BANK INDONESIA

Prompt Manufacturing Index (PMI) Bank Indonesia

QUARTER II - 2026 **MANUFACTURING INDUSTRY PERFORMANCE MAINTAINED**

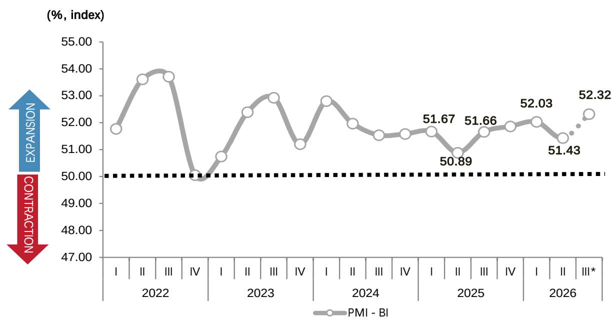
Manufacturing Performance	The latest Prompt Manufacturing Index - Bank Indonesia (PMI-BI) reading taken in the second quarter of 2026 indicates that manufacturing industry performance was sustained in an expansionary phase (index > 50%), as reflected by a PMI-BI of 51.43%. Most PMI-BI components were recorded in expansionary territory, namely Production Volume, Inventory Volume, and Order Volume. By manufacturing subsector, most subsectors also remained in an expansionary phase with the highest index readings recorded in the Machinery and Equipment Industry, followed by the Food and Beverages Industry, Basic Metals Industry, and Non-Metallic Mineral Products Industry.
Business Optimism	In the third quarter of 2026, respondents expect manufacturing industry performance to increase and remain in an expansionary phase, as reflected by a PMI-BI of 52.32%. Respondents anticipate the expansion to primarily be driven by Production Volume, Inventory Volume, and Order Volume. Furthermore, most manufacturing subsectors are expected to remain in expansionary territory, with the highest index readings predicted for the Machinery and Equipment Industry, followed by the Tobacco Processing Industry, Basic Metals Industry, and Transportation Equipment Industry.

Prompt Manufacturing Index – Bank Indonesia (PMI-BI)

The latest PMI-BI reading points to maintained manufacturing industry performance in the second quarter of 2026

The latest PMI-BI reading of 51.43% indicates maintained manufacturing industry performance in the second quarter of 2026, despite moderating slightly from 52.03% in the previous period (Graph 1). By component, PMI-BI performance in the second quarter of 2026 stemmed from several expansionary components, namely Production Volume (53.81%), Inventory Volume (53.00%), and Order Volume (52.77%) (Table 1).

Graph 1 *Prompt Manufacturing Index* – Bank Indonesia (PMI-BI)



*) Expectation

Respondents expect manufacturing industry performance to accelerate in the third quarter of 2026.

Respondents expect manufacturing industry performance to accelerate in the third quarter of 2026, as reflected by an index of 52.32%, thus remaining in an expansionary phase. The expansion is primarily driven by Production Volume (54.33%), Inventory Volume (53.67%), and Order Volume (53.66%). Meanwhile, respondents predict the Speed of Supplier Delivery Time and Employment Level indexes to improve, despite remaining in contractionary territory, with respective readings of 48.88% and 49.70%.

PMI-BI Components

Several PMI-BI components recorded an expansionary phase in the second quarter of 2026.

By component, PMI-BI performance in the second quarter of 2026 was driven by Production Volume, Inventory Volume, and Order Volume, which were observed in an expansionary phase.

A. Production Volume

In the second quarter of 2026, the Production Volume component remained in expansionary territory with an index of 53.81%, despite moderating slightly from 54.07% in the first quarter of 2026 (Graph 2). Robust Production Volume performance was consistent with maintained private demand, supported by a persistently solid Order Volume, high Inventory Volume, and the availability of production facilities. Furthermore, respondents anticipate Production Volume to increase again in the third quarter of 2026, with an index of 54.33% (Graph 2).

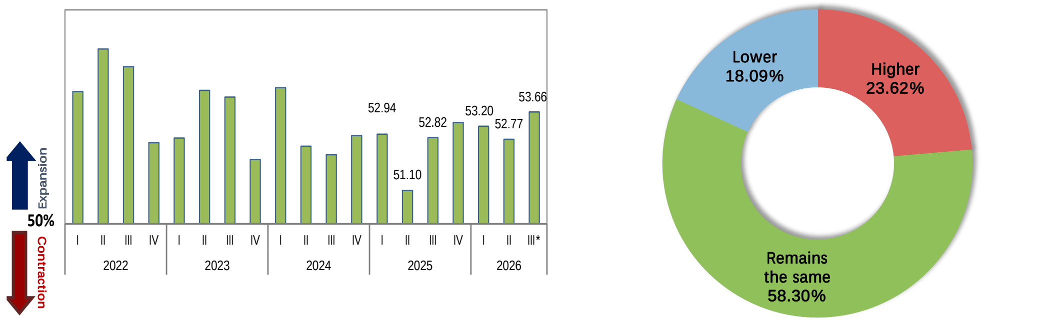
Graph 2 | Production Volume Index | Distribution of Response in Quarter II 2026

*) Expectation

B. Order Volume

Order Volume performance in the second quarter of 2026 remained in an expansionary phase, as reflected by an index of 52.77%, despite moderating slightly from 53.20% in the previous period. Sustained Order Volume was also supported by adequate goods availability, as reflected by the high Inventory Volume. In the third quarter of 2026, respondents expect Order Volume performance to increase in an expansionary phase, with an index of 53.66% (Graph 3).

Graph 3 | Order Volume Index | Distribution of Response in Quarter II 2026

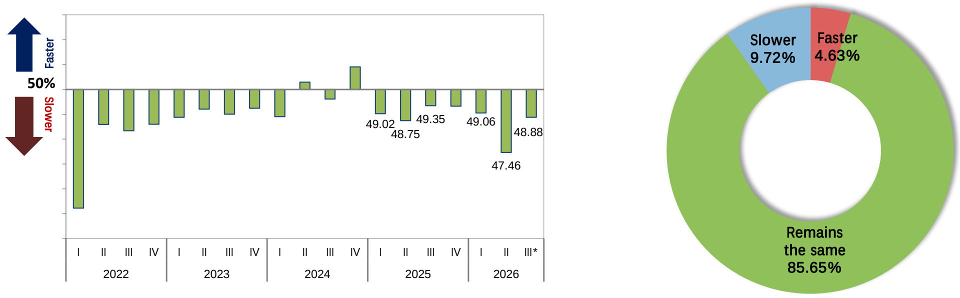


*) Expectation

C. Speed of Supplier Delivery Time

The Speed of Supplier Delivery Time in the second quarter of 2026 remained in contractionary territory with an index of 47.46%, retreating from 49.06% in the previous period (Graph 4). Furthermore, respondents expect the Speed of Supplier Delivery Time component to improve in the third quarter of 2026, with an index of 48.88% (Graph 4).

Graph 4 | Speed of Supplier Delivery Time | Distribution of Response in Quarter II 2026

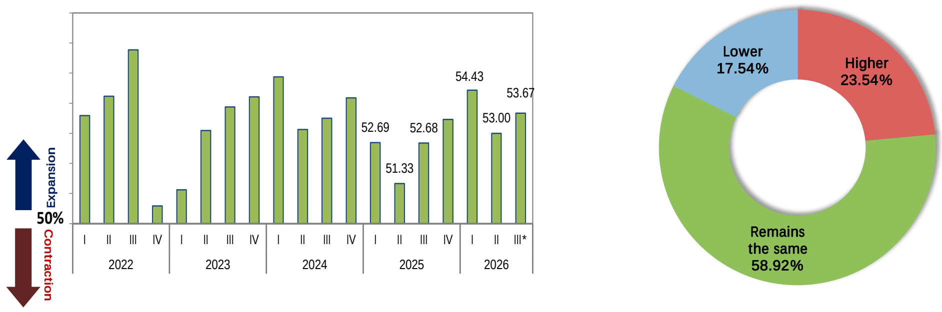


*) Expectation

D. Inventory Volume

The Inventory Volume component in the second quarter of 2026 remained in an expansionary phase with an index of 53.00%, down from 54.43% in the previous period (Graph 5). Inventory Volume was consistent with Production Volume, which also remained at an expansionary level. Meanwhile, respondents expect Inventory Volume to maintain an expansionary phase through to the third quarter of 2026, as reflected by an increase in the index to 53.67%.

Graph 5 | Inventory Volume Index | Distribution of Response in Quarter II 2026

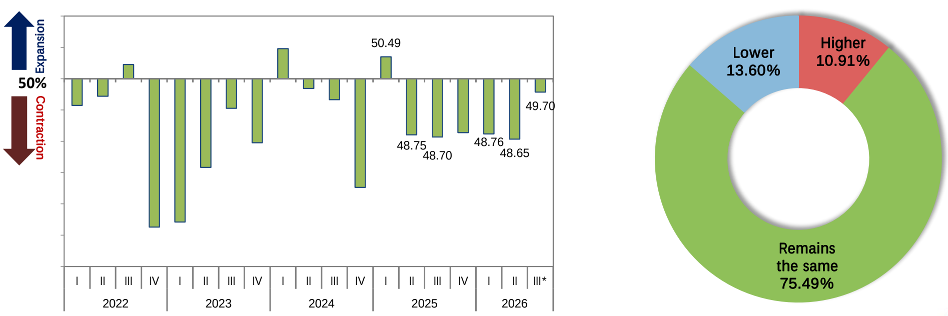


*) Expectation

E. Employment Level

The Employment Level component declined in the second quarter of 2026, with the index slightly falling to 48.65% from 48.76% in the previous period (Graph 6). Meanwhile, respondents expect labour utilisation to improve in the third quarter of 2026, with a slightly higher index of 49.70%, despite remaining below the threshold indicating expansion (index <50).

Graph 6 | Employment Level Index | Distribution of Response in Quarter II 2026



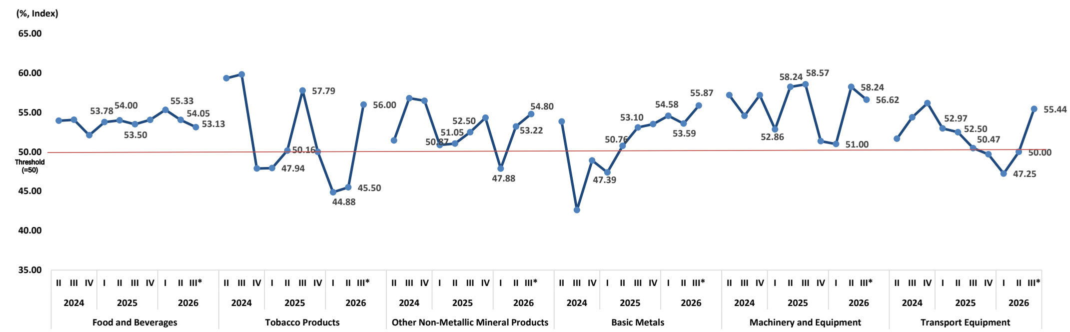
*) Expectation

PMI–BI by Subsector

By subsector, maintained PMI-BI performance in the second quarter of 2026 was supported by the performance of several subsectors, which increased and remained in an expansionary phase. The PMI-BI in most subsectors remained in an expansionary phase, with the highest index recorded in the Machinery and Equipment Industry (58.24%), Food and Beverages Industry (54.05%), Basic Metals Industry (53.59%), and Non-Metallic Mineral Products Industry (53.22%).

Furthermore, in the third quarter of 2026, respondents predict most manufacturing subsectors to remain in an expansionary phase, with the highest index recorded in the Machinery and Equipment Industry (56.62%), followed by the Tobacco Processing Industry (56.00%), Basic Metals Industry (55.87%), and Transportation Equipment Industry (55.44%).

Graph 7 PMI-BI By Subsector



*) Expectation

THIS PAGE INTENTIONALLY LEFT BLANK

METHODOLOGY

PMI – BI is a composite indicator providing an overview of the manufacturing sector performance in Indonesia based on the Bank Indonesia Business Survey. PMI-BI composite comprises five indices, namely production volume (output), new order volume (input), inventories, employment, and speed of supplier delivery times. PMI is calculated based on a pre-assessment of benchmarked Purchasing Managers' Index from a number of other countries. An index reading of above 50 signals business expansion, while a reading below 50 indicates a contraction. Starting the first quarter of 2023, the Survey has been adjusted to accommodate Subsector weight of 2010 base year from previously using 2000 base year. PMI-BI is calculated from ± 600 respondents in the manufacturing sector. The metadata can be accessed at https://www.bi.go.id/id/statistik/Metadata/Survei/Documents/4-Metadata-PMI-2022.pdf.

APPENDIX

Table 1 Prompt Manufacturing Index – Bank Indonesia
(% Index)

Period		Component					PMI - BI
		Production Volume	Order Volume	Speed of Supplier Delivery Time	Inventory Volume	Employment Level	
2017	I	47.70	48.17	48.31	49.16	48.62	47.93
	II	57.53	48.23	49.41	50.74	51.70	51.68
	III	54.78	49.79	49.07	48.64	48.29	50.51
	IV	49.36	48.94	48.73	48.30	47.95	48.75
2018	I	52.71	50.50	48.57	50.00	47.64	50.14
	II	54.39	54.57	46.57	53.15	50.67	52.40
	III	55.18	53.37	45.37	54.10	50.00	52.02
	IV	55.42	56.17	44.58	54.03	48.92	52.58
2019	I	53.49	54.04	49.94	53.29	51.22	52.65
	II	54.19	54.88	49.89	51.13	50.28	52.66
	III	53.64	53.48	49.50	54.27	48.68	52.04
	IV	53.42	53.27	49.71	52.56	47.23	51.50
2020	I	43.10	47.28	43.22	46.69	47.63	45.64
	II	25.36	28.95	26.16	32.28	31.84	28.55
	III	45.35	50.55	38.75	43.87	41.03	44.91
	IV	49.94	49.33	42.27	46.78	44.95	47.29
2021	I	50.94	52.89	44.51	52.24	47.54	50.01
	II	54.20	54.03	46.57	51.63	47.68	51.45
	III	49.46	51.53	44.05	49.64	46.76	48.75
	IV	51.84	51.67	46.24	51.42	48.16	50.17
2022	I	53.81	54.33	45.22	53.59	49.40	51.77
	II	57.05	55.72	48.59	54.23	49.61	53.61
	III	57.12	55.14	48.34	55.78	50.32	53.71
	IV	50.29	52.65	48.60	50.59	46.68	50.06
2023	I	52.40	52.80	48.88	51.12	46.79	50.75
	II	55.16	54.37	49.21	53.10	48.02	52.39
	III	56.30	54.15	49.00	53.88	49.34	52.93
	IV	52.19	52.11	49.24	54.22	48.57	51.20
2024	I	54.03	54.45	48.91	54.87	50.67	52.80
	II	53.56	52.54	50.29	53.13	49.78	51.97
	III	52.65	52.26	49.61	53.50	49.53	51.54
	IV	52.58	52.89	50.91	54.18	47.57	51.58
2025	I	52.28	52.94	49.02	52.69	50.49	51.67
	II	53.45	51.10	48.75	51.33	48.75	50.89
	III	53.62	52.82	49.35	52.68	48.70	51.66
	IV	53.46	53.31	49.32	53.46	48.80	51.86
2026	I	54.07	53.20	49.06	54.43	48.76	52.03
	II	53.81	52.77	47.46	53.00	48.65	51.43
	III*	54.33	53.66	48.88	53.67	49.70	52.32

*) Expectation

Table 2 Prompt Manufacturing Index – BI by Subsector (% Index)

Subsector	2022	2023				2024				2025				2026		
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III*
Manufacture of Food Products and Beverages	51.03	52.20	53.73	53.44	51.26	53.38	53.95	54.07	52.11	53.78	54.00	53.50	54.06	55.33	54.05	53.13
Manufacture of Tobacco Products	43.55	52.35	53.30	59.58	49.53	58.42	59.34	59.83	47.89	47.94	50.16	57.79	50.00	44.88	45.50	56.00
Manufacture of Textiles; and Wearing Apparel	54.96	53.17	50.34	50.20	51.72	57.40	49.13	47.64	46.69	49.27	45.15	48.29	50.19	50.94	51.04	50.47
Manufacture of Leather and Related Products; and Footwear	56.25	58.50	63.55	55.92	59.12	55.36	61.36	53.75	57.14	46.36	45.38	57.50	53.13	55.83	50.00	51.54
Manufacture of Wood and Products of Wood and Cork, Articles of Straw and Plaiting Materials	45.53	43.54	50.71	52.06	51.94	47.71	44.42	46.33	46.58	50.65	42.38	44.08	49.91	46.25	47.82	52.34
Manufacture of Paper and Paper products; Printing and Reproduction of Recorded Media	52.29	50.00	53.65	55.71	51.47	55.48	54.57	52.50	53.27	52.14	57.61	50.65	56.71	57.27	50.53	51.05
Manufacture of Chemicals and Pharmaceuticals; and Botanical Products	54.56	50.78	55.19	49.73	52.50	50.00	51.44	52.06	51.90	52.66	50.31	52.56	51.79	47.85	49.68	48.78
Manufacture of Rubber, Rubber Products and Plastic Products	41.40	46.71	47.36	49.10	46.42	50.73	50.27	53.73	48.68	48.71	47.90	48.71	46.72	52.45	49.48	50.24
Manufacture of Other Non-Metallic Mineral Products	57.66	53.43	56.71	59.96	57.61	50.36	51.45	56.81	56.48	50.87	51.05	52.50	54.33	47.88	53.22	54.80
Manufacture of Basic Metals	54.27	55.09	52.50	59.42	50.96	55.63	53.85	42.62	48.91	47.39	50.76	53.10	53.52	54.58	53.59	55.87
Manufacture of Fabricated Metal Products, Computer, Optical Products and Electronic Devices	45.40	47.35	50.37	46.42	44.20	50.66	52.83	48.36	53.13	48.11	48.62	51.86	52.30	51.06	48.55	48.78
Manufacture of Machinery and Equipment	53.18	61.83	57.50	60.78	60.17	53.50	57.19	54.58	57.19	52.86	58.24	58.57	51.36	51.00	58.24	56.62
Manufacture of Transport Equipment	52.14	58.93	55.00	62.78	61.25	55.33	51.67	54.38	56.18	52.97	52.50	50.47	49.69	47.25	50.00	55.44
Manufacture of Furniture	41.94	45.71	51.15	46.95	51.73	54.83	45.94	52.85	58.10	52.95	42.40	43.88	52.35	47.93	48.94	49.63

*) Expectation