BANK INDONESIA

Prompt Manufacturing Index (PMI) Bank Indonesia

QUARTER III - 2025 MANUFACTURING INDUSTRY PERFORMANCE INCREASING

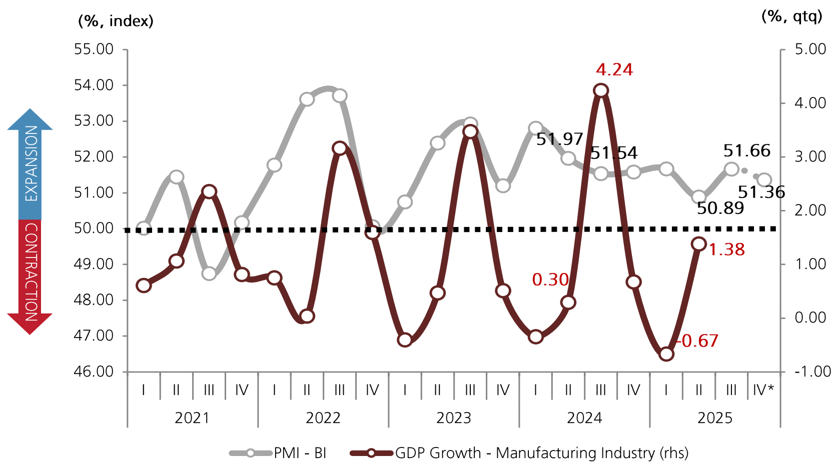
Manufacturing Performance	The latest Prompt Manufacturing Index – Bank Indonesia (PMI-BI) reading taken in the third quarter of 2025 indicates increasing manufacturing industry performance to remain in an expansionary phase (index > 50%) at 51.66%, up from 50.89% in the previous period. Most PMI-BI components increased, namely Production Volume, Order Volume and Inventory Volume. In addition, most manufacturing subsectors recorded stronger performance in an expansionary phase, led by the Machinery and Equipment Industry, followed by the Tobacco Processing Industry, as well as the Leather, Leather Products and Footwear Industry. The PMI-BI trend is also consistent with the latest findings of manufacturing industry growth presented in the Business Survey published by Bank Indonesia, where the corresponding Weighted Net Balance (WNB) increased to 1.61%.
Business Optimism	In the fourth quarter of 2025, respondents expect manufacturing industry performance to remain in an expansionary phase, as reflected by a PMI-BI of 51.36%. Respondents predict several PMI-BI components in an expansionary phase, led by Production Volume, followed by Order Volume and Inventory Volume. Furthermore, most manufacturing subsectors are also in expansionary territory, with the highest index predicted for the Machinery and Equipment Industry, followed by the Leather, Leather Products and Footwear Industry as well as Furniture Industry.

Prompt Manufacturing Index – Bank Indonesia

The latest PMI-BI reading indicates that manufacturing industry performance increased in the third quarter of 2025.

The latest PMI-BI reading of 51.66% indicates that manufacturing industry performance increased in the third quarter of 2025, up from 50.89% in the previous period (Graph 1). PMI-BI performance in the third quarter of 2025 was driven by most components, which remained in expansionary territory, namely Production Volume (53.62%), Order Volume (52.82%) and Inventory Volume (52.68%). In addition, the Supplier Delivery Time component improved to 49.35% in the reporting period, despite remaining in a contractionary phase (Table 1).

Graph 1 Prompt Manufacturing Index (PMI) – BI and Quarterly Growth of Manufacturing Industry GDP



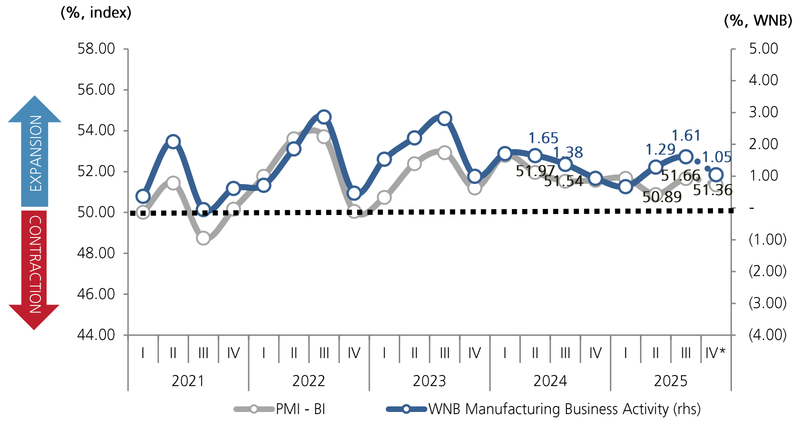
*) Expectation

The current PMI-BI trend is consistent with increasing manufacturing activity according to the latest Business Survey conducted by Bank Indonesia in the third quarter of 2025, with the corresponding Weighted Net Balance (WNB) increasing to 1.61% (Graph 2).

Respondents predict maintained manufacturing industry performance in the fourth quarter of 2025.

Respondents expect manufacturing industry performance to be maintained in an expansionary phase in the fourth quarter of 2025, as indicated by a PMI-BI of 51.36%. Several components are predicted in an expansionary phase, led by Production Volume (52.89%), followed by Order Volume (52.46%) and Inventory Volume (51.74%). Meanwhile, respondents anticipate improvements in terms of Supplier Delivery Time (49.71%) and Employment Level (48.84%), despite remaining below the 50% threshold.

Graph 2 Prompt Manufacturing Index (PMI)-BI and WNB of Manufacturing Industry – Bank Indonesia Business Survey



*) Expectation

PMI-BI Components

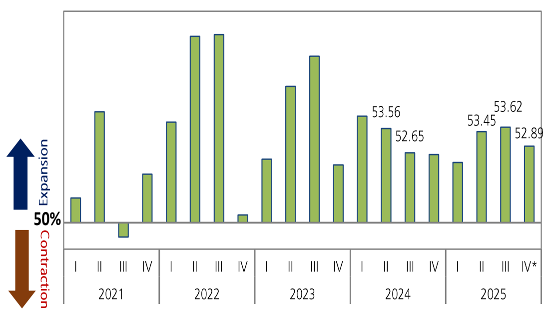
Most PMI-BI components increased in the third quarter of 2025.

By component, PMI-BI performance in the third quarter of 2025 was driven by increases observed in Production Volume, Order Volume and Inventory Volume. In addition, the Supplier Delivery Time component improved in the reporting period.

A. Production Volume

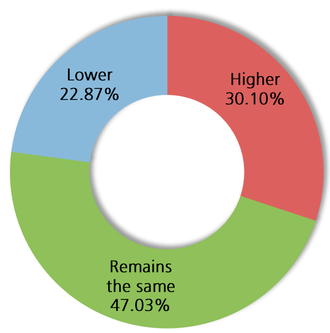
In the third quarter of 2025, the Production Volume Index increased to 53.62% from 53.45% in the previous period (Graph 3). This was consistent with maintained demand, as reflected in the Order Volume component, and supported by the adequate availability of production facilities. Meanwhile, respondents predict an expansionary production volume index of 52.89% in the fourth quarter of 2025, despite retreating compared with the third quarter of 2025 (Graph 3).

Graph 3 Production Volume Index



*) Expectation

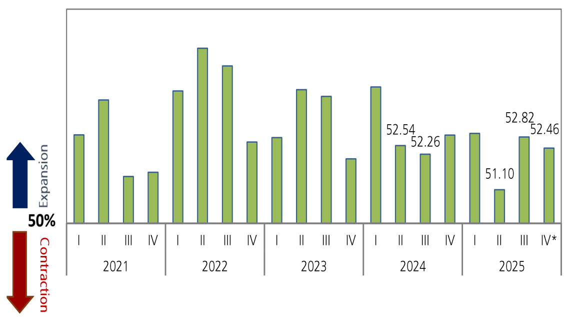
Distribution of Response in Quarter III - 2025

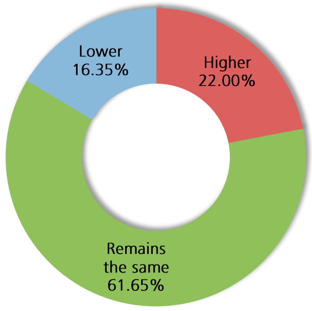


B. Order Volume

PMI-BI performance in the reporting period was also driven by an uptick in the Order Volume Index to 52.82% from 51.10% in the previous period. In the fourth quarter of 2025, respondents expect the Order Volume component to remain solid with an index reading of 52.46% (Graph 4).

Graph 4	Order Volume Index		Distribution of Response in Quarter III - 2025



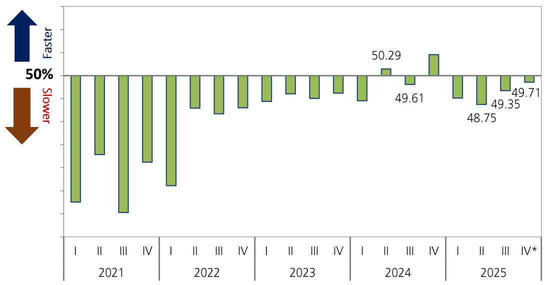


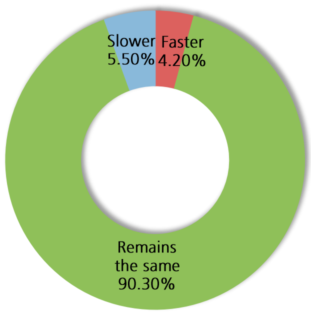
*) Expectation

C. Supplier Delivery Time Index

The Supplier Delivery Time Index remained in a contractionary zone despite improving to 49.35% in the third quarter of 2025 from 48.75% in the second quarter of 2025 (Graph 5). Respondents expect the improving trend to persist in the fourth quarter of 2025, predicting a contractionary index reading of 49.71% (index<50%) (Graph 5).

Graph 5	Supplier Delivery Time Index		Distribution of Response in Quarter III - 2025



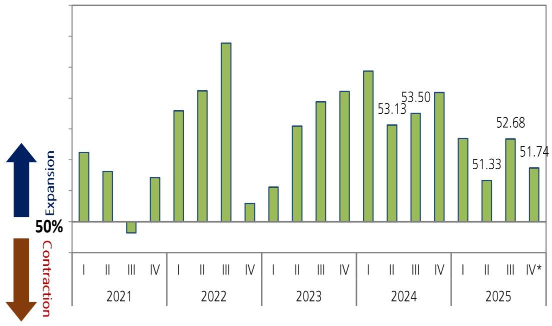


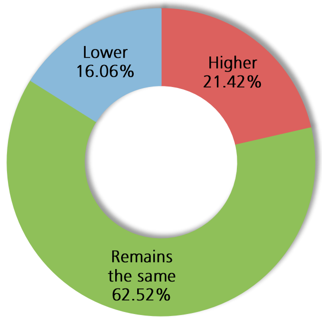
*) Expectation

D. Inventory Volume

Consistent with increasing Production Volume and Order Volume, the Inventory Volume component increased to 52.68% in the third quarter of 2025 from 51.33% in the second quarter of 2025 (Graph 6). Looking ahead, respondents predict the Inventory Volume Index to remain above the 50% threshold in the fourth quarter of 2025, despite decreasing to 51.74%.

Graph 6	Inventory Volume Index		Distribution of Response in Quarter III – 2025



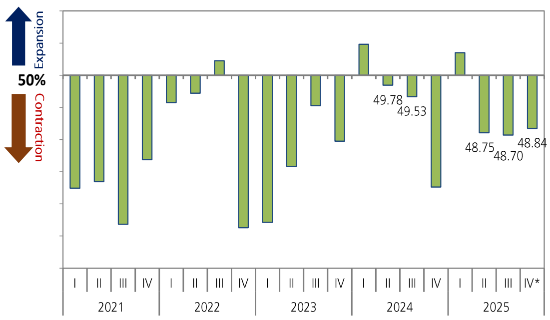


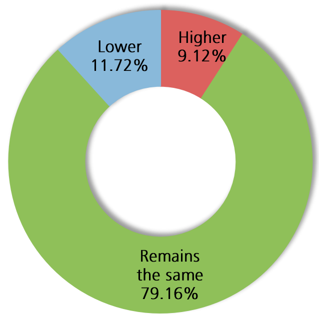
*) Expectation

E. Employment Level

In the third quarter of 2025, the Employment Level component remained in a contractionary zone at 48.70%, relatively stable compared with 48.75% in the previous period (Graph 7). Respondents expect the Employment Level Index to improve slightly to 48.84% in the fourth quarter of 2025, despite remaining below the 50% threshold indicating a contraction.

Graph 7	Employment Index		Distribution of Response in Quarter III - 2025





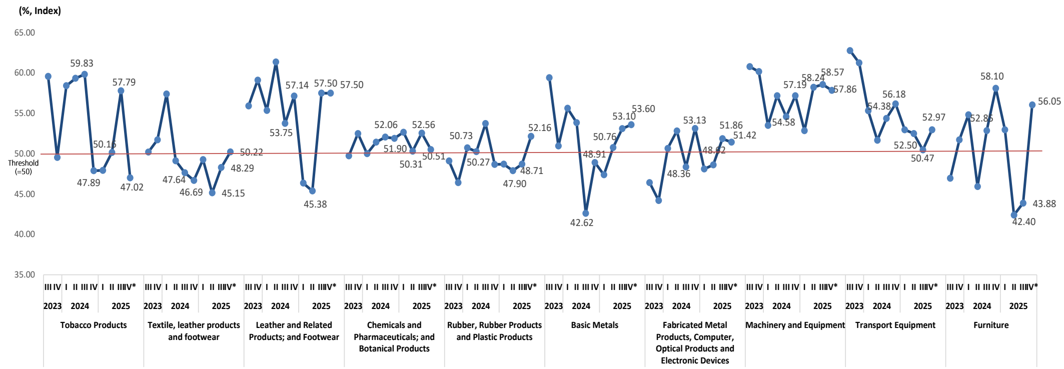
*) Expectation

PMI – BI by Subsector

PMI-BI performance in the third quarter of 2025 was underpinned by most manufacturing subsectors, which indicated stronger performance in an expansionary phase. The Machinery and Equipment Industry recorded the highest index at 58.57%, followed by the Tobacco Processing Industry (57.79%), as well as the Leather, Leather Products and Footwear Industry (57.50%). Furthermore, the Fabricated Metal Products, Computers, Electronics, Optical Products and Electrical Equipment Industry accelerated out of a contractionary zone (48.62%) in the second quarter of 2025 to reach 51.86% in the third quarter of 2025.

In the fourth quarter of 2025, respondents anticipate most manufacturing subsectors in an expansionary phase, led by the Machinery and Equipment Industry (57.86%), followed by the Leather, Leather Products and Footwear Industry (57.50%), as well as the Furniture Industry (56.05%).

Graph 8 PMI-BI By Subsector



*) Expectation

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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 composits comprises of five indices, namely new order volume (input), production volume (output), employment, supplier delivery times, and inventories. PMI is calculated based on a pre-assessment of benchmarked Purchasing Manufacturing Indices from a number of other countries. An index reading of above 50 signals business expansion, while a reading below 50 indicates a contraction. Starting Quarter I-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/en/statistik/Metadata/Survei/Documents/3-Metadata-PMI-en.pdf.

APPENDIX

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

Period		Component					PMI - BI
		Production Volume	Order Volume	Speed of Supplier Delivery Time	Inventory	Labour	
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*	52.89	52.46	49.71	51.74	48.84	51.36

*) Expectation

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

Subsector	2022	2023				2024				2025			
	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV*
Manufacture of Food Products and Beverages	51.0	52.20	53.73	53.44	51.26	53.38	53.95	54.07	52.11	53.78	54.00	53.50	51.80
Manufacture of Tobacco Products	43.6	52.35	53.30	59.58	49.53	58.42	59.34	59.83	47.89	47.94	50.16	57.79	47.02
Manufacture of Textiles; and Wearing Apparel	55.0	53.17	50.34	50.20	51.72	57.40	49.13	47.64	46.69	49.27	45.15	48.29	50.22
Manufacture of Leather and Related Products; and Footwear	56.3	58.50	63.55	55.92	59.12	55.36	61.36	53.75	57.14	46.36	45.38	57.50	57.50
Manufacture of Wood and Products of Wood and Cork, Articles of Straw and Plaiting Materials	45.5	43.54	50.71	52.06	51.94	47.71	44.42	46.33	46.58	50.65	42.38	44.08	48.42
Manufacture of Paper and Paper products; Printing and Reproduction of Recorded Media	52.3	50.00	53.65	55.71	51.47	55.48	54.57	52.50	53.27	52.14	57.61	50.65	49.46
Manufacture of Chemicals and Pharmaceuticals; and Botanical Products	54.6	50.78	55.19	49.73	52.50	50.00	51.44	52.06	51.90	52.66	50.31	52.56	50.51
Manufacture of Rubber, Rubber Products and Plastic Products	41.4	46.71	47.36	49.10	46.42	50.73	50.27	53.73	48.68	48.71	47.90	48.71	52.16
Manufacture of Other Non-Metallic Mineral Products	57.7	53.43	56.71	59.96	57.61	50.36	51.45	56.81	56.48	50.87	51.05	52.50	52.04
Manufacture of Basic Metals	54.3	55.09	52.50	59.42	50.96	55.63	53.85	42.62	48.91	47.39	50.76	53.10	53.60
Manufacture of Fabricated Metal Products, Computer, Optical Products and Electronic Devices	45.4	47.35	50.37	46.42	44.20	50.66	52.83	48.36	53.13	48.11	48.62	51.86	51.42
Manufacture of Machinery and Equipment	53.2	61.83	57.50	60.78	60.17	53.50	57.19	54.58	57.19	52.86	58.24	58.57	57.86
Manufacture of Transport Equipment	52.1	58.93	55.00	62.78	61.25	55.33	51.67	54.38	56.18	52.97	52.50	50.47	52.97
Manufacture of Furniture	41.9	45.71	51.15	46.95	51.73	54.83	45.94	52.85	58.10	52.95	42.40	43.88	56.05

*) Expectation