic zones also contributed to construction sector performance in Balinusra. Meanwhile, sectoral moderation in Kalimantan stemmed from more limited construction activity in the Nusantara Capital City (IKN).



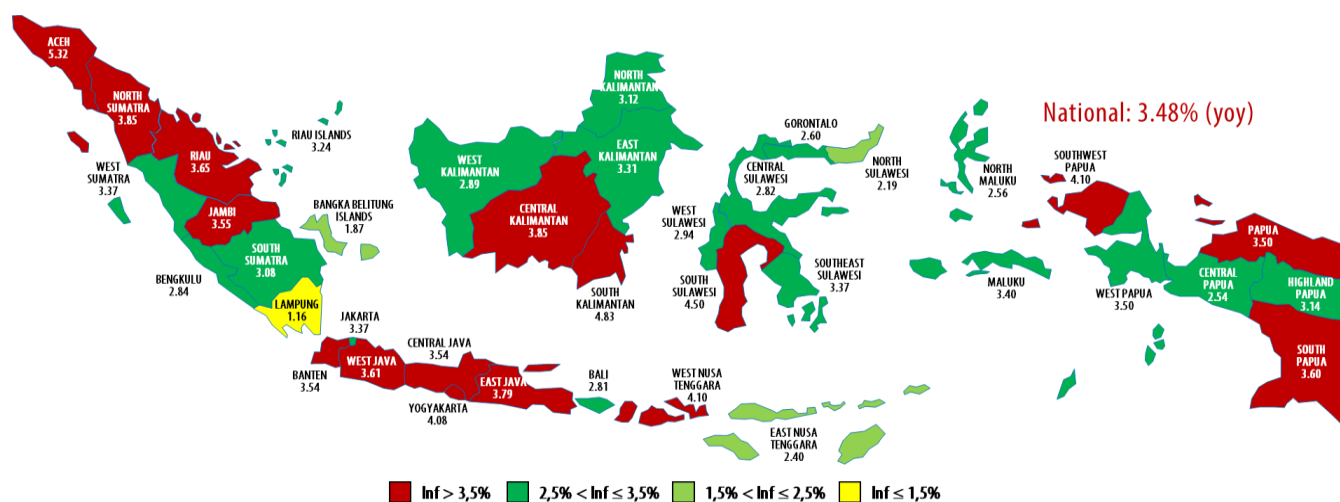
Source: Indonesia Cement Association (ASI), processed. First-quarter data as of February 2026

Graph I.10. Cement Sales

Construction sector performance is projected to improve in most regions in 2026. Various projects underway in the first quarter will support regional construction sector performance through to year-end 2026. The construction of toll roads and post-disaster rehabilitation projects will improve construction sector performance in Sumatra. In Java, PSN development, Danantara projects, industrial estates and special economic zones, alongside several private projects, will drive construction sector performance. The construction sector in Balinusra will still be supported by multiyear government projects. In the Sulampua region, construction sector performance will stem from the commencement of several private projects, particularly by corporations involved in nickel downstreaming. On the other hand, construction sector performance in Kalimantan is projected to slow in 2026 in line with more limited IKN development compared with the previous year as well as the completion of major private projects in 2025.

PART 2

Recent Regional Inflation Developments and Outlook



Source: BPS-Statistics Indonesia, processed

Figure II.1. Map of CPI Inflation by Province in Q1/2026 (% yoy)

Composite Consumer Price Index (CPI) inflation in all regions remained under control in the first quarter of 2026. Nationally, CPI inflation in the first quarter of 2026 remained within the $2.5 \pm 1\%$ target corridor, despite increasing relative to the previous period. The build-up of inflationary pressures stemmed from the core and administered prices (AP) components, contrasting lower volatile food (VF) inflation. Rising core inflation was primarily driven by international commodity prices, while AP inflation was edged upwards by electricity rates due to the low base effect of electricity tariff discounts in the previous year. On the other hand, milder VF pressures were supported by the adequate domestic supply of food commodities. By province, the highest CPI inflation was recorded in Aceh and the lowest in Lampung (Figure II.1).

Core inflation tracked a moderate upward trend in the first quarter of 2026 but remained low in all regions. Inflation primarily increased due to higher international gold prices, which had a widespread impact across all regions. In addition to gold prices, global uncertainty that intensified oil price volatility triggered higher CPO prices, thereby pushing up cooking oil prices in all regions. Domestically, demand pressures in the first quarter of 2026 remained under control as economic performance was still persistently below potential capacity. Core inflation has also been contained by consistent Bank Indonesia monetary policy in anchoring inflation expectations to the target range, along with exchange rate stabilisation policies to minimise the pass-through

effect of imported commodity price increases to domestic goods prices.

VF inflation decreased in most regions. Lower VF inflation in the first quarter of 2026 was attributable to maintained domestic supply, including horticultural crops, particularly various chilli varieties. This was due to a supply surplus in several major production hubs located in Java. In addition, lower VF inflation was also supported by adequate imported supply of garlic. In Sulampua, specifically, VF inflation increased due to higher purebred chicken meat prices as feed costs remained high, coupled with rising fish prices due to inclement weather.

AP inflation increased in all regions, with the highest rate observed in Java. Electricity tariffs were the main contributor to higher AP inflation in the first quarter of 2026, reflecting the low base effect following tariff discounts in the first quarter of 2025. AP inflation was also impacted by a seasonal spike in community mobility during the Eid-ul-Fitr and Nyepi national religious holidays (HBKN) in the first quarter of 2025, which edged up airfares in all regions. In addition, tobacco products also contributed to higher AP inflation in all regions because of higher excise duties on tobacco products and higher Retail Selling Prices (HJE) for all cigarette types, namely machine-rolled clove cigarettes, hand-rolled clove cigarettes and machine-rolled white cigarettes. Nevertheless, inflationary pressures were offset by lower petrol prices given adjustments to non-subsidised fuel

prices, effective from 1st March 2026, and lower maritime transport inflation, particularly in Sumatra and Sulampua due to sea transport discounts in the first quarter of 2026.

CPI inflation in 2026 is projected to remain within the 2.5 ± 1% target range. Low core inflation is also expected to persist in line with economic growth that remains below

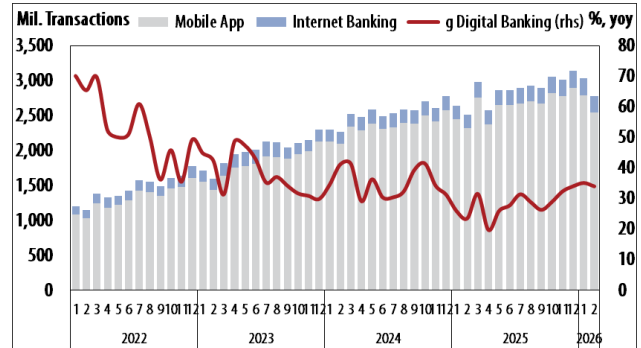
capacity, underpinned by a consistent policy rate set by Bank Indonesia to anchor inflation expectations and minimise the impact of imported inflation. Higher VF inflation is anticipated but will remain manageable due to strong synergy between Bank Indonesia and the National/Regional Inflation Control Teams (TPIP and TPID), coupled with the enhanced implementation of the Inflation Control and Food Prosperity Movement (GPIPS).

PART 3

Recent Payment System and Rupiah Currency Management Developments

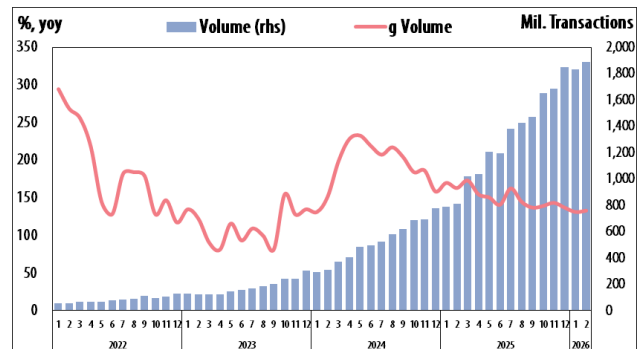
Digital economy and finance transactions in Indonesia continued to indicate solid growth. As of February 2026, the volume of mobile and internet banking payments increased by 34.96% (yoy) (Graph III.1), accompanied by a 39.90% (yoy) increase in electronic money transactions and an 11.73% (yoy) bump in credit card transactions. QRIS use continued to accelerate, with the number of merchants and users reaching 43.9 million and 60.4 million, respectively. The volume of QRIS transactions recorded impressive 133.20% (yoy) growth in the reporting period (Graph III.2), reflecting broader QRIS acceptance, particularly among MSME merchants, thereby boosting the efficiency of cashless transactions.

Bank Indonesia Payment System transactions and currency in circulation maintained positive growth. Retail transactions, namely the volume and value of BI-FAST transactions, increased by 31.49% and 27.19% (yoy), respectively. Similarly, currency in circulation in February 2026 increased by 15.78% (yoy), accelerating from 12.90% (yoy) at year-end 2025, reflecting persistent local economic activity.



Source: Bank Indonesia, processed

Graph III.1. Volume of Digital Payments



Source: Bank Indonesia, processed

Graph III.2. QRIS Transaction Volume and Growth

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