

# REGIONAL ECONOMIC AND FINANCIAL REVIEW NUSANTARA REPORT

OCTOBER 2025





Regional Economic and Financial Review

# NUSANTARA REPORT

OCTOBER 2025



# CONTENTS

<b>CONTENTS</b>	iii
<b>FOREWORD</b>	v
<b>EXECUTIVE SUMMARY</b>	1
<b>PART I</b>	3
Overview of Recent Regional Economic Developments and Outlook	
<b>PART II</b>	11
Recent Regional Inflation Developments and Outlook	
<b>PART III</b>	13
Recent Payment System and Rupiah Currency Management Developments	
<b>BAGIAN IV</b>	15
Strategic Issue: Strengthening the Ecosystem and Expanding the Acceptance of Digital Payments to Support Growth of Priority Sectors and Government Programs	
<b>BOKS 1</b>	21
Regional Infrastructure Readiness and Adoption of Digital Payments	



---

# Foreword

**T**he 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. This edition of the Nusantara Report focuses on the strategic issue of “Strengthening the Ecosystem and Expanding the Acceptance of Digital Payments to Support Growth of Priority Sectors and Government Programs”. This is an important issue to explore in the context of the world economic outlook, which is replete with uncertainty that can, ultimately, impact the regional economy. Strengthening the role of digitalisation will boost regional economic efficiency and inflation control efforts. 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 growth across the Indonesian archipelago. 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, 23<sup>rd</sup> October 2025**

*Economic and Monetary Policy Department*



**Firman Mochtar**  
Executive Director

*"Intentionally blank page"*



# Executive Summary

**Regional economic growth in the third quarter of 2025 is expected to remain solid amid persistently high global uncertainty.** At home, economic activity across regions was maintained, supported by improved investment and accelerated government spending at the regional level. The strongest investment growth was observed in the Java region, primarily driven by investment in industrial zones (KI) and special economic zones (KEK), coupled with accelerated government capital expenditures (CapEx). From an external perspective, exports were predominantly supported by the major commodities of each region, namely precious metals in Java, crude palm oil (CPO) in Sumatera, iron and steel in Sulampua, as well as a shallower contraction of coal exports from Kalimantan. By sector, manufacturing industry performance improved in western regions, while the eastern region continued to record high growth, supported by downstream industries. The performance of primary sectors also improved, particularly agriculture, while mining in the eastern region slowed due to production constraints. Improving investment was confirmed by stronger construction performance in most regions.

**Regional economic performance in 2025 is forecast to remain solid, and required continued support.** Investment activity is a key driver of growth, as major project expansion continues in various regions, including the petrochemical, automotive and electronics industries in Java as well as the downstreaming of basic metals in Sulampua, Balinusra and Kalimantan. In addition to investment, regional fiscal support also contributed to economic growth, particularly in the second semester of 2025. Stronger investment is bolstering manufacturing industry performance in all regions. Beyond industry, agricultural sector performance in various regions has also indicated improvements, primarily driven by the Government's food self-sufficiency program alongside favorable weather conditions.

**Composite Consumer Price Index (CPI) inflation in all regions remained under control in the third quarter of 2025.** Core inflation remained low, in line with anchored inflation expectations and the normalisation of domestic demand following the Ramadan and Eid-ul-Fitr festive period. Volatile food (VF) inflation was controlled below the 5% target, despite increasing relative to the preceding period, primarily due to higher horticultural

prices as a corollary of high rainfall during the dry season, which undermined production. Meanwhile, administered prices (AP) inflation accelerated in the reporting period due to higher cigarette prices and water rates, among others. At the provincial level, inflation in most provinces remained within the target corridor, with the highest inflation recorded in South Papua at 3.00% (yoy) and the lowest rate in West Papua at 0.67% (yoy) deflation.

**CPI inflation in all regions is projected to remain within the 2.5%±1% target corridor in 2025.** Domestically, mild core inflationary pressures are supported by monetary policy consistency from Bank Indonesia, anchored inflation expectations, the managed impact of imported inflation and VF spillovers, as well as the positive effect of digitalisation. Inflation dynamics throughout 2025 have primarily been influenced by inflationary pressures on volatile food (VF), mainly stemming from horticultural commodities, despite improving rice supply in line with successful government food security programs to achieve self-sufficiency. Moving forward, Bank Indonesia will focus inflation control efforts on maintaining inflation within the target corridor. Bank Indonesia will also strengthen synergy through the Central and Regional Government Inflation Control Teams (TPIP and TPID), including the National Movement for Food Inflation Control (GNPIP), to safeguard the distribution of food supply from production hubs to non-producing regions.

**Moving forward, domestic economic growth needed to be further accelerated.** Bank Indonesia will orient its policy mix towards fostering economic growth and maintaining stability. Through its 46 Representative Offices spanning all regions, Bank Indonesia will also collaborate in synergy with regional governments to boost local economic growth. Bank Indonesia will continue optimising implementation of the National Movement for Food Inflation Control (GNPIP), while expanding digital acceptance and developing the national digital ecosystem. Rapid national and regional digitalisation will support inclusive economic growth and contain inflationary pressures. This edition of the Nusantara Report specifically and comprehensively explores strategies for strengthening digitalisation of the payment system in Part IV Strategic Issue: Strengthening the Ecosystem and Expanding the Acceptance of Digital Payments to Support Growth of Priority Sectors and Government Programs.

*"Intentionally blank page"*

## PART 1

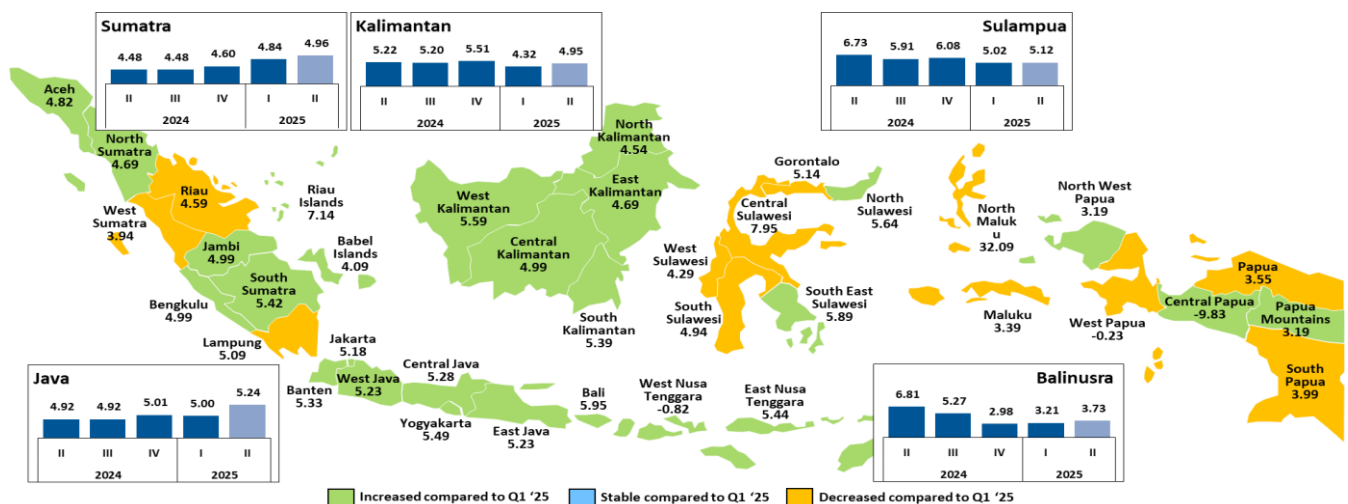
# Overview of Recent Regional Economic Developments and Outlook

## Regional Economic Growth

Regional economic performance in the third quarter of 2025 is expected to remain solid, supported by stronger growth in most regions. Economic performance was primarily underpinned by stronger investment, particularly in terms of strategic projects and manufacturing expansion in industrial zones and special economic zones, accompanied by the acceleration of government projects. In terms of the external sector, non-oil and gas exports in the third quarter of 2025, as of August, remained positive in most regions, dominated by Sumatera, Java and Sulampua. By sector, improving investment was confirmed by stronger construction sector performance. Investment in industrial zones was also reflected by increasing manufacturing industry performance in western regions and high manufacturing growth in eastern regions. Meanwhile, agricultural sector performance in Sumatera, Java and Sulampua also increased due to the secondary rice harvest in the dry

season (*gadu*), alongside higher production in the plantation crop subsector.

The regional economic outlook for 2025 is forecast to increase compared to performance in 2024. Regional economic improvements are primarily supported by economic performance in western regions, particularly Java and Sumatera, contrasting more limited economic growth in eastern regions, especially Sulampua. Domestically, the main contributor to growth in western regions in 2025 is investment, accompanied by more limited growth of household consumption. Most investment support will originate from Java as a central hub of industrial zone development. Meanwhile, limited improvements in eastern regions of the archipelago are primarily influenced by external sector performance due to demand from Indonesia's trading partners and production constraints in the mining sector. Overall, more limited regional fiscal support is expected in 2025, despite accelerating in the latter half of the year.



Source: BPS-Statistics Indonesia, processed

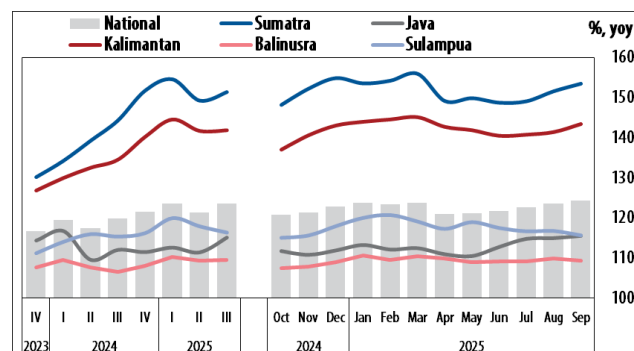
Figure I.1. Map of Regional Economic Growth in Q2/2025

## Private Consumption

Private consumption is predicted to be maintained in the third quarter of 2025. Growth was supported by persistently solid household consumption, accompanied by limited consumption growth from non-profit institutions serving households (NPISH) following the recent religious activities during the national religious

holidays (HBKN). Household consumption in the third quarter of 2025 was supported by improving private income and fiscal stimulus spending, including the wage subsidy assistance program and social assistance programs. In the Sumatera and Kalimantan regions, public purchasing power was influenced by higher wages among oil palm plantation workers given the upward price of fresh fruit bunches (FFB), as reflected in the

farmers' terms of trade (FTT) (Graph I.1). Furthermore, the realisation of fiscal stimuli is expected to strengthen public purchasing power in various regions.



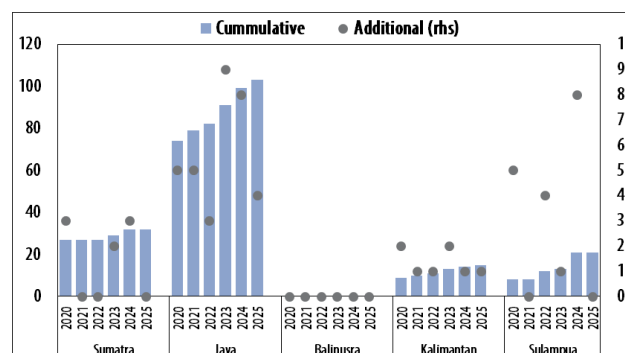
Source: BPS-Statistics Indonesia, processed

Graph I.1. Farmers' Terms of Trade (FTT)

The private consumption outlook for 2025 is forecast to maintain solid growth, despite moderating relative to the previous year. Private consumption growth in 2025 has been restrained by NPISH consumption due to the normalisation of general election spending. Nevertheless, household consumption is expected to maintain an upward trend, particularly in Sumatera, Balinusra and Kalimantan. This will be driven by higher salaries for civil servants and adjustments to the Provincial Minimum Wage (UMP), which will boost public purchasing power. Meanwhile, household consumption in Java and Sulampua has remained relatively stable in line with real income growth and more restrained consumer expectations. Overall, private consumption will remain a key driver of economic growth, though more moderate relative to the previous year.

## Investment

Regional investment growth in the third quarter of 2025 is projected to accelerate in most regions, with the highest growth in Java. Regional investment will be driven by the positive impact of industrial zone and special economic zone development in all regions (Graph I.2). The development of industrial zones and special economic zones, accompanied by the acceleration of government projects, boosted the investment outlook for Java and Sumatera in the third quarter of 2025. Meanwhile, ongoing development of the Nusantara Capital City (IKN) following the removal of government budget restrictions and the 3 million house program in Kalimantan also contributed to increase investment in the region. In Balinusra, the realisation of private and government projects, including special economic zones, underpinned the third-quarter investment outlook. Investment in the Sulampua region was still driven by downstream mineral projects, despite relatively limited growth in the third quarter.



Source: Ministry of Industry, processed

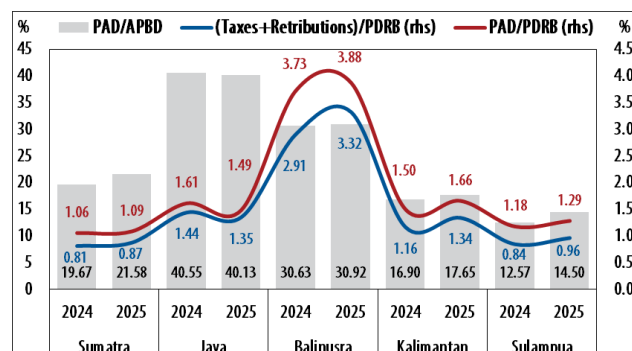
Graph I.2. Growth of Industrial Zones by Region

Overall, regional investment in 2025 is forecast to maintain positive growth on the back of the Java and Sulampua regions. Given its established position as the epicentre of industry in Indonesia, massive development of industrial zones and special economic zones in Java will boost investment prospects in the region. Meanwhile, private projects in the downstream mineral and oil and gas sectors support the investment outlook for Sulampua in 2025. Investment in Sumatera in the second semester of 2025 is projected to accelerate due to investment in industrial zones and special economic zones, coupled with the acceleration of government projects following the removal of government budget restrictions. Similar to Sumatera, investment in the Balinusra region is expected to remain solid due to the growing number of investment projects, despite constraints in terms of government budget efficiency at the beginning of the year. Policy efficiency has also impacted the realisation of Nusantara Capital City (IKN) development, thereby restraining investment growth in Kalimantan in 2025.

## Regional Government Consumption

Government expenditure growth in the third quarter of 2025 improved across all regions. The improvements were influenced by policies to relax spending alongside finalisation of the Regional Revenue and Expenditure Budget - Amendment (APBD-P) in most regions. The realisation of regional government expenditure is projected to increase in the third quarter of 2025 relative to the previous period, particularly in Java, Balinusra and Sulampua. By component, increasing realisation was driven by personnel expenditure and procurement in response to the 8% bump in the salaries of civil servants awarded in August 2025, disbursements of several performance bonuses and other allowances, as well as the acceleration of government priority program expenditures. Furthermore, increasing spending was also supported by an uptick in regional government

income, particularly locally generated revenue (PAD). As of August 2025, the increase of PAD was attributable to improvements in terms of tax and levy revenues in most regions (Graph I.3). Furthermore, policies to relax regional government expenditures since the second quarter of 2025 and adjustments to the APBD-P, which are expected to be finalised in the third quarter of 2025, will accelerate government consumption in various regions.



Source: Ministry of Finance, processed

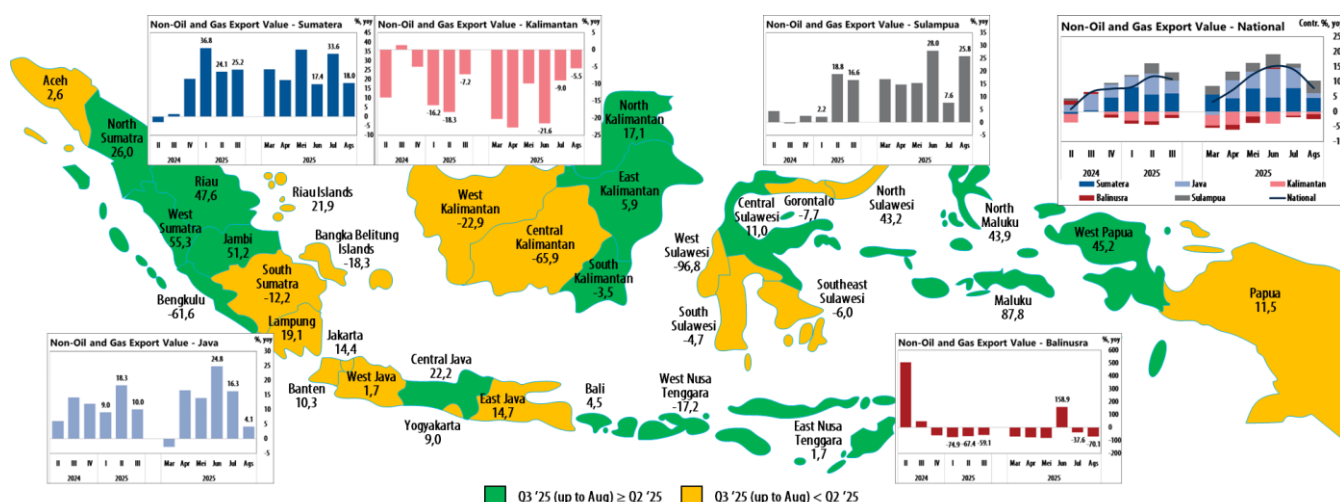
**Graph I.3.** Share of Locally Generated Revenue (PAD) to Total Regional Revenue (APBD) and Ratio of PAD to Gross Regional Domestic Product (GRDP) as of August 2025

Overall, government consumption support in the regional economies will remain positive in 2025, despite moderation relative to the previous year. Regional fiscal realisation is forecast to be lower in 2025 than in 2024 due to normalisation after the general and local elections contested in the previous year. Furthermore, the administrative process of reallocating transfer funds at the beginning of the year, slower finalisation of the APBD, and the policy of reallocating expenditures to support the government's priority programs have impacted the pace of realisation, particularly in the first

half of 2025. In Kalimantan specifically, government consumption is forecast to contract compared with conditions in the previous year due to lower government spending on development of the Nusantara Capital City (IKN) in the current year.

## International Exports

Non-oil and gas export performance in the third quarter of 2025, as of August, maintained positive growth in most regions, driven by Sumatera, Java and Sulampua (Figure I.2). Positive growth of exports from the Java region was primarily supported by growing global demand for gold as a safe haven asset. Gold exports from Java improved in line with higher prices and increasing smelter production in Gresik. Meanwhile, exports from Sumatera increased on the back of higher CPO exports bound for India during the Diwali festive period, accompanied by improving production. Positive export growth from Sulampua was driven by nickel and products thereof, including nickel pig iron (NPI) as well as iron and steel, given persistently high demand from Indonesia's trading partners, particularly China, which increased from the previous period. On the other hand, demand for coal from East Asia and the ASEAN region led to a shallower contraction of exports from Kalimantan in the third quarter of 2025. Corporate coal production also increased to meet the year-end targets established in the Workplan and Cost Budget (RKAB). Exports from the Balinusra region continued to decline given lower exports of copper concentrate. A deeper contraction was offset, however, by the operation of a new copper smelter, which spurring high growth in refined copper exports.



Source: Directorate General of Customs and Excise, processed (DJBC) (Q3/2025 data as of August 2025)

**Figure I.2.** Map of Regional Non-Oil and Gas Export Growth in Q3/2025 (% yoy)



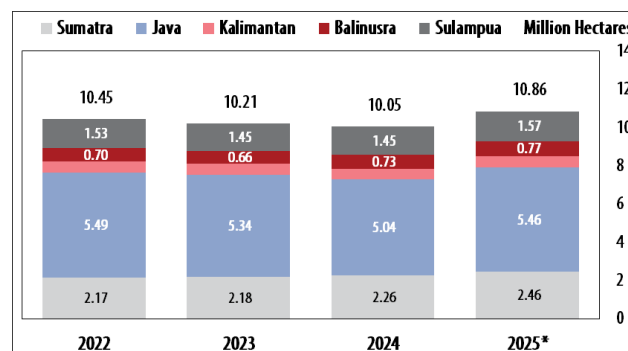
The outlook for non-oil and gas exports in 2025 remains solid, supported by higher exports in all regions, except Sulampua. Stronger demand for gold, coupled with the prospect of higher prices and production, is expected to continue driving exports from Java throughout 2025. Exports from Sumatera are projected to increase due to persistently high CPO demand from China and India, alongside the upward global CPO price trend, and supported by the recovery of FFB production. Exports from Kalimantan are also forecast to increase overall in 2025, with shipments of CPO and alumina as the main contributors. On the other hand, the export outlook for Balinusra is restrained by lower exports of copper concentrate despite the gradual increase of smelter capacity. In addition, copper mine production remains at a preliminary phase, with suboptimal ore quality. Exports from the Sulampua region are also expected to remain sluggish in 2025 due to lower mining exports, triggered by the expiry of export permits for copper concentrate as well as production constraints in Papua.

## Agriculture

Agricultural sector performance in the third quarter of 2025 is forecast to accelerate due to the ongoing secondary rice harvest in the dry season (*gadu*), accompanied by a larger harvest in the plantation crop subsector. Based on a report published by BPS-Statistics Indonesia, the arable area of the *gadu* harvest in July-September 2025 is estimated at 3.07 million ha, up 11.33% relative to production in the same period of the previous year. In terms of plantation crops, palm oil production increased in the third quarter of 2025, particularly in the Sumatera region, supported by optimal fertilisation activity in 2024. Horticultural production, however, particularly shallots and red chilis, is projected to moderate in the third quarter of 2025 due to production disruptions caused by pest attacks in Sumatera and Java, as well as high rainfall in the dry season since May 2025.

In 2025, agricultural sector performance is expected to improve relative to the previous year. More conducive weather conditions and program support from the Government are improving agricultural performance throughout 2025. Food crop production, particularly rice production in Java, Sumatera, Kalimantan and Sulampua, is projected to increase compared with conditions in 2024. Efforts to boost rice production have been implemented through various programs, including the expansion of arable land (Graph I.4), land optimisation and the development of new paddy fields. In terms of production inputs, support in the form of superior

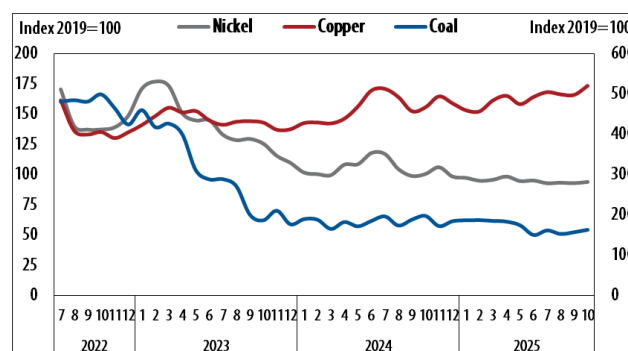
quality seeds, balanced fertilisation, agricultural irrigation as well as pre- and post-harvest mechanisation will improve production in 2025. FFB production is also projected to increase in 2025, triggered by the continued expansion of the oil palm replanting and rejuvenation program, particularly in Sumatera and Kalimantan, increasing domestic consumption in line with B40 program implementation, as well as external demand, especially from India.



Source: BPS-Statistics Indonesia, processed  
Graph I.4. Rice Productivity

## Mining

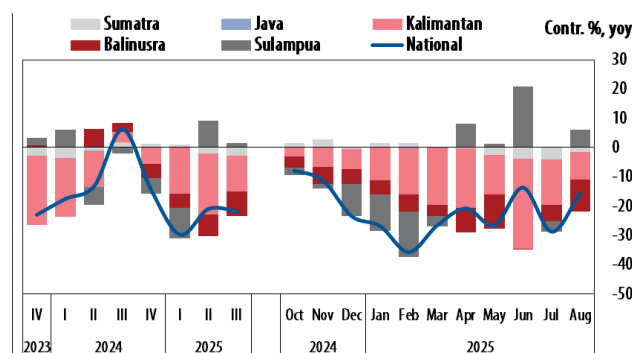
In the third quarter of 2025, mining sector performance is expected to increase in Balinusra and Kalimantan. Stronger mining sector performance in Balinusra will mainly be influenced by higher quality and production of copper concentrate, accompanied by rising prices (Graph I.5). In Kalimantan, mining sector performance is forecast to improve in line with higher export demand for coal to China. Coal demand in China increased, primarily to fuel steam-electric power stations amid decreasing electricity supply from hydroelectric power plants during the dry season in China. On the other hand, mining sector growth in the Sumatera and Sulampua regions is expected to be restrained by coal production constraints in Sumatera and landslides that impacted copper production in Papua.



Source: Ministry of Energy and Mineral Resources (ESDM), processed

Graph I.5. Reference Prices of National Mining Commodities

**The mining sector outlook for 2025 is positive.** The positive mining sector outlook is primarily supported by increasing oil and gas lifting in Sumatera in line with the operationalisation of a new oil refinery in the Riau Islands and the operation of a hauling road in Jambi. On the other hand, mining sector performance in the Balinusra region in 2025 is restrained by lower production and export licensing constraints for copper concentrate, despite increasing smelter capacity that will become optimal towards yearend. In Kalimantan, restrained coal production is anticipated due to high rainfall and more limited demand in China and India. A deeper mining sector decline in Kalimantan will be offset, however, by stronger bauxite production in line with additional smelter capacity. In the Sulampua region, copper production has declined due to export licence constraints at the beginning of the year. Notwithstanding, deeper mining sector moderation in Sulampua has been negated by nickel mining activity.



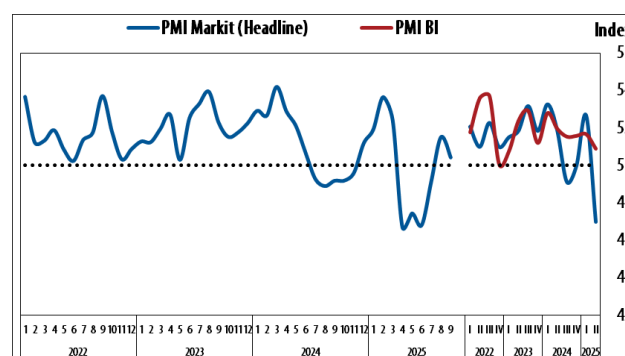
Source: Directorate General of Customs and Excise (DJBC), processed

Graph I.6. Value of Mining Exports by Region

## Manufacturing Industry

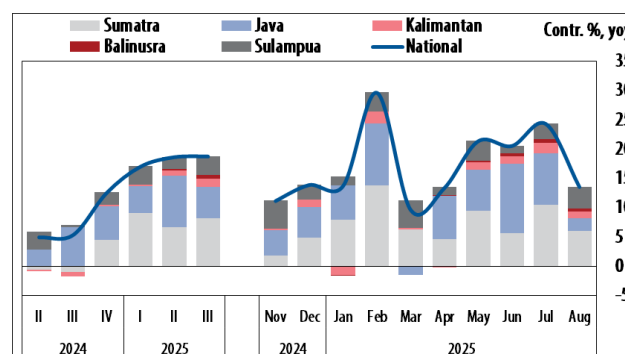
Manufacturing industry performance is projected to remain solid in the third quarter of 2025. Increasing manufacturing industry performance was indicated by the realisation of the Purchasing Managers Index (PMI) in the third quarter of 2025, which increased in an expansionary phase (Graph I.7). Spatially, the main contributors to manufacturing industry performance were the Sumatera and Java regions. Manufacturing industry performance in Sumatera was driven by increasing CPO production to meet domestic demand for B40 implementation as well as exports to India ahead of the Diwali festive period (Graph I.8). In Java, manufacturing performance was supported by the food and beverages industry in anticipation of higher production to meet a seasonal surge in domestic demand ahead of the Christmas and New Year festive period. In addition, improvements in the export-oriented textiles industry also boosted manufacturing industry

performance in the Java region. Manufacturing in the Balinusra and Sulampua regions is expected to moderate due to production constraints affecting copper smelters in West Nusa Tenggara and the normalisation of liquefied natural gas (LNG) production in West Papua. In Kalimantan, solid manufacturing industry growth is projected in the third quarter of 2025, supported by the operation of new alumina processing facilities in West Kalimantan, despite moderation due to production constraints affecting plantation-based industries.



Source: Directorate General of Customs and Excise (DJBC), processed

Graph I.7. Purchasing Managers Index (PMI)



Source: Directorate General of Customs and Excise (DJBC), processed

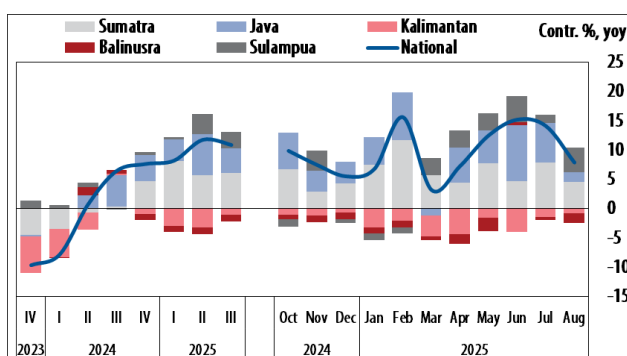
Graph I.8. Value of Manufacturing Exports by Region

The downstream mineral processing industry will continue bolstering manufacturing industry performance in 2025. Manufacturing industry performance in the Sulampua region is expected to remain solid due to downstream nickel industries in central Sulawesi, Southeast Sulawesi and North Maluku. The success of nickel downstreaming policies in the region to support national economic growth during the pandemic has prompted the expansion of similar policies to other key mining commodities, particularly alumina and copper. Rapid development of the downstream industries for both mining commodities will strengthen manufacturing industry performance in Kalimantan and Balinusra. The recent operation of new alumina processing facilities in Kalimantan is expected to boost manufacturing industry performance significantly

in Kalimantan in 2025. In Balinusra, the operation of a new copper smelter in West Nusa Tenggara at the beginning of 2025 is expected to gradually increase production throughout 2025. In the Sumatera and Java regions, the manufacturing industry outlook will be influenced to greater extent by domestic demand. The CPO industry in Sumatera is expected to post solid growth to meet domestic demand for biodiesel. In Java, various government food security programs will have a positive impact on the food and beverages industry. Furthermore, additional industrial capacity in industrial zones in Java will also support further improvements in the region.

## Trade

**Trade sector performance in the third quarter of 2025 will remain solid, particularly in Sumatera.** The trade sector will be propped up by performance in Sumatera given persistently strong retail sales and improving exports of CPO as well as pulp and paper. In Java and Balinusra, restrained trade sector performance is anticipated, particularly in terms of durable goods, accompanied by limited exports (Graph I.9). Sluggish trade sector performance is also anticipated in Kalimantan and Sulampua, as reflected by the normalisation of retail sales following the festive season in the previous period. International trade supported domestic trade sector performance, particularly in Java, Sumatera and Sulampua, against a backdrop of restrained domestic retail sales.



Source: Directorate General of Customs and Excise (DJBC), processed

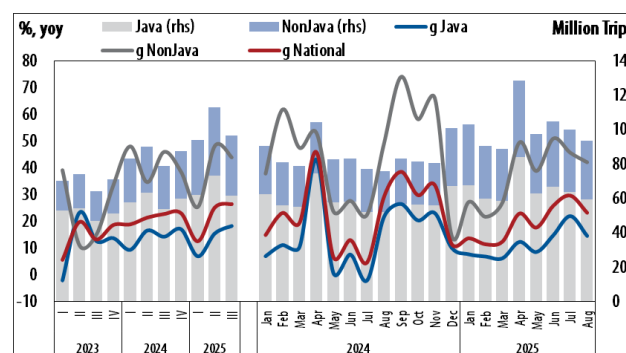
**Graph I.9.** Value of International Non-Oil and Gas Exports by Region

In 2025, trade sector performance is expected to increase, supported by the Sumatera, Balinusra and Kalimantan regions. Improvements in Sumatera will stem from stronger exports, particularly of palm oil, tin and coal. In Balinusra, positive trade sector performance is attributable to the increasing trade of food commodities. Furthermore, trade in Kalimantan has

increased in 2025 due to several large-scale events in West Kalimantan and South Kalimantan, accompanied by maintained private income. Meanwhile, relatively more limited trade sector performance is projected in Java and Sulampua due to the prospect of weak domestic retail trade.

## Accommodation and Food Service Activities

**The performance of accommodation and food service activities is expected to be maintained in the third quarter of 2025, particularly supported by the Sumatera region.** Greater mobility of domestic and international travellers as well as various large-scale cultural festivals boosted accommodation and food service activities in the Sumatera region. In other regions, increasing community activity during the festive period and national religious holidays (HBKN), coupled with the impact of greater budget efficiency in terms of official trips and government MICE activities, maintained solid growth of accommodation and food service activities in the third quarter of 2025. Increasing community mobility during the festive period was reflected by the increasing number of trips made by domestic travellers in the month of July (Graph I.10). In addition, policy incentives in the form of discounts on transportation fares during the school holidays also increased community mobility.



Source: BPS-Statistics Indonesia, processed

Notes: Quarterly data is the average for those 3 months

**Graph I.10.** Movement of Passengers based on Mobile Positioning Data

**The outlook for accommodation and food service activities in 2025 remains solid.** As the main international gateways, Balinusra and Java will support overall performance in 2025. In addition, increasing private and public sector MICE activities in the second semester of 2025 due to the relaxation of official trips will bolster accommodation and food service activities in both regions. Meanwhile, government policies, including a streamlined visa process for international travellers to the Riau Islands from Singapore alongside additional



international flights in several regions will also maintain solid sectoral growth in 2025.

### *Construction*

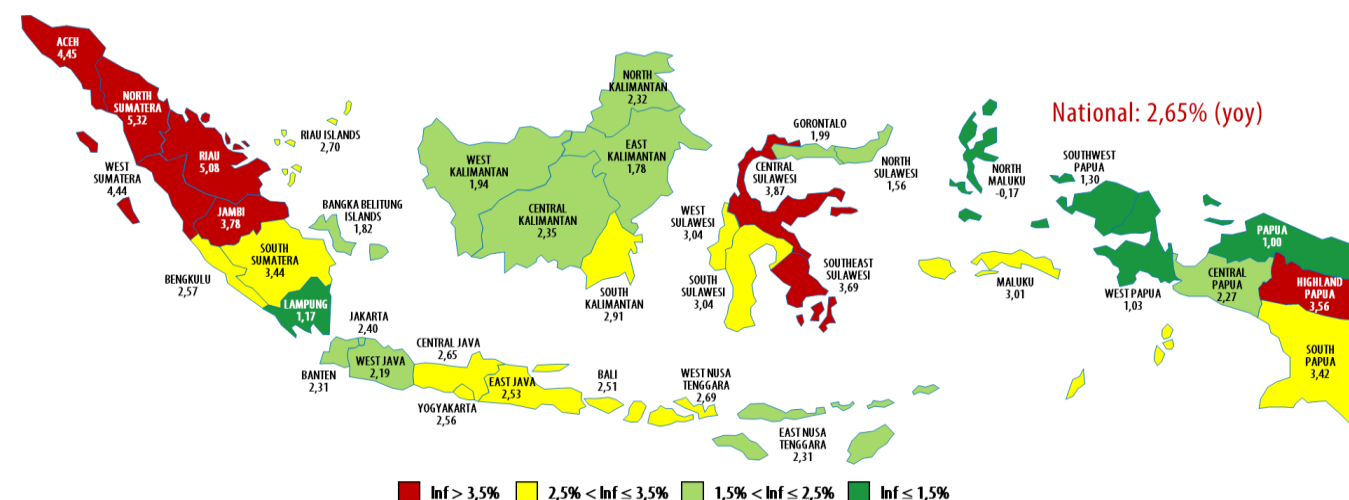
**Construction sector performance is expected to increase in most regions in the third quarter of 2025.** Construction sector improvements were driven by the realisation of government projects previously delayed by budget efficiency policies. In Sumatera, the acceleration of government projects, among others, includes public housing programs and national strategic projects (PSN) in the southern part of the region. Meanwhile, the construction of various national strategic projects and private projects in Java and Balinusra continued in the reporting period. In Kalimantan, construction sector performance was supported by the ongoing development of the Nusantara Capital City (IKN) following the removal of government budget restrictions, and chemical industry projects. Meanwhile, construction in Sulampua was restrained slightly by several private projects entering the final stage.

**Positive construction sector performance is projected in 2025, underpinned by improvements in the Sulampua and Balinusra regions.** The initiation of private construction projects in the mineral mining and gas sector in Sulampua will support the construction outlook for 2025. In Balinusra, construction in 2025 is bolstered by the development of high-value strategic projects, such as the national strategic project (PSN) in Pengambengan and special economic zone in Kura-Kura. Meanwhile, a smaller Nusantara Capital City (IKN) budget will have a significant impact on construction sector performance in Kalimantan in 2025. In Sumatera and Java, construction sector performance will be restrained by the reallocation of government budget to priority programs, particularly in the first semester of 2025. Notwithstanding, sectoral performance is expected to rebound in the second semester of 2025 following the removal of government budget restrictions.

*"Intentionally blank page"*

## PART 2

### Recent Regional Information Developments and Outlook



Source: BPS-Statistics Indonesia, processed

Figure II.1. Map of CPI Inflation by Province in Q3/2025 (% yoy)

**Composite Consumer Price Index (CPI) inflation remained under control in all regions in the third quarter of 2025.** Nationally, CPI inflation in the third quarter of 2025 was recorded at 2.65% (yoy), increasing relative to the second quarter of 2025 yet below the historical average for the past three years. Core inflation remains manageable in line with policy consistency by Bank Indonesia and the normalisation of demand after the recent national festive period (HBKN). The build-up of inflationary pressures was primarily driven by volatile food (VF), specifically the upward price of red chilis. Administered prices (AP) also tracked an upward trend, edged upwards by higher cigarette prices and water rates. At the provincial level, the highest CPI inflation was recorded in North Sumatera and the lowest in North Maluku (Figure II.1).

**Low core inflation was maintained in the third quarter of 2025 in all regions.** From a domestic perspective, milder core inflationary pressures were in line with policy consistency by Bank Indonesia and the normalisation of demand after the recent Eid-ul-Fitr and Eid-ul-Adha festive period during the first semester of 2025. Core inflationary pressures primarily emerged from the external sector due to higher international gold prices, affecting all regions, particularly regions outside Java.

**VF inflation increased in all regions, led by Sumatera and Sulampua.** Higher VF inflation in the third quarter of 2025 was driven by limited supply of red chilis in response to inclement weather and pest attacks at

production hubs located in North Sumatera and Bengkulu. In addition to red chilis, inflationary pressures also stemmed from higher prices of purebred chicken meat given rising production input costs, particularly corn feed. In the Sulampua region, VF inflationary pressures in 2025 have originated from higher fishery commodity prices due to adverse weather conditions that disrupted capture fishery production.

**Administered prices (AP) inflation increased in most regions.** AP pressures in the third quarter of 2025 primarily stemmed from higher cigarette prices and water supply rates. The retail prices of cigarettes increased in all regions, while water supply rates tracked an upward trend in several provinces of Kalimantan and Java. A further increase in AP inflation was offset, however, by deflation affecting the transportation component due to discounted fares across various transportation modes in the third quarter of 2025, coupled with the end of the holiday season. Spatially, the deepest deflation of passenger transportation services was observed in Highland Papua, Papua and North Maluku.

**CPI inflation in all regions in 2025 is projected to remain within the 2.5%±1% target corridor.** Inflationary pressures will remain on target due to monetary policy consistency by Bank Indonesia, anchored inflation expectations, managed imported inflation, a controlled passthrough effect of VF inflation, as well as the positive impact of digitalisation. In terms of volatile food, inflation

will remain on target below 5% (yoy), supported by improving supply conditions at production hubs. The main focus of efforts to control food inflation aims to ensure seamless distribution from producing to non-producing regions. Bank Indonesia will also continue

strengthening coordination with the central and regional Government within the Central and Regional Government Inflation Control Teams (TPIP and TPID) and strategic partnerships through the National Movement for Food Inflation Control (GNPIP).

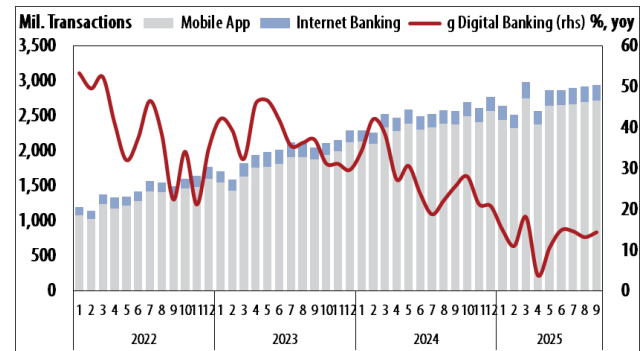
## PART 3

# Recent Payment System and Rupiah Currency Management Developments

**Digital economic and financial transactions in Indonesia continued to indicate positive growth.** As of August 2025, the volume of digital payment transactions, covering payments through mobile applications and internet banking, posted 12.99% (yoy) growth (Graph III.1). Similarly, the volume of electronic money transactions also increased by 44.29% (yoy), while credit card transactions posted 17.3% (yoy) growth. The use of QRIS continued to record impressive growth, supported by the expansion of the digital economy and finance. The number of registered merchants using QRIS increased to 40.5 million, with QRIS users reaching 57.6 million. The volume of QRIS transactions maintained significant growth at 145.07% (yoy) (Graph III.2), reflecting broader QRIS acceptance, particularly among MSME merchants, thereby boosting economic efficiency through cashless transactions.

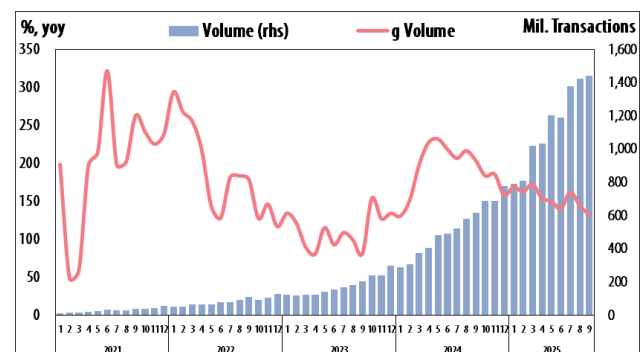
**Bank Indonesia payment system transactions and currency in circulation maintained positive growth.** The volume and value of transactions via BI-FAST grew by 27.50% (yoy) and 17.83% (yoy), respectively, relatively stable compared with the previous period. A similar trend was observed in terms of currency in circulation, growing 12.14% (yoy) in August 2025, up from 9.68% (yoy) the month early. Such conditions reflect maintained

economic activity after the end of the school holiday season and recent national festive period (HBKN).



Source: Bank Indonesia, processed

Graph III.1. Value of Digital Payments



Source: Bank Indonesia, processed

Graph III.2. QRIS Transactions

*"Intentionally blank page"*

## PART 4

# Strategic Issue: Strengthening the Ecosystem and Expanding the Acceptance of Digital Payments to Support Growth of Priority Sectors and Government Programs

## Introduction

**Strengthening the digital payments ecosystem and expanding acceptance are key to driving the digital economy and finance (EKD).** Such efforts are consistent with the direction of the Indonesia Payment System Blueprint (BSPI) 2030 initiative. Strengthening the digital economy and finance plays an important role in achieving the national economic growth target of 8% by 2029, as the manifestation of Asta Cita #3, #6 and #7, which aim to boost productivity, fiscal efficiency and cross-sector digital transformation. Against a backdrop of potential economic moderation caused by global factors, such as geopolitical tensions, changing economic policy in the US due to the Trump Effect, as well as disruptive technologies and innovation, Indonesia is also facing domestic challenges in the form of tight fiscal policy, weaker public purchasing power and demographic fragmentation, which could potentially impede growth momentum.

**Through policies to strengthen the digital payments ecosystem and expand acceptance, Bank Indonesia is supporting the implementation of various government programs.** Several key programs are the focus of BI support, namely Noncash Social Assistance (BSNT), Regional Government Transaction Electronification (ETPD), as well as the digitalisation of transportation and tourism as priority sectors. On the supply side, Bank Indonesia is assessing the availability and strengthening digital payments infrastructure, accompanied by the innovation of services in regional areas. On the demand side, assessments map the level of public literacy, adoption and acceptance, which have the potential to increase the regional acceptance of digital payments.

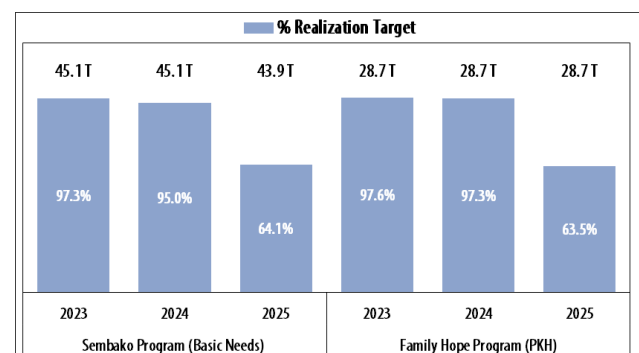
**The results of a supply-demand assessment provide a comprehensive picture of regional divergence in terms of infrastructure readiness and the current level of adoption of digital payments.** Based on those considerations, an optimal policy response is required through an adaptive and contextual approach specific to regional characteristics, referring to the level of infrastructure readiness and adoption of digital

payments in the Noncash Social Assistance (BSNT) program, Regional Government Transaction Electronification (ETPD) program, as well as in the digitalisation of the transportation and tourism sectors.

## Assessing the Supply-Demand Ecosystem and Expanding the Acceptance of Digital Payments in Government Programs and Priority Sectors

### *Government Program: Noncash Social Assistance (BSNT) Program*

**Implementation of the Government's social aid programs (bansos) is transitioning towards cashless.** As of the third quarter of 2025, the realisation of social aid program disbursements for the Sembako Program (basic needs) reached 64.1% of the target, or Rp43.9 trillion, while the Family Hope Program (PKH) achieved 63.5% of target, or Rp28.7 trillion (Graph IV.1). More than 90% of the total realisation of each program was allocated through cashless disbursements using the Prosperous Family Card (KKS) (Graph IV.2). This demonstrates the firm commitment of the Noncash Social Assistance (BSNT) Control Team to facilitate cashless social aid program disbursements, as mandated by Presidential Regulation (Perpres) Number 63 of 2017 concerning Cashless Social Aid Programme Disbursements.

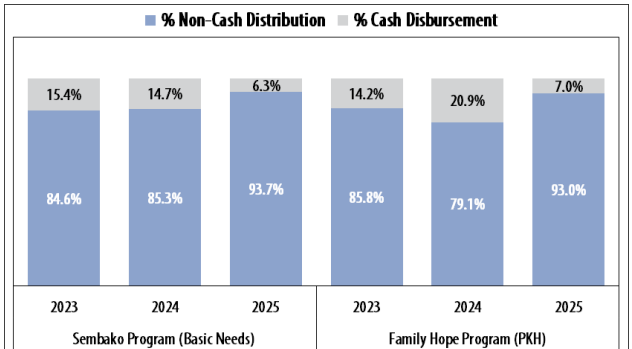


Source: Bank Indonesia 2025, processed

**Graph IV.1.** Social Aid Program Disbursements and Targets

**Noncash Social Assistance (BSNT) program implementation requires broader accessibility to**

payment system services (supply) and stronger public literacy (demand). On the supply side, the accessibility of payment system services, consisting of ATM machines, bank branches and bank agents (branchless banking and digital financial services - DFS), is not evenly distributed in all regions. Of the existing payment system services, bank agents have the most strategic role because of their wider reach and close proximity to beneficiary families (KPM). The availability of bank agents, therefore, must be continuously expanded, particularly in the Sulampua, Sumatera and Kalimantan regions, which continue to suffer from limited access to financial services. On the demand side, the literacy of beneficiary families must also be strengthened, especially in the Balinusra region. In addition, the use of cashless disbursements must be nurtured to support the creation of a comprehensive digital ecosystem. To that end, the role of support staff and coaches/mentors must be optimised to ensure a sustainable education and support process, particularly regarding various aspects of literacy, such as the benefits of cashless transactions, using a Prosperous Family Card (KKS) PIN and keeping it secure, procedures for reporting complaints, and the smart use of financial support.



Source: Bank Indonesia 2025, processed  
**Graph IV.2.** Composition of Cash and Cashless Social Aid Program Disbursements

Seeking to provide targeted and customer-centric social aid program disbursements, the Government is currently developing the digitalisation of social assistance as part of the Digital Public Infrastructure (DPI) initiative. According to the official website of the Ministry of Social Affairs (Kemensos), social aid program (bansos) digitalisation is a preliminary step in terms of implementing Presidential Regulation Number 83 of 2025 concerning the Government Digital Transformation Acceleration Committee in synergy with several relevant government ministries/agencies to ensure data integration, the utilisation of technology as well as transparent and accountable governance. During the preliminary stage, bansos digitalisation is being trialed in the community in Banyuwangi. The trials consist of a

self-registration mechanism, where members of the public can register independently via the Perlinsos application, which assesses their eligibility in the National Single Social and Economic Data (DTSEN) database. This mechanism provides greater flexibility for candidate beneficiary families (KPM) to complete the requirements based on real conditions, including the account options to be registered (customer centric). Supporting the bansos digitalisation and transformation initiative moving forward, Bank Indonesia, as a member of the Noncash Social Assistance (BSNT) Control Team, will provide support by: (i) ensuring seamless payment system infrastructure, (ii) ensuring business models comply with prevailing regulations, (iii) ensuring PS ecosystem readiness in coordination with Payment Service Providers (PSP), particularly in terms of payment system services, including merchants, DFS agents, ATM machines, and others, and (iv) supporting the availability of payment transactions from the PSP where the KPM account is managed.

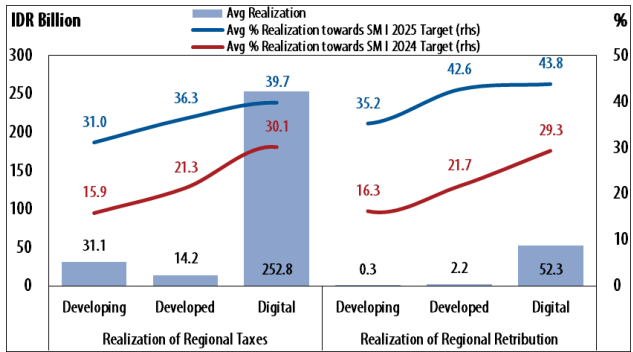
*Government Program: Regional Government Transaction Electronification (ETPD)*

The electronification of regional government transactions (ETPD) continues to accelerate and plays a key role in optimising revenue and spending absorption in regional areas. According to the ETPD Index, 501 regional governments (91.8%) had reached the digital stage in the first semester of 2025. This milestone reflects strong regional government commitment to optimising cashless transactions towards increasing the transparency and efficiency of regional financial management. Spatially, all regional governments in the Java region have reached digital status, while regional governments at the developing and advanced stages are concentrated in the Sulampua region, which will become the focus of acceleration efforts moving forward. In general, regional governments that have achieved digital status perform better in terms of regional tax and levy revenues (Graph IV.3) and spending absorption (Graph IV.4) relative to regional governments at the developing and advanced stages, thereby emphasising the importance of electronification in terms of strengthening regional fiscal effectiveness.

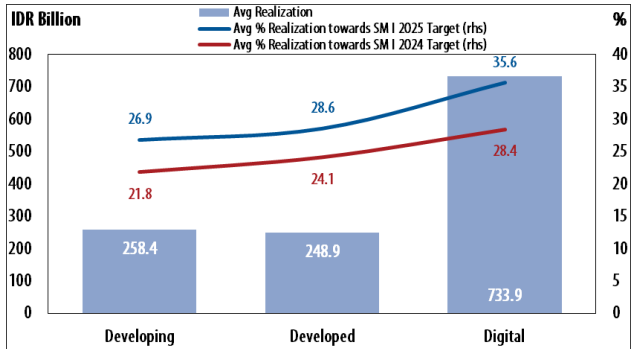
**The availability of cashless payment channels provided by regional governments continues to increase in terms of the number and variety of instruments.** Nationally, 94.7% of regional governments provide conventional (teller and agent) payment channels for payments of



various taxes and levies. On the other hand, 79.7% of regional governments provide non-digital channels (ATM cards, electronic money and EDC machines) and 87.8% provide digital channels (e-banking, QRIS and e-commerce platforms) (Figure IV.1). The availability of digital-based tax and levy payment channels is increasing in various regions, with e-banking and QRIS dominant. Nevertheless, the availability of digital channels in the Sulampua region remains suboptimal because of banking and telecommunication infrastructure limitations. Empirical testing indicates that increasing the availability of cashless payment and transaction channels helps to optimise locally generated revenue (PAD), particularly in the Balinusra and Sulampua regions. This demonstrates the importance of expanding cashless channels in regions with limited infrastructure.



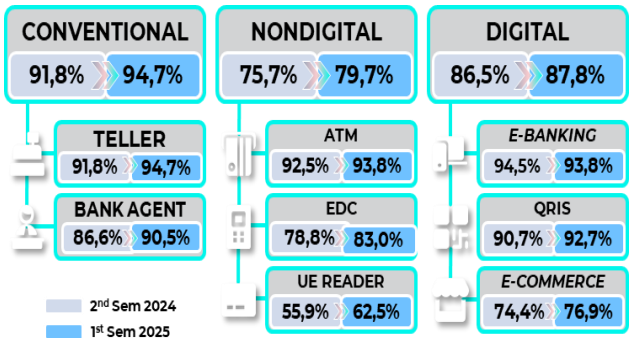
Source: Bank Indonesia 2025, processed  
**Graph IV.3.** Regional Tax and Levy Realisation by Stage of Local Government Digitalisation



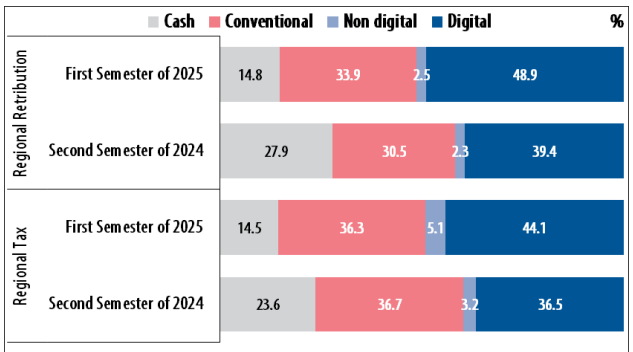
Source: Bank Indonesia 2025, processed  
**Graph IV.4.** Regional Spending Realisation by Stage of Local Government Digitalisation

The realisation of regional revenue is indicating a shift towards digital channels. The share of tax and levy payments received through digital channels reached 44.1% for taxes and 48.9% for levies. The shrinking share of cash-based tax and levy payments is indicative of increasing uptake of cashless payments by the public. Spatially, the region of Kalimantan recorded the largest share of tax and levy payments received through digital channels, contrasting Sumatera where conventional

channels remain dominant (Graph IV.5). Bank Indonesia will continue increasing the adoption of digital payments by strengthening literacy and digital security in the community.



Source: Bank Indonesia 2025, processed  
**Figure IV.1.** Availability of Tax and Levy Payment Channels



Source: Bank Indonesia 2025, processed  
**Graph IV.5.** Composition of Tax and Levy Realisation by Payment Channel

Most of the regional governments' expenditure budgets are paid through cashless disbursements. This is in accordance with the implementation of Minister of Home Affairs Regulation (Permendagri) Number 79 of 2022 concerning the Technical Instructions for the Use of Regional Government Credit Cards (KKPD). For greater transparency and accountability in terms of regional financial management, particularly the procurement of goods and services as well as capital goods through a revolving fund mechanism, use of the Indonesia Credit Card for the government segment is being actively promoted. As of the third quarter of 2025, 477 regional governments (87%) had issued regional regulations (Perkada) concerning the Indonesia Credit Card (KKI) as a legal basis for KKI implementation in the government segment, supported by KKI services provided by all regional government banks. Notwithstanding, use of the Indonesia Credit Card in the government segment remains suboptimal, with only 238 regional governments (43.6%) using the facility, which is dominated by the procurement of office supplies, paying for official visits and transportation expenses, as well as consumption at meetings. Use of the Indonesia Credit Card for the

government segment will be encouraged further moving forward by strengthening the ecosystem, which includes expanding the number and scope of merchants as well as broader acceptance on government procurement platforms.

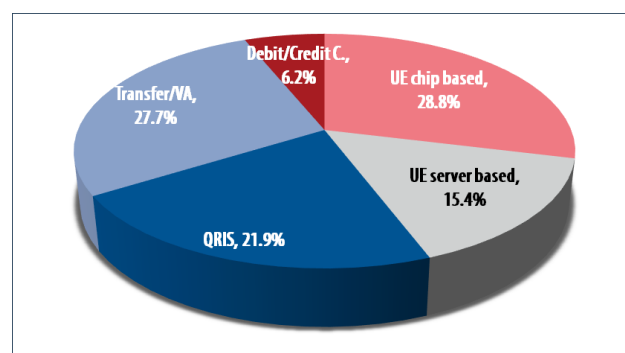
**Moving forward, strengthening ETPD implementation will focus on increasing the role of regional government banks as well as building the capacity of regional governments.** In conjunction with the Task Force for Accelerating and Expanding the Electronification of Central and Regional Government Transactions (P2DD), Bank Indonesia will continue accelerating its program to integrate the National Open API Payment Standard (SNAP) with the Regional Government Information System (SIPD) to ensure the full connectivity of regional financial systems with regional government banks. Bank Indonesia will also strengthen regional government banks in the provision of various payment services for regional governments, independently and through cooperation with Payment Service Providers (PSP) and other partners. In addition, the KATALIS P2DD program will be launched to increase P2DD capacity and literacy as a collective learning platform to build synergy between Regional Digitalisation Acceleration and Expansion Teams (TP2DD) on a quarterly basis. This program aims to strengthen HR competencies and bridge the digital gap between regions to ensure ETPD implementation is more inclusive, efficient and sustainable in terms of supporting public financial management transparency and optimising regional revenues.

### *Government Program: Transportation Sector Digitalisation*

**Digitalisation of the transportation sector is constantly expanded through the provision of various non-cash payment instruments and channels.** In general, the use of non-cash payment instruments and channels in the transportation sector remains dominated by chip-based electronic money (29%), followed by transfer-based/virtual account (VA) payments (28%) and QRIS (22%) (Graph IV.6). A variety of payment options is available across all transportation modes, from land transportation (including rail), buses (Buy the Bus -BTS service), DAMRI, MRT, LRT and KRL, ferry crossings (river, lake and sea), as well as parking charges/fees, including on-street parking managed by local governments and airport parking managed by Angkasa Pura Indonesia.

**The expansion of transportation sector digitalisation requires strengthening in terms of the digital payment**

**channels available (supply) and the use of digital payments (demand).** On the supply side, the availability of digital payments using QRIS across different transportation modes is concentrated in the Java and Sumatera regions. In other regions, implementation has been hampered by several constraints, included more limited modes of public transportation, the scattered distribution of signal network infrastructure and the cost of supporting equipment, such as EDC machines, which is considered expensive by the operators. On the demand side, the use of digital payments in the transportation sector is also concentrated in the Java region. This is due to limited transportation modes that support digital payment options outside of the Java region, leading to the suboptimal use of QRIS.



Source: Bank Indonesia 2024, processed

**Graph IV.6.** Payment Methods in Transportation Sector

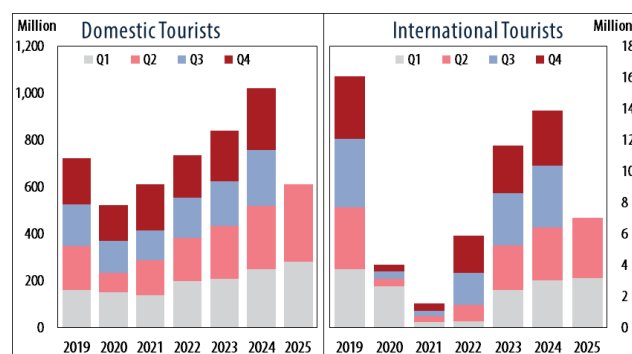
**The Government continues to foster transportation sector digitalisation through various initiatives to develop integrated modes and expand the development of urban transportation.** In terms of initiatives to develop integrated transportation modes, policies are focused on connectivity between different transportation modes, including stations, ports and Transit Oriented Development (TOD) zones that integrate public transportation systems in residential and commercial areas alongside the surrounding public facilities. Supporting this initiative, payment integration is required through integrated fares and ticketing systems. Meanwhile, initiatives to develop urban transportation are supported continuously by expanding BTS services in various regions. This program offers cashless/digital payment options, such as chip-based electronic money and QRIS, which are currently operating in Medan, Palembang, Bandung, Surakarta, Yogyakarta, Surabaya, Denpasar, Banjarmasin, Balikpapan, Makassar and Manado.

**Bank Indonesia is supporting the digitalisation of transportation payments by expanding payment channels and instruments, including the innovative QRIS**

Tap feature that has become a game changer for payments in the transportation sector. QRIS Tap was launched on 14<sup>th</sup> March 2025 and has been expanded to various regions, including Jakarta, East Java, Central Java, Yogyakarta, North Sumatera, South Sumatera, Bali and other regions.

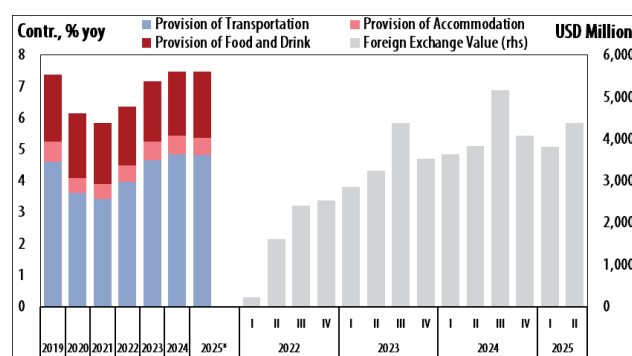
### Priority Sector: Tourism

Development of the tourism sector is focused on Super Priority Tourism Destinations (DPSP), namely Lake Toba, Borobudur, Mandalika, Labuan Bajo and Likupang. Nationally, the tourism sector continues to indicate recovery, approaching pre-pandemic conditions. Such growth is reflected by the increasing number of domestic and international travellers (Graph IV.7), the contribution of gross regional domestic product (GRDP) from sectors related to tourism, and increasing foreign exchange from tourism (Graph IV.8). As of June 2025, the GRDP contribution of the tourism sector was dominated by transportation, followed by food service activities as major components supporting tourism activity.



Source: BPS-Statistics Indonesia, processed

Graph IV.7. Total Domestic and International Travellers



Source: BPS-Statistics Indonesia, processed

Graph IV.8. GRDP Contribution and Foreign Exchange from Tourism Sector

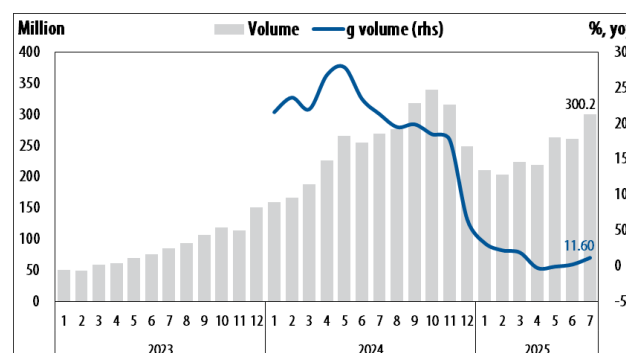
The availability of digital payments in Super Priority Tourism Destinations (DPSP) must be expanded, particularly in Mandalika, Labuan Bajo and Likupang. Various cashless payment options are available for land, rail and ferry transportation to and from the five aforementioned super priority tourism destinations,

including chip-based electronic money, QRIS, debit/credit cards and transfers/virtual accounts, with availability in Labuan Bajo, however, more limited (Table IV.1). In addition, payment system infrastructure and various cashless payment channels are also available in the super priority tourism destinations, including ATMs, electronic money readers, EDC machines and QRIS merchants, which help to expand the digital payment ecosystem in tourist areas.

Table IV.1. Availability of Cashless Payment Channels

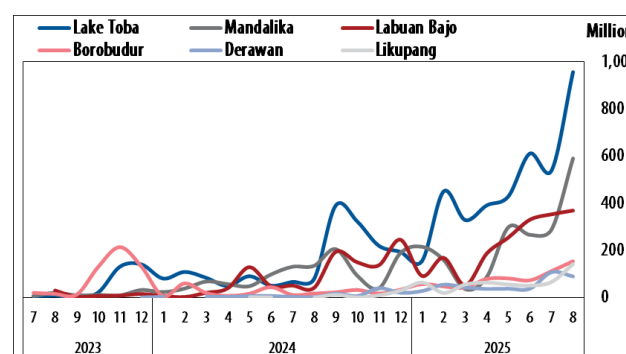
Destination	Subsector	Cashless Payment Options			
		UE CB	QRIS	Trf/VA	Debit/CC
Lake Toba	Land	✓	✓	✓	✓
	Rail	✓	✓	✓	✓
	Ferry Crossing	✓		✓	
Borobudur	Land	✓	✓		✓
	Rail	✓	✓	✓	
Mandalika	Land	✓	✓	✓	✓
Labuan Bajo	Ferry Crossing	✓			
Likupang	Land		✓	✓	

Source: Bank Indonesia 2024, processed



Source: Indonesia Payment System Association (ASPI) and PT Penyelesaian Transaksi Elektronik Nasional (PTEN), processed

Graph IV.9. National tourism QRIS Transaction Volume

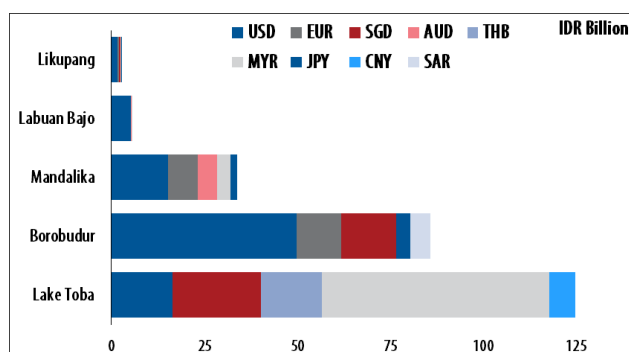


Source: Bank Indonesia, processed

Graph IV.10. QRIS Cross-Border (Inbound) Volume Trend at Five Super Priority Tourism Destinations (DPSP)

QRIS transactions in the tourism sector continued tracking an upward trend (Graph IV.9), dominated by purchases of food and beverages as well as retail trade. Cross-border QRIS transactions in super priority tourism destinations are also increasing, particularly in the Lake

Toba region (Graph IV.10). Nevertheless, there remains a compelling opportunity to optimise QRIS Cross-Border transactions further, particularly in terms of inbound international travellers from Malaysia and Singapore, who tend to prefer cash transactions.



Source: Bank Indonesia, processed

**Graph IV.11.** Composition of Non-Bank Money Changer Transactions by Currency at Five Super Priority Tourism Destinations (DPSP)

The Government has deployed various initiatives and strategies to boost tourism sector performance, including the development of Tourism 5.0: AI and Digitalisation for stronger and higher quality marketing. Tourism 5.0 is implemented through the digitalisation of tourist services, including planning, transportation, accommodation and excursions, supported by enabler data, competent human resources, travel platforms and tourism services infrastructure, including digital payment systems. The main strategy implemented by the Government involves the development of management systems at travel destinations, alongside the development of AI travel assistance and command centres. Payment systems play an important role in supporting tourism sector digitalisation by: (i) expanding the acceptance of innovative integrated digital payments in the tourism sector (transportation, accommodation, excursions and supporting MSMEs), (ii) increasing the use of cross-border QR payments, and (iii) accelerating

tourism promotion and branding in synergy with digital acceptance campaigns, including the flagship QRIS Jelajah Budaya program.

## Efforts to Accelerate the Role of Digitalisation in Various Regions

Several quick wins will be implemented and strengthened in various regions as follows:

- The quick wins of the BSNT program are oriented towards increasing coordination with banks to ensure the availability and quality of agent services, coupled with community-based education for beneficiary families and bank agents.
- In terms of the ETPD program, the quick wins include coordination to accelerate the availability of network infrastructure, particularly in frontier, outlying and remote regions, expanding the digital instruments/channels, including the TP2DD Championship and implementing KKI online payments, digitalisation of payment system services by regional government banks through SNAP and SIPD integration, community-based education, as well as initiation of KATALIS P2DD as a platform for continuous learning and evaluation.
- In the transportation sector, the quick wins focus on cooperation between operators and payment service providers (PSP) to expand digital payment options, alongside community-based socialisation and education activities as well as creating a national coordination forum.
- In the tourism sector, the quick wins focus on efforts to expand the acceptance of innovative digital payments, increase promotional activities in synergy with digital acceptance campaigns, as well as expand QRIS merchants and acceptance, including QRIS Cross-Border.



## Regional Infrastructure Readiness and Adoption of Digital Payments

Strategies to develop the digital economy and finance (EKD) must take into consideration the local characteristics in each region. This is because each region has its own challenges and conditions. Some regions require the further development of payment system infrastructure and others need greater literacy, while some are ready to accelerate innovation. Consequently, there is no one-size-fits-all digitalisation strategy. Such strategies must be adapted based on the results of mapping the characteristics and needs of each region in order to remain effective and on target.

Mapping can be achieved by comparing the level of PS infrastructure readiness with the level of digital payment adoption in each region. Several indicators can be used to measure the readiness of payment system infrastructure, including mobile phone penetration, the ratio or density of ATM and EDC machines per capita or per road section, the ratio of QRIS merchants per trade sector contribution to GRDP, and the regional coverage of mobile phone networks. On the other hand, the level of digital payment adoption given the availability of payment system infrastructure is measured through various indicators, including the ratio of payment system transaction volume per user, per area and per GRDP.

The results of the mapping were grouped into four quadrants (Figure IV.2). Regions with adequate infrastructure and high adoption of digital payments were grouped into the green quadrant, indicating payment innovation expansion. Areas with adequate infrastructure but low adoption of digital payments were grouped into the blue quadrant, indicating digital acceptance support. Meanwhile, regions with inadequate infrastructure but relatively high adoption of digital payments were grouped into the yellow quadrant, indicating infrastructure support. Finally, regions with inadequate infrastructure and low adoption of digital payments were grouped into the red quadrant, indicating acceptance and infrastructure support.

A spatial assessment revealed divergence regarding the level of PS infrastructure readiness and level of digital payment adoption between different regions of Indonesia (Figure IV.3). Such regional disparity underlies

the basis for a spatial strategy with three main approaches. First, the encourage strategy prioritises yellow and red zones by strengthening the user and merchant base through literacy and infrastructure support, alongside cross-partner synergy in terms of infrastructure development. Second, the improve strategy prioritises blue zones by expanding the user and merchant base, while providing education on digital payment system innovations. Third, the maintain strategy targets green zones by expanding transactions and implementing digital payment system innovations.

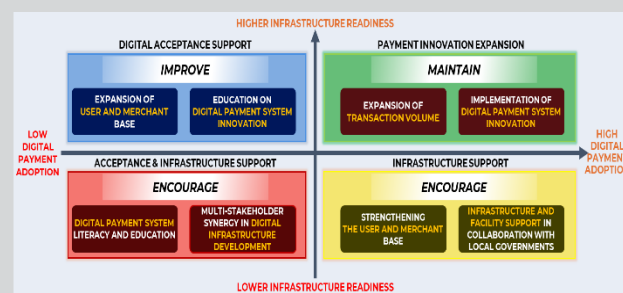


Figure IV.2. Mapping Infrastructure Readiness and the Adoption of Digital Payments by Region

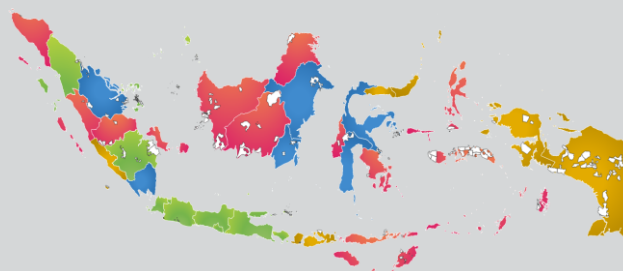


Figure IV.3. Distribution of Digital Infrastructure Readiness and Digital Payment Adoption in Indonesia

In accordance with the Innovation Pillar, as contained in the Indonesia Payment System Blueprint (BSPI) 2030, Bank Indonesia is fostering a regional digitalisation strategy that prioritises synergy and collaboration to expand digital payments based on the readiness of each region as follows:

- The **encourage strategy** prioritises the introduction of static QRIS, the Indonesia Credit Card (KKI) and BI-FAST, the expansion of infrastructure networks as well as public education and literacy campaigns focusing on digital products in synergy with the flagship QRIS Jelajah Indonesia program, National BBI

Movement promoting pride in Indonesian-made products (GBBI) and Indonesian Proud to Travel Movement (GBWI).

- b. **The improve strategy** incorporates the encourage strategy, alongside the development of various instruments, including dynamic QRIS, CPM, TAP and KKI online, while increasing the user and merchant base and providing continuous product education.
- c. **The maintain strategy** incorporates the encourage and improve strategies, alongside expanding QRIS use cases, KKI online, developing biometric technology and expanding cross-sector transactions to strengthen the efficiency of the digital payments ecosystem.

# EDITORIAL TEAM

## **Steering Committee**

Firman Mochtar

## **Editorial Coordinator**

Tri Yanuarti

## **Authors**

Economic and Monetary Policy Department  
Sectoral and Regional Group

Maximilian Timothy Tutuarima  
Archi Hilwardhany  
Ide Mahendra  
Ramdha Dien Azka  
Viyasa Rahyaputra  
Rasyid Ramadhan Samsuri  
Archie Flora Anisa  
Reffi Marizka Dewi  
Muhammad Reihan Davie

Payment System Policy Department

Primitiva Febriarti  
Gina Fithriana F. S.  
Meita Elshinta Siagian  
Pandu Anggara  
Dinda Rahmania  
Miftakhul Meiliana  
Deby Awalya Bonita  
Beryl Putra Sanjaya  
Wanda Puspita Hati









JL. MH. Thamrin No. 2 Jakarta 10350  
[www.bi.go.id](http://www.bi.go.id)