



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

MONETARY POLICY REVIEW

MAY 2025







FOREWORD

Bank Indonesia has a mandate, namely to achieve Rupiah stability, maintain payment system stability, and to include maintaining financial system stability in order to support sustainable economic growth. Nevertheless, rupiah stability encompasses two aspects, namely price stability of goods and services, as reflected in stable inflation, as well as rupiah exchange rate stability to currencies in other countries. The inflation target was set by the Government, in coordination with Bank Indonesia, at $2.5 \pm 1\%$ in 2025. To that end, Bank Indonesia implements sustainable, consistent, and transparent monetary policy through effort to achieve low and stable inflation, a stable exchange rate, and an adequate level of foreign exchange reserves. In pursuance of its mandate, Bank Indonesia institutes an optimal mix of monetary, macroprudential, and payment system policies.

Bank Indonesia regularly publishes the Monetary Policy Review after the Board of Governors Meeting has been convened in February, March, May, June, August, September, November, and December. The Review has two primary functions, namely: (i) to provide economic data, analysis and projections to help form and anchor rational expectations as part of the anticipative monetary policymaking framework; and (ii) as a medium for the Board of Governors to publicly explain and clarify the various considerations underlying monetary policy decision-making at Bank Indonesia.



The Board of Governors

PERRY WARJIYO
Governor

DESTRY DAMAYANTI
Senior Deputy Governor

DONI PRIMANTO JOEWONO
Deputy Governor

JUDA AGUNG
Deputy Governor

AIDA S. BUDIMAN
Deputy Governor

FILIANINGSIH HENDARTA
Deputy Governor



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Executive Summary

Global economic uncertainty has slightly eased with a temporary agreement between the United States (US) and China to lower import tariffs for 90 days. The lower tariffs are also predicted to reduce US inflation, thereby maintaining strong expectations of a reduction to the Federal Funds Rate (FFR). Meanwhile, US Treasury yields are higher than previous projection in line with the rising risk on the US fiscal sustainability. In the global financial markets, the shift of capital flows from the US to safe haven assets and countries continues, with signs of increasing capital flows to emerging markets (EM). Consequently, the DXY Index continued to weaken, along with a depreciation against emerging Asian currencies (ADXY Index).

From the domestic side, Indonesia's economic growth needs to be further strengthened. Economic growth in the first quarter of 2025 was recorded at 4.87% (yoy), lower than the 5.02% (yoy) growth in the fourth quarter of 2024. Meanwhile, Indonesia's Balance of Payments (BoP) remains stable, supported by a rebound in portfolio investment inflows in May 2025. The Rupiah exchange rate remained stable and tended to strengthen, supported by Bank Indonesia's stabilization policies and a slight easing of global financial market uncertainty. Consumer Price Index

(CPI) inflation in April 2025 remained under control. The role of bank credit in supporting economic growth needs to be continuously strengthened, with credit growth in April 2025 was recorded at 8.88% (yoy), down from 9.16% (yoy) in March 2025. Digital economic and financial transactions continued growing in April 2025, supported by secure, seamless and reliable payment systems.

Moving forward, a temporary agreement between the United States (US) and China regarding the import tariffs improved the global economic outlook. Global economic growth in 2025 is projected to reach 3.0%, higher than the April 2025 forecast of 2.9%. Nevertheless, going forward, the development of import tariff negotiations between the US and China as well as with other countries remains dynamic, thereby keeping global economic uncertainty elevated. This situation requires vigilance and a strengthening of policy responses and coordination to safeguard external resilience, maintain stability, and support domestic economic growth.

On the domestic front, various policy responses need to be further strengthened to mitigate the impact of global uncertainty on Indonesia's economy.

Considering the Q1 2025 GDP realization and ongoing global economic dynamics, Bank Indonesia projects Indonesia's economic growth for 2025 within the range of 4.6–5.4%, slightly lower than the previous forecast range of 4.7–5.5%. Meanwhile, external resilience remains solid and Rupiah is expected to remain stable, supported by Bank Indonesia's commitment to maintaining Rupiah stability, attractive yields, low inflation, and the positive economic growth outlook for Indonesia. CPI inflation will remain under control and within the $2.5\% \pm 1\%$ target corridor in 2025 and 2026. In this regard, the role of bank credit needs to be further strengthened. Given the developments through April 2025, Bank Indonesia projects that bank credit growth in 2025 will fall within the range of 8–11%.

The Bank Indonesia Board of Governors on 20th-21st May 2025 decided to lower the BI-Rate by 25bps to 5.50%, while also lowering the Deposit Facility (DF) rate by 25bps to 4.75% and the Lending Facility (LF) rate by 25bps to 6.25%. The decision is consistent with the forecast of low and controlled inflation for 2025 and 2026 within the $2.5\% \pm 1\%$ target corridor, along with efforts to maintain rupiah exchange rate stability in line with economic fundamentals, as well as to support economic growth. Moving forward, Bank Indonesia will continue to direct its monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to support economic growth according to the evolving global and domestic economic dynamics. Meanwhile, Bank Indonesia continues optimising accommodative macroprudential policy to foster sustainable economic growth, using various strategies to promote credit growth and enhance liquidity management flexibility in the banking industry. Payment system policy is also directed to support economic growth, particularly in the trade sector as well as micro, small and medium enterprises (MSMEs), by expanding the acceptance of digital payments, while strengthening the infrastructure and consolidating the structure of the payment system industry.



CHAPTER 1

Global and Domestic Economic Developments

ECONOMIC ASSESSMENT

Global economic conditions have been marked by a slight easing of uncertainty following a temporary agreement between the United States (US) and China to lower import tariffs for a period of 90 days. The economic growth for the US and China is projected to be higher than previously estimated in April 2025, which in turn has a positive impact on other countries including Europe, Japan, and India. The lower tariffs are also predicted to reduce US inflation, thereby maintaining strong expectations of a reduction to the Federal Funds Rate (FFR). Meanwhile, US Treasury yields are higher than previous projection in line with the rising risk on the US fiscal sustainability. In the global financial markets, the shift of capital flows from the US to safe haven assets and countries

continues, with signs of increasing capital flows to emerging markets (EM). Consequently, the DXY Index continued to weaken, along with a depreciation against emerging Asian currencies (ADXY Index).

From the domestic side, Indonesia's economic growth needs to be further strengthened. Economic growth in the first quarter of 2025 was recorded at 4.87% (yoy), lower than the 5.02% (yoy) growth in the fourth quarter of 2024. The GDP in Q1 2025 was supported by household consumption, in line with increased activity and mobility during the New Year and Eid al-Fitr national religious holidays. Investment grew in line with realized capital inflows, while exports increased, supported by demand from major trading partners and service exports. By sector, the manufacturing industry, trade sector, transportation and warehousing as well as agriculture performed well. The latest developments in the second quarter of 2025 indicate the need to continuously

strengthen efforts to foster economic activity. Economic growth in Indonesia is forecast to improve in the second half of 2025 on the back of increasing domestic demand, which includes a rise in government spending.

Indonesia's Balance of Payments (BoP) remains stable, supported by a rebound in portfolio investment inflows in May 2025, thereby supporting external resilience. In the first quarter of 2025, a narrow current account deficit is expected to be maintained, supported by a goods trade surplus, primarily non-oil and gas. The capital and financial account also remains under control, bolstered by a direct investment surplus and increasing portfolio investment in line with maintained positive investor perception of the promising domestic economic outlook. In the second quarter of 2025, portfolio investment inflows rebounded in May 2025, particularly into SBN and equity, in line with easing global uncertainty and the persistently solid domestic economic outlook for Indonesia. This positive development reinforces external resilience following the net outflows of portfolio investment recorded in April 2025, amid cumulative net outflows for the second quarter of 2025, which, as of May 19, 2025, remained at USD 3.1 billion. The position of foreign reserves at the end of April 2025 was recorded at USD152.5 billion, equivalent to 6.4 months of imports or 6.2 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports.

The Rupiah exchange rate remained stable and tended to strengthen, supported by Bank Indonesia's stabilization policies and a slight easing of global financial market uncertainty. As of 20th May, 2025, the Rupiah had appreciated by 1.13% (ptp) against the US dollar compared to the end of April 2025. The rupiah also tended to appreciate against a basket of Emerging Countries (EM) currencies, as major trading partners of Indonesia, and advance economies (AE) currencies, excluding the US dollar. Overall, rupiah movements remain consistent with domestic economic fundamentals to maintain economic stability.

Consumer Price Index (CPI) inflation in April 2025 remained under control and supported economic stability. The CPI in April 2025 recorded inflation of 1.95% (yoy), with core inflation remaining well-managed at 2.50% (yoy), in line with the consistency of Bank Indonesia's policy rate (BI-Rate) in anchoring inflation expectations. Volatile food (VF) inflation stood at 0.64% (yoy), supported by the adequate supply of major food commodities and close synergy to manage inflation between Bank Indonesia and the Central and

Regional Government Inflation Control Teams through the National Movement for Food Inflation Control (GNPIP) in various regions. Meanwhile, administered prices inflation was recorded at 1.25% (yoy), following a deflation of 3.16% (yoy) in March 2025, mainly due to the discontinuation of the electricity tariff discount policy for households with power capacity below 2,200 VA.

Bank Indonesia continues strengthening its monetary policy response to achieve the inflation target of 2.5%±1% in 2025 and 2026, maintain rupiah stability in line with its fundamentals, and drive sustainable economic growth. In line with this, the pro-market monetary operation strategy continues to be optimized to strengthen the transmission of monetary policy through the interest rate channel, particularly in the banking sector. In the money market, following the reduction of the BI-Rate in January 2025 and Bank Indonesia's monetary operations, the IndONIA money market reference rate also trended downwards, namely to 5.77% on 20th May 2025 from 6.03% at the beginning of January 2025. Meanwhile, SRBI rates for tenors of 6, 9 and 12 months, as of 16th May 2025, also tracked downward trends, namely to 6.40%, 6.44% and 6.47% from 7.16%, 7.20% and 7.27% at the beginning of January 2025. On the other hand, SBN yields on tenors of 2 years decreased from 6.96% to 6.16%, while yields on 10-year tenors decreased to 6.84% from 6.98%. Notwithstanding, interest rates in the banking industry remained comparatively high. In April 2025, the 1-month term deposit rate was recorded at 4.83%, increasing from 4.81% at the beginning of January 2025, with a number of banks tending to offer higher deposit rates than the published rate. Bank lending rates also remained relatively high, recorded at 9.19% in April 2025, relatively unchanged from 9.20% in early January 2025.

The pro-market monetary operation strategy is also continuously optimized to support the effectiveness of monetary policy transmission through adequate liquidity. In that context, the pro-market monetary instruments—SRBI, SVBI, and SUVBI—continue to be optimized. As of 19th May 2025, the position of SRBI was recorded at Rp869.67 trillion, retreating from Rp923.53 trillion at the beginning of January 2025, thereby supporting monetary policy to expand liquidity. Meanwhile, the respective outstanding values of SVBI and SUVBI instruments on 19th May 2025 were recorded at USD1.97 billion and USD306 million. The implementation of Primary Dealers (PD) since May 2024 has also increased SRBI transactions in the secondary market along with repurchase agreement (repo) transactions between market players. In addition, Bank Indonesia also purchases SBN in the

secondary market to strengthen monetary policy to expand liquidity, which also reflects the strong synergy between monetary policy and the Government's fiscal policy. In 2025 (as of 20th May 2025), Bank Indonesia has purchased SBN to the tune of Rp96.41 trillion, namely through the secondary market totalling Rp64.99 trillion and the primary market totalling Rp31.42 trillion in treasury bills (SPN), including sharia SPN.

The role of bank credit in supporting economic growth needs to be continuously strengthened.

Credit growth in April 2025 was recorded at 8.88% (yoy), down from 9.16% (yoy) in March 2025. On the supply side, lending standards remain favourable, particularly for the agricultural sector, electricity, gas and water supply sector as well as social services. In general, liquidity conditions in the banking industry remain adequate despite moderating growth of third-party funds (TPF) from 5.51% (yoy) at the beginning of January 2025 to 4.55% (yoy) in April 2025. Such conditions have increased competition between banks for funding, thus requiring an expansion of other funding sources beyond TPF. On the demand side, credit growth was mainly driven by the industrial, transportation, and social services sectors, while the contribution of the construction, trade, and other sectors remained limited. By loan type, growth of working capital loans, investment loans and consumer loans stood at 4.62% (yoy), 15.86% (yoy) and 8.97% (yoy), respectively. Sharia financing recorded 8.85% (yoy) growth, while MSME loan growth stood at 2.60% (yoy) in the reporting period.

Banking industry resilience remains solid, thereby strengthening financial system stability. Bank liquidity remains ample, accompanied by high capital and low credit risk. Ample liquidity was reflected by a stable ratio of liquid assets to third-party funds (LA/TPF) at 25.23% in April 2025. In terms of capital, the banking sector's Capital Adequacy Ratio (CAR) stood at 25.38% in March 2025, indicating sufficient capacity to absorb risks. Meanwhile, the banking sector's Non-Performing Loan (NPL) ratio remained low, as indicated by NPL ratios of 2.17% (gross) and 0.80% (nett) in March 2025. Bank Indonesia's stress test results also indicate that the banking sector remains strong, supported by stable corporate debt servicing capacity and profitability.

Digital economic and financial transactions continued growing in April 2025, supported by secure, seamless and reliable payment systems.

In terms of transactions, digital payments¹ in April 2025 reached 3.79 billion transactions, an increase of 31.50% (yoy), driven by growth across all components. The volume of mobile and internet banking transactions continued to increase by 33.14% (yoy) and 8.65% (yoy), respectively. Likewise, digital payment transaction volume through QRIS continued to enjoy impressive 154.86% (yoy) growth, supported by increasing numbers of users and merchants. From an infrastructure perspective, the volume of retail transactions processed through BI-FAST grew 42.91% (yoy) to reach 335.34 million transactions, with a value of Rp849.51 trillion. Meanwhile, the volume of large-value transactions processed through BI-RTGS declined by 2.91% (yoy) to 724.03 thousand transactions, with a total value of Rp15,293.92 trillion. In terms of rupiah currency management, total currency in circulation grew 7.28% (yoy) to Rp1,135.22 trillion in April 2025. Moving forward, Bank Indonesia will continue expanding cross-border payment system cooperation, including QRIS cooperation with various and the interconnection of BI-FAST through the Nexus initiative with selected partner countries.

Payment system stability remains well maintained, supported by stable infrastructure and a sound industry structure.

In terms of the infrastructure, payment system stability is reflected in the seamless and reliable payment systems maintained by Bank Indonesia, along with an adequate money supply of currency fit for circulation in April 2025. On the industry structure side, interconnectivity among participants in the payment system continues to strengthen, accompanied by the expansion of the Digital Economy and Finance (EKD) ecosystem. Payment transactions based on the National Standard for Open API Payment (SNAP) have also increased in line with broader adoption. Going forward, Bank Indonesia will continue to ensure the availability, reliability, and security of SPBI infrastructure, for both retail and wholesale payments, as well as the broader payment system infrastructure within the industry. Furthermore, Bank Indonesia will ensure adequate availability of rupiah currency fit for circulation in suitable denominations throughout all regions of the Republic of Indonesia, particularly in frontier, outermost and underdeveloped regions.

¹ Digital payments include transactions through mobile applications and the internet.

ECONOMIC PROSPECT

A temporary agreement between the US and China to lower import tariffs for 90 days has improved the global economic outlook compared to the April 2025 projection. The economic growth for the US and China is projected to be higher than previous projection. The economic outlook for Europe has also improved, supported in part by increased fiscal spending. The US–China tariff agreement has had a positive spillover effect on economic recoveries in Japan and India as well. These developments have led to an upward revision of the global economic growth projection for 2025 to 3.0%, from the previous estimate of 2.9%. Nevertheless, going forward, the development of import tariff negotiations between the US and China, as well as with other countries, remains dynamic, thereby keeping global economic uncertainty elevated. This situation requires vigilance and a strengthening of policy responses and coordination to safeguard external resilience, maintain stability, and support domestic economic growth.

On the domestic front, various policy responses need to be further strengthened to mitigate the impact of global uncertainty arising from the US' reciprocal tariff policies. Considering the Q1 2025 GDP realization and ongoing global economic dynamics, Bank Indonesia projects Indonesia's economic growth for 2025 within the range of 4.6–5.4%, slightly lower than the previous forecast range of 4.7–5.5%. Various policy responses need to be further strengthened to support economic growth, including by boosting domestic demand and optimizing export opportunities. To that end, Bank Indonesia continues strengthening its monetary and macroprudential policy mix, underpinned by accelerating payment system digitalisation, in synergy with the fiscal stimuli of the Government, while supporting implementation of the Government's Asta Cita program.

Indonesia's external resilience is expected to remain solid, in line with the improved outlook for the global economy. The Balance of Payments (BoP) in 2025 is projected to remain sound, supported by a low current account deficit—expected to range between 0.5% and 1.3% of GDP—and a surplus in the capital and financial account. The surplus is underpinned by continued foreign capital inflows, both in the portfolio investments—particularly into domestic government bonds—and direct investment.

The Rupiah is expected to remain stable, supported by Bank Indonesia's commitment to maintaining Rupiah stability, attractive yields, low inflation, and

the positive economic growth outlook for Indonesia. Bank Indonesia continues to strengthen its stabilization policy response, including measured intervention in the offshore NDF market and the implementation of the triple intervention strategy in the spot, DNDF, and secondary government bond (SBN) markets. Bank Indonesia also continues optimising the full panoply of monetary instruments available, which includes strengthening its pro-market monetary operations strategy through the Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI) instruments to boost policy effectiveness in terms of attracting portfolio inflows and supporting rupiah exchange rate stability.

CPI inflation is expected to remain under control and within the 2.5%±1% target corridor in 2025 and 2026. This inflation outlook is supported by Bank Indonesia's commitment to strengthening the effectiveness of monetary policy, as well as the close synergy between Bank Indonesia and the Central and Regional Governments in managing inflation. Bank Indonesia will continue to optimize its pro-market monetary operations strategy to enhance policy transmission effectiveness in maintaining inflation within the 2.5±1% target range in 2025 and 2026, maintain rupiah stability in line with its fundamentals, and drive sustainable economic growth. Bank Indonesia views that interest rates need to be lowered to encourage increased credit distribution in support of higher economic growth.

The role of bank credit in supporting economic growth needs to be continuously strengthened. Considering the credit growth up to April 2025, Bank Indonesia projects that bank credit growth in 2025 will be within the range of 8–11%. Moving forward, various efforts are required to increase new loan disbursements, which include lower interest rates and expanding funding sources in the banking industry, while also increasing demand from the real sector, in order to support stronger economic growth. To that end, Bank Indonesia will continue strengthening accommodative macroprudential policies to boost credit growth, which includes optimising the Bank Foreign Funding Ratio (RPLN), Macroprudential Liquidity Buffer (PLM), and (Macroprudential Liquidity Incentive Policy (KLM). Bank Indonesia will continue strengthening policy synergy with the Financial System Stability Committee (KSSK) to mitigate various domestic and global economic risks that could potentially disrupt financial system stability.



CHAPTER 2

Bank Indonesia Policy Response

The Bank Indonesia Board of Governors on 20th-21st May 2025 decided to lower the BI-Rate by 25bps to 5.50%, while also lowering the Deposit Facility (DF) rate by 25bps to 4.75% and the Lending Facility (LF) rate by 25bps to 6.25%. The decision is consistent with the forecast of low and controlled inflation for 2025 and 2026 within the $2.5 \pm 1\%$ target corridor, along with efforts to maintain rupiah exchange rate stability in line with economic fundamentals, as well as to support economic growth. Moving forward, Bank Indonesia will continue to direct its monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to support economic growth according to the evolving global and domestic economic dynamics. This policy is also reinforced by macroprudential policy and payment

system policy measures. Bank Indonesia continues optimising accommodative macroprudential policy to foster sustainable economic growth, using various strategies to promote credit growth and enhance liquidity management flexibility in the banking industry. Payment system policy is also directed to support economic growth, particularly in the trade sector as well as micro, small and medium enterprises (MSMEs), by expanding the acceptance of digital payments, while strengthening the infrastructure and consolidating the structure of the payment system industry.

The direction of the monetary, macroprudential, and payment system policy mix aimed at maintaining stability to support sustainable economic growth is supported by the following policy measures:

1. Strengthening the rupiah stabilisation strategy in line with economic fundamentals, primarily through intervention in offshore non-deliverable forward (NDF) transactions as well as spot and Domestic Non-Deliverable Forward (DNDF) transactions in the domestic market. This strategy is accompanied by the purchase of Government Securities (SBN) in the secondary market to maintain financial market stability and ensure sufficient liquidity in the banking sector.
2. Strengthening the strategy of pro-market monetary operations to enhance the effectiveness of monetary policy transmission, accelerate the deepening of the money and foreign exchange markets, and attract capital inflows, through:
 - a. maintaining the interest rate structure of monetary instruments and forex swaps to strengthen the effective transmission of lower interest rates, while attracting portfolio inflows to domestic financial assets,
 - b. strengthening the strategies for term-repo and forex swap transactions to maintain sufficient liquidity in the money market and banking industry, and
 - c. strengthening the function of Primary Dealers (PD) to increase Bank Indonesia Rupiah Securities (SRBI) transactions in the secondary market and repurchase agreement (repo) transactions between market players.
3. Raising the Bank Foreign Funding Ratio (RPLN) from a maximum of 30% to 35% of bank capital. This strengthening measure aims to increase bank foreign funding sources in line with economic needs, while maintaining prudential principles, through the application of a countercyclical parameter that adds 5% to the RPLN. The policy is effective from 1st June 2025 and will be regulated further in the provisions concerning RPLN.
4. Liquidity easing by lowering the Macroprudential Liquidity Buffer (PLM) by 100bps from 5% to 4% for Conventional Commercial Banks (BUK), with repo flexibility of 4%, and the sharia PLM by 100bps from 3.5% to 2.5% for Islamic Commercial Banks (BUS), with repo flexibility of 2.5%. The reduction also aims to provide greater liquidity management flexibility in the banking industry. The policy will be effective from 1st June 2025.
5. Strengthening the publication of assessments on the transparency of Prime Lending Rates (SBDK), with a more in-depth analysis of lending rates based on the priority sectors covered under the KLM.
6. Expanding digital acceptance by accelerating preparations for the implementation of QRIS Cross-Border between Indonesia and Japan and initiating QRIS Cross-Border trials between Indonesia and China.
7. Strengthening and expanding international cooperation among central banks, including payment system connectivity and Local Currency Transactions (LCT), while promoting trade and investment in priority sectors in synergy with relevant institutions

Bank Indonesia also continues to strengthen policy synergy with the Government to maintain stability and support economic growth in line with the Government's Asta Cita program. In addition, Bank Indonesia continues to enhance policy coordination with the Financial System Stability Committee (KSSK) to safeguard financial system stability.

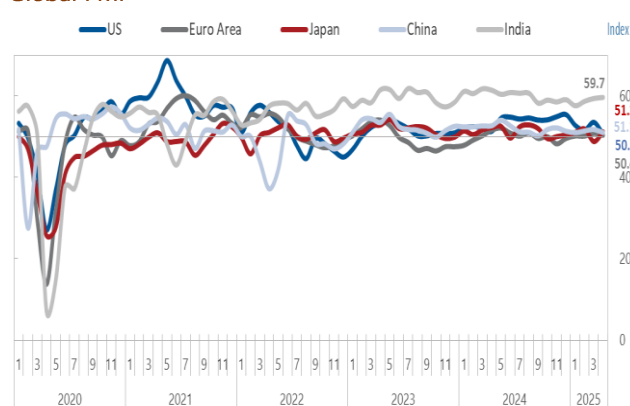
Global economic conditions have been marked by a slight easing of uncertainty following a temporary agreement between the United States (US) and China to lower import tariffs for a period of 90 days.

Global GDP Growth

Country	2020	2021	2022	2023	2024	2025*
World	-2.8	6.3	3.5	3.3	3.3	3.0
Advanced economies	-4.2	5.6	2.6	1.7	1.8	1.6
United States	-2.8	5.9	1.9	2.9	2.8	2.1
Europe	-6.1	5.6	3.4	0.4	0.9	1.0
Japan	-4.2	2.2	1.0	1.5	0.1	0.9
Emerging economies	-1.8	6.9	4.1	4.4	4.3	3.9
China	2.2	8.4	3.0	5.2	5.0	4.3
India	-6.6	8.3	6.8	7.7	6.5	6.5
ASEAN-5	-4.4	4.0	5.5	4.0	4.6	4.5
Latin America	-7.0	7.4	4.2	2.4	2.4	2.1
Emerging Euro	-1.6	7.3	1.2	3.3	3.4	2.1
Middle East & Central Asia	-2.6	4.3	5.4	2.0	2.4	3.3

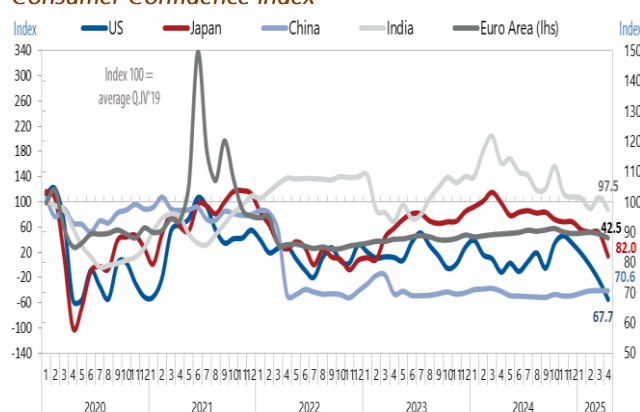
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



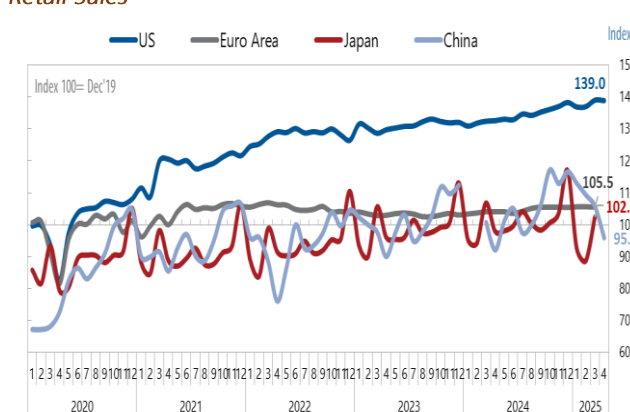
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



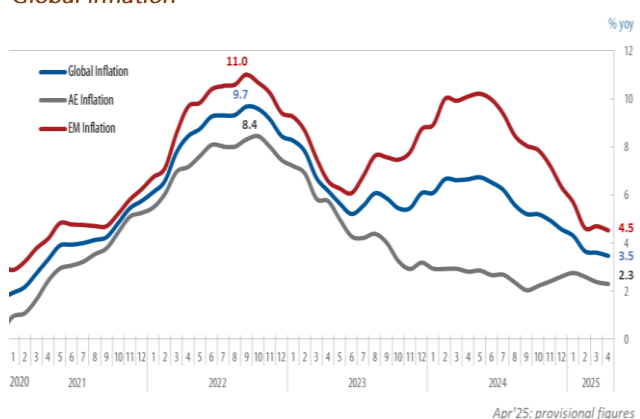
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



Source: Bloomberg and IMF, calculated

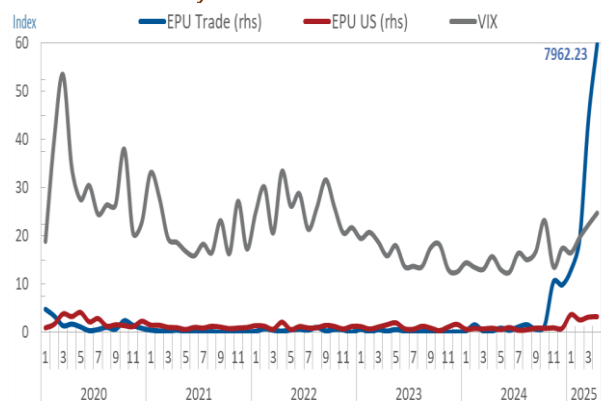
Commodity Prices

Commodity	2022				2023				2024				2025				
	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1*	YTD
Copper	17.4	-1.8	-17.7	-16.4	-5.2	-10.2	-11.0	8.6	3.1	-3.3	-4.7	16.8	11.2	12.8	8.8	-6.1	1.1
Coal	94.1	73.2	11.1	-1.6	32.3	-2.9	-27.7	-35.7	-35.8	-25.9	-27.7	-16.3	0.2	-11.3	-15.3	-12.9	-10.1
CPO	56.7	55.5	-12.2	-24.9	15.3	-35.6	-42.0	-3.2	-5.9	-25.9	0.5	6.2	5.2	31.3	10.5	2.5	6.4
Rubber	1.7	2.2	-6.0	-19.8	-4.9	-21.1	-27.3	-8.0	11.5	-13.5	17.9	44.3	40.6	40.0	35.3	-8.3	-0.4
Nickel	59.4	66.7	16.0	30.3	42.1	-6.7	-22.6	-7.0	-31.8	-17.3	-35.7	-16.9	-19.9	-7.2	-21.3	-17.3	-8.2
Tin	80.6	25.3	-30.3	-43.1	0.0	-38.6	-29.4	13.8	14.6	-16.8	0.2	25.3	18.5	23.4	16.7	0.4	6.2
Aluminium	54.3	20.2	-11.0	-14.7	9.4	-24.9	-21.3	-6.6	-5.5	-15.7	-8.2	12.3	10.0	16.9	7.4	-5.5	4.0
Coffee	82.5	50.8	18.3	-21.2	24.6	-26.4	-19.3	-28.6	-2.1	-20.1	7.1	19.9	55.9	65.7	36.4	72.6	58.1
Others	5.2	6.4	7.3	6.3	6.3	-1.5	-1.7	-2.2	-3.1	-2.1	-1.0	-0.2	0.3	0.1	-0.2	0.2	0.1
Indonesian Export Commodity Prices	47.0	37.7	1.3	-6.8	15.3	-12.7	-21.7	-12.2	-12.0	-16.0	-8.2	1.7	6.1	8.7	1.5	-3.6	-0.8
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75	81	66	73

**Oil in USD/Barrel, other commodities (% , yoy)

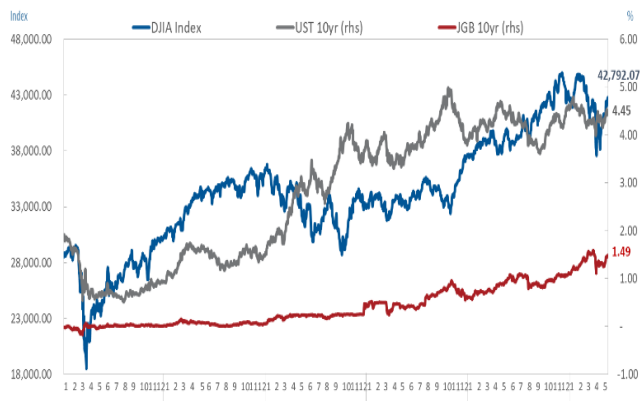
Source: Bloomberg. Data as of 19th May 2025

Global Uncertainty Index



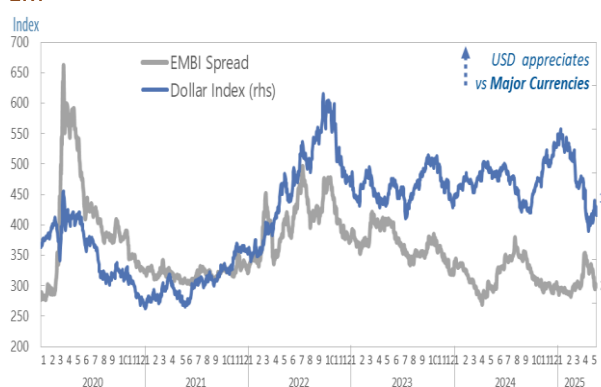
Source: Bloomberg. Data as of 19th May 2025

10 Yr UST & JGB Yield and DJIA Index



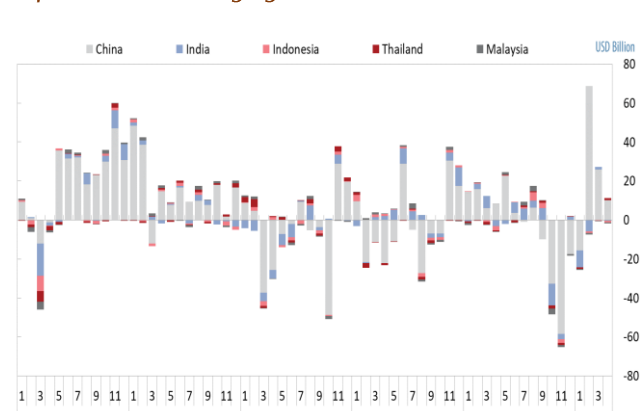
Source: Bloomberg. Data as of 19th May 2025

US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of 19th May 2025

Capital Flow to Emerging Market



Source: IIF

Indonesia's economic growth needs to be further strengthened.

Economic Growth – Expenditure Side

Components	2019	2020	2021	2022	2023				2024				2025
					I	II	III	IV	I	II	III	IV	I
Household Consumption	5.04	-2.63	2.01	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91	4.89
Non-Profit Institution Serving Household (NPISH)	10.62	-4.21	1.62	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	3.07
Government Consumption	3.27	2.12	4.25	-4.42	3.33	10.52	-3.86	2.94	3.02	20.44	2.03	4.62	-1.38
Investment (GFCF)	4.45	-4.96	3.80	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	2.12
Building Investment	5.37	-3.78	2.32	0.91	0.08	3.32	6.31	6.42	4.04	5.46	5.31	6.02	1.35
NonBuilding Investment	1.83	-8.44	8.42	12.53	5.70	6.10	2.05	-0.78	3.03	-0.78	1.97	2.96	4.40
Exports	-0.48	-8.42	17.99	16.23	11.72	-2.84	-3.91	1.66	1.34	1.48	8.13	8.79	6.51
Imports	-7.13	-17.60	24.86	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.50	7.79	11.92	10.36
GDP	5.02	-2.07	3.70	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02

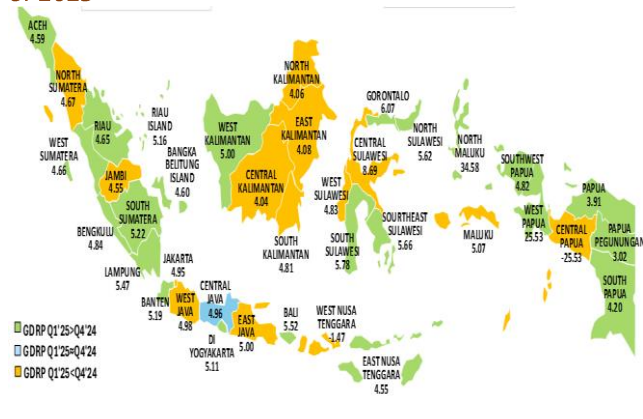
Source: BPS

Economic Growth – Economic Sectors Side

Components	2019	2020	2021	2022	2023				2024				2025
					I	II	III	IV	I	II	III	IV	I
Agriculture, Forestry, and Fisheries	3.61	1.77	1.87	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.69	0.67
Mining and excavation	1.22	-1.95	4.00	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	-1.23
Manufacture	3.80	-2.93	3.39	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72	4.89
Electricity and Gas Procurement	4.04	-2.34	5.55	6.61	2.67	3.15	5.06	6.68	4.91	5.35	5.39	5.02	4.77
Water Supply	6.83	4.94	4.97	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.84	0.03	1.56
Construction	5.76	-3.26	2.81	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81
Wholesale Retail, Car and Motorcycle Repairs	4.60	-3.79	4.63	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.85	4.82	5.19
Transportation and Warehousing	6.38	-15.05	3.24	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92
Provision of Accommodation, Food and Beverages	5.79	-10.26	3.88	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.15	8.32	6.61
Information and Communication	9.42	10.61	6.82	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45
Financial Services and Insurance	6.61	3.25	1.56	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74
Real Estate	5.76	2.32	2.78	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32	2.97
Corporate Services	10.25	-5.44	0.73	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08
Government Administration, Defence and Compulsory Social Security	4.66	-0.03	-0.33	2.52	2.13	8.18	-6.24	1.63	1.51	18.89	2.81	3.94	1.16
Education Services	6.30	2.61	0.11	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.44	2.56	2.95
Health Services and Other Social Activities	8.66	11.56	10.45	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.57	7.65	5.20
Other Services	10.57	-4.10	2.12	9.47	8.90	11.89	11.14	10.15	10.52	8.92	8.85	9.95	11.36
GDP	5.02	-2.07	3.70	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02

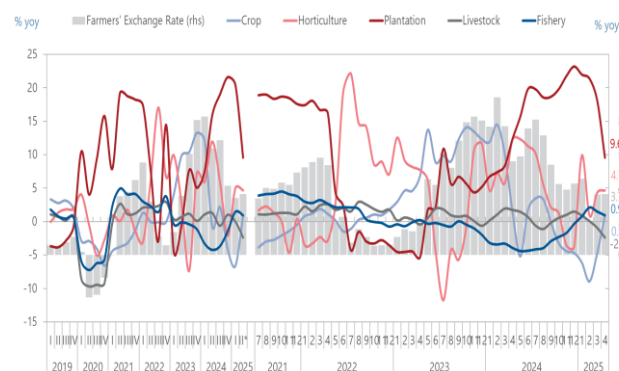
Source: BPS

Growth of Regional Economic (GRDP) of the First Quarter of 2025



Source: BPS, calculated

Farmers' Exchange Rate



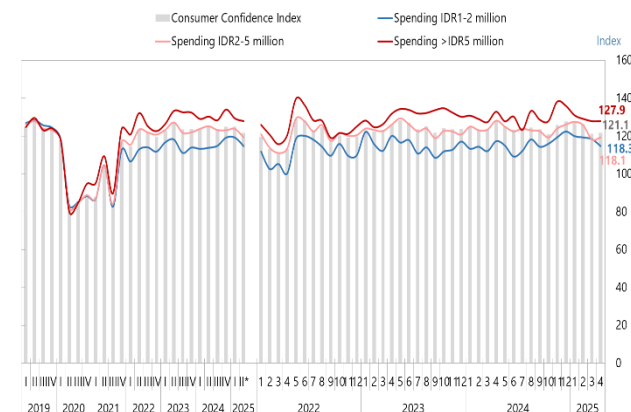
Source: BPS, calculated. *Data as of April 2025

Realization of State Budget (APBN)

ITEMS	2021		2022		2023		2024		2025		
	Budget (IDR Trillion)	Realization as of December 2021 (IDR Trillion)	Budget (IDR Trillion)	PEPPES % of 2022 (IDR Trillion)	Realization as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2023 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2024 (IDR Trillion)	Budget (IDR Trillion)	Realization as of April 2025 (IDR Trillion)
A. State Income and Grants	1,743.6	2,009.6	1,846.1	2,266.2	2,635.4	2,469.0	2,774.3	2,463.0	2,842.5	3,005.1	743.6
1. Domestic Income	1,742.7	2,005.1	1,845.6	2,265.6	2,629.7	2,462.6	2,761.3	2,462.6	2,812.2	3,004.5	743.4
2. Tax Income	1,444.5	1,546.8	1,510.0	1,784.0	2,094.6	2,021.2	2,155.4	2,021.2	2,232.6	2,480.9	592.3
3. NonTax Income	298.2	458.3	335.6	481.6	555.2	441.4	605.9	441.4	579.5	513.6	151.1
4. Grant	0.9	4.5	0.6	0.6	5.6	0.4	13.0	0.4	30.3	0.6	0.2
B. State Expenditures	2,750.0	2,773.6	2,744.2	3,106.4	3,095.5	3,061.2	3,121.9	3,061.2	3,350.3	3,621.3	755.6
1. Central Government Expenditures	1,954.5	1,987.9	1,944.5	2,301.6	2,279.2	2,246.5	2,240.6	2,246.5	2,486.8	2,701.4	526.7
2. Employee Spending	421.1	387.7	426.5	426.5	420.4	442.6	412.3	442.6	464.5	521.5	177.4
3. Spending for Goods	362.5	529.6	339.7	339.7	426.0	387.0	429.8	387.0	493.3	486.9	67.9
4. Capital Expenditures	246.8	228.6	199.2	199.2	240.4	199.1	307.3	199.1	328.1	234.1	35.8
5. Payment of Debt Obligations	373.3	343.5	405.5	405.5	386.3	441.4	439.9	441.4	488.4	552.9	168.9
6. Subsidies	175.4	241.0	207.0	283.7	252.8	298.5	269.6	298.5	291.9	307.9	32.6
7. Grant Expenditure	6.8	4.3	4.8	4.8	5.8	0.0	0.2	0.0	0.1	0.2	0.00
8. Social Assistance	161.4	173.6	147.4	147.4	161.5	148.6	157.6	148.6	153.1	140.1	43.5
9. Other Expenditures	207.3	79.5	214.0	494.4	402.9	329.3	224.6	329.3	267.3	438.0	0.6
C. Transfer to Regions and Village Funds	795.5	785.7	769.6	804.8	816.2	814.7	881.3	814.7	863.5	919.9	228.9
1. Transfer to Regions	723.5	713.9	701.6	736.8	748.3	744.7	811.4	744.7	792.6	848.9	204.6
2. Village Funds	72.0	71.9	68.0	68.0	67.9	70.0	69.9	70.0	70.9	71.0	24.2
D. Primary Balance	(633.1)	(420.5)	(462.2)	(434.4)	(46.4)	(156.8)	92.2	(156.8)	(19.4)	(63.3)	156.9
E. Budget Surplus/Deficit	(1,006.4)	(764.0)	(888.0)	(840.2)	(460.1)	(598.2)	(347.6)	(598.2)	(507.8)	(616.2)	(12.0)
Surplus/Deficit (%GDP)	(5.7)	(4.5)	(4.9)	(4.5)	(2.3)	(2.8)	(1.65)	(2.8)	(2.28)	(2.5)	(0.05)

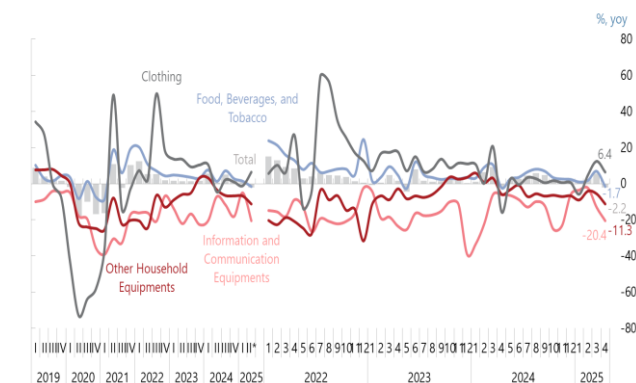
Source: Ministry of Finance

Consumer Confidence Index



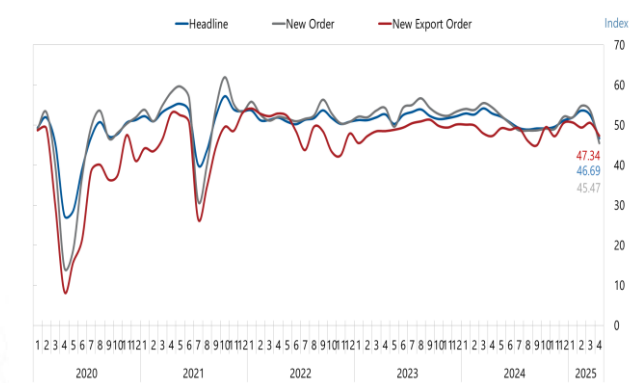
Source: Bank Indonesia. *Data as of April 2025

Retail Sales



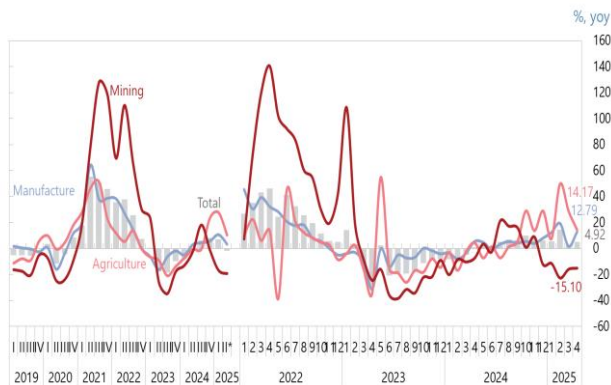
Source: Bank Indonesia. *Data as of April 2025

Manufacturing Purchasing Managers' Index (PMI)



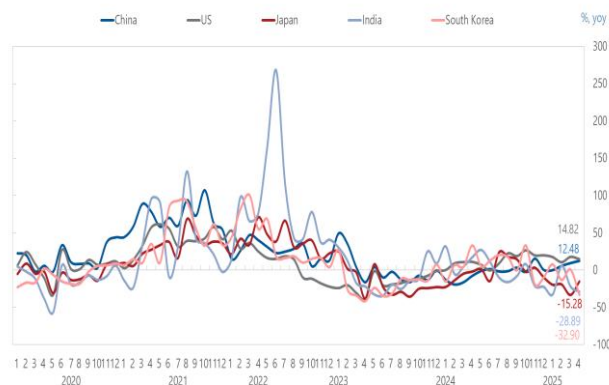
Source: Markit Economics

Non-oil and Gas Exports



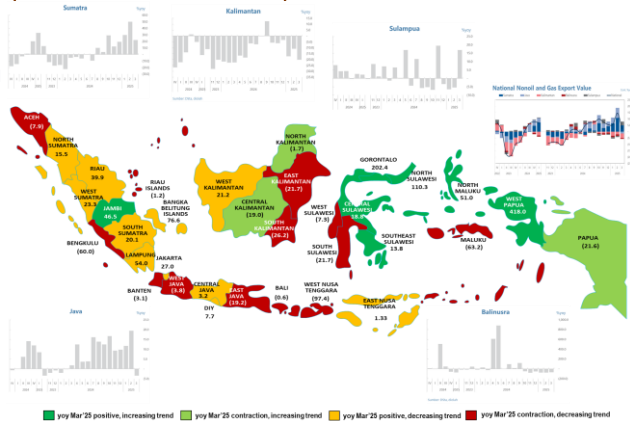
Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of April 2025

Non-Oil and Gas Exports to Main Destination Countries



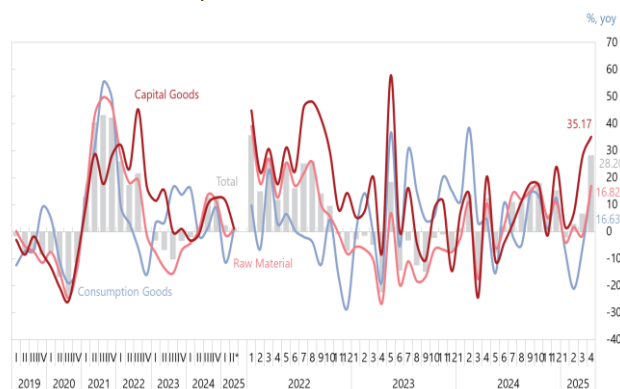
Source: Ministry of Finance, calculated by Bank Indonesia

Spatial Non-oil and Gas Exports



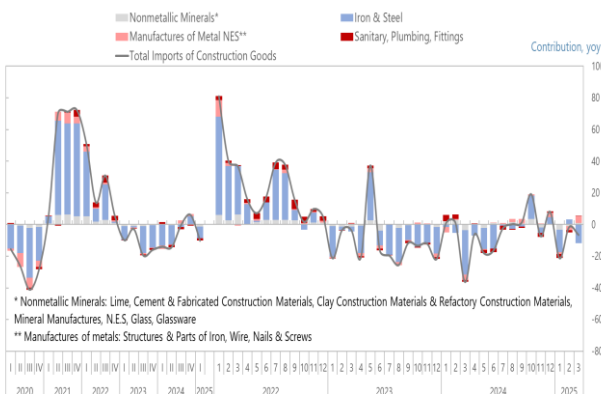
Source: Ministry of Finance, calculated by Bank Indonesia.

Non-oil and Gas Imports



Source: Ministry of Finance, calculated by Bank Indonesia.
*Data as of April 2025

Import of Construction Goods



Source: Ministry of Finance, calculated by Bank Indonesia.

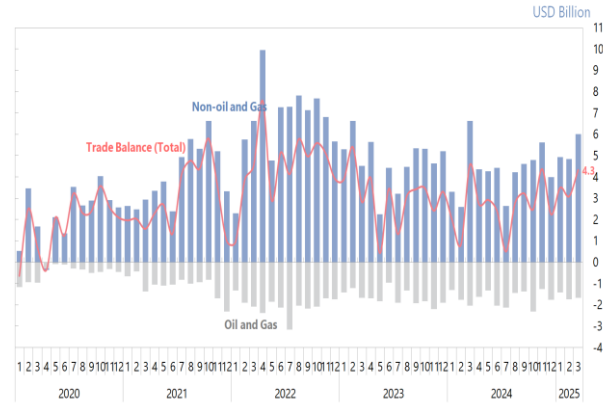
Indonesia's Balance of Payments (BoP) remains stable, supported by a rebound in portfolio investment inflows in May 2025, thereby supporting external resilience. The Rupiah exchange rate remained stable and tended to strengthen, supported by Bank Indonesia's stabilization policies and a slight easing of global financial market uncertainty.

Indonesia's Balance of Payments

Items (Billion USD)	2022*					2023					2024					2025
	I	II	III	IV	Total	I	II	III	IV	Total	I*	II*	III*	IV*	Total*	Tw**
Current Account	0.7	4.3	4.7	3.5	13.2	2.9	-2.3	-1.3	-1.4	-2.0	-2.4	-3.0	-1.9	-1.1	-8.5	-0.2
A. Goods	11.3	16.8	17.6	17.0	62.7	14.8	10.0	10.2	11.4	46.3	9.3	10.0	9.3	11.3	39.9	13.1
- Exports, fob	66.8	75.2	77.8	72.8	292.5	66.8	61.6	63.5	65.9	257.7	61.7	62.1	67.2	70.9	261.8	65.4
- Imports, fob	-55.5	-58.4	-60.2	-55.8	-229.9	-52.1	-51.6	-53.3	-54.5	-211.4	-52.4	-52.0	-57.9	-59.6	-221.9	-52.3
a. Non-Oil and Gas	17.2	24.4	25.2	23.0	89.8	19.0	15.2	16.0	17.7	67.8	15.1	15.2	14.8	17.8	62.9	18.9
b. Oil and Gas	-5.7	-7.2	-6.5	-5.4	-24.8	-3.9	-4.7	-5.4	-5.9	-19.9	-5.5	-4.6	-4.4	-5.1	-19.6	-4.8
B. Services	-4.3	-5.0	-5.3	-5.4	-20.0	-4.5	-4.5	-3.9	-4.8	-17.7	-4.2	-5.0	-4.2	-5.1	-18.5	-5.4
C. Primary Income	-7.7	-9.0	-8.9	-9.6	-35.3	-8.8	-9.2	-8.8	-9.3	-36.0	-8.8	-9.5	-8.6	-9.0	-35.9	-9.4
D. Secondary Income	1.5	1.5	1.3	1.6	5.8	1.4	1.4	1.3	1.3	5.4	1.3	1.4	1.5	1.7	6.0	1.6
Capital and Financial Account	-2.0	-1.7	-5.6	0.6	-8.7	4.0	-4.4	-0.5	10.8	9.9	-2.4	2.6	7.7	9.7	17.5	-0.3
1. Direct Investment	4.6	6.6	3.4	3.4	18.1	4.4	3.9	2.7	3.4	14.4	4.7	2.1	4.8	3.2	14.9	2.6
2. Portfolio Investment	-3.2	-3.6	-3.1	-1.7	-11.6	3.0	-2.6	-3.0	4.9	2.2	-2.1	3.2	9.7	-2.5	8.2	1.0
3. Other Investment	-3.6	-4.6	-5.9	-1.5	-15.6	-3.6	-5.6	-0.1	2.4	-6.9	-4.6	-3.1	-7.1	8.9	-5.9	-4.2
Overall Balance	-1.8	2.4	-1.3	4.7	4.0	6.5	-7.4	-1.5	8.6	6.3	-6.0	-0.6	5.9	7.9	7.2	-0.8
- Reserve Assets Position	139.1	136.4	130.8	137.2	137.2	145.2	137.5	134.9	146.4	146.4	140.4	140.2	149.9	155.7	157.1	
In Months of Imports & Official Debt R	7.0	6.4	5.7	5.9	5.9	6.2	6.0	6.0	6.5	6.5	6.2	6.1	6.4	6.5	6.5	
- Current Account (% GDP)	0.2	1.3	1.4	1.1	1.0	0.9	-0.7	-0.4	-0.4	-0.1	-0.7	-0.9	-0.5	-0.3	-0.6	-0.1

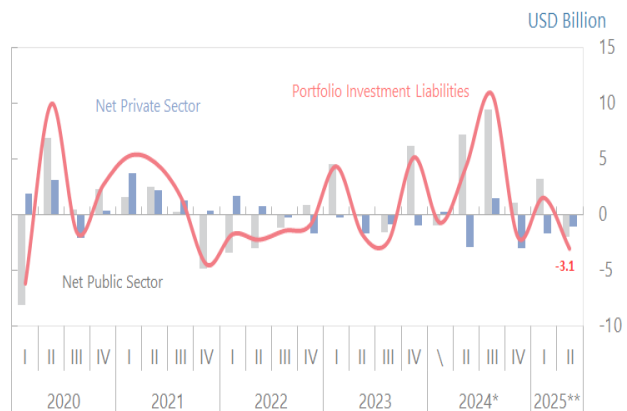
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures

Trade Balance



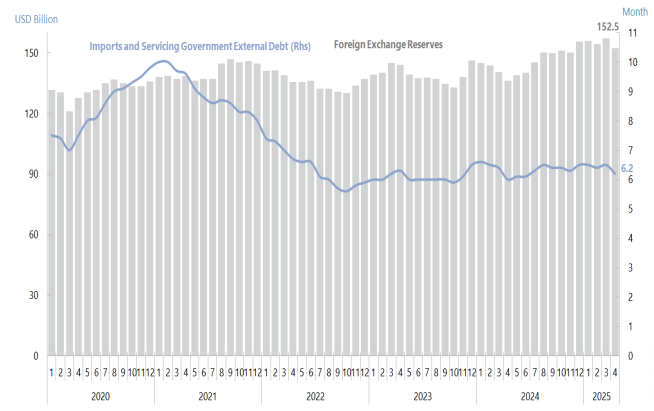
Source: BPS

Foreign Capital Flows



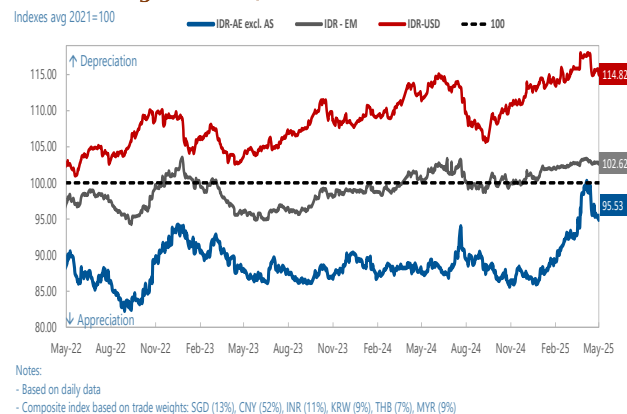
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures *** Very very Provisional Figures. Data as of 19th May 2025

Official Reserve Asset



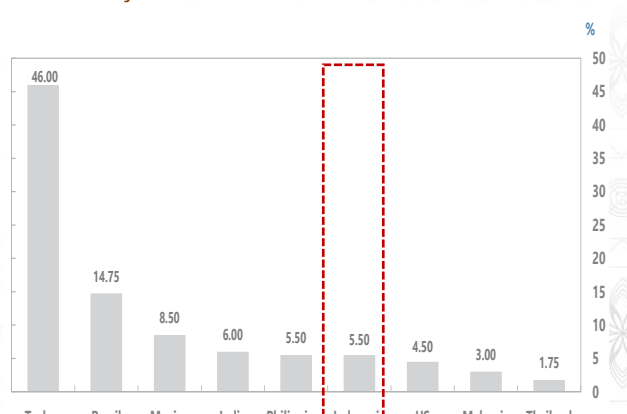
Source: Bank Indonesia

IDR Indexes Against USD, AE Exc. US and EM Currencies



Source: Bloomberg. Data as of 20th May 2025

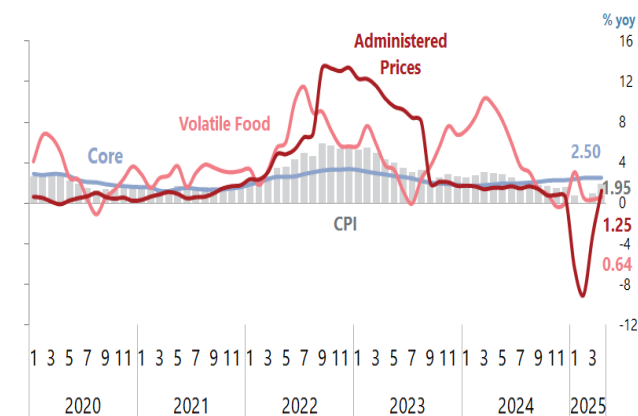
Peers Country Interest Rate Policies



Source: Bloomberg. Data as of 21st May 2025

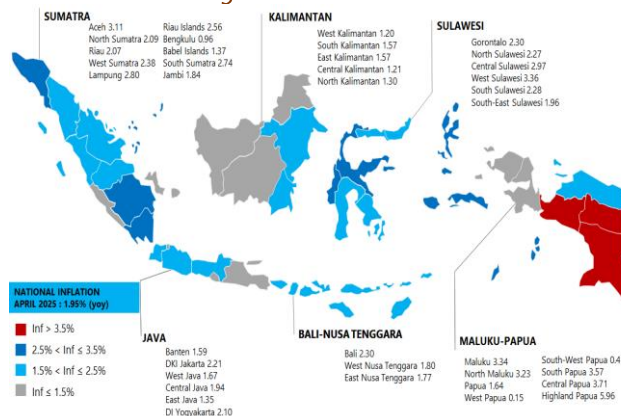
Consumer Price Index (CPI) inflation in April 2025 remained under control and supported economic stability.

CPI Inflation



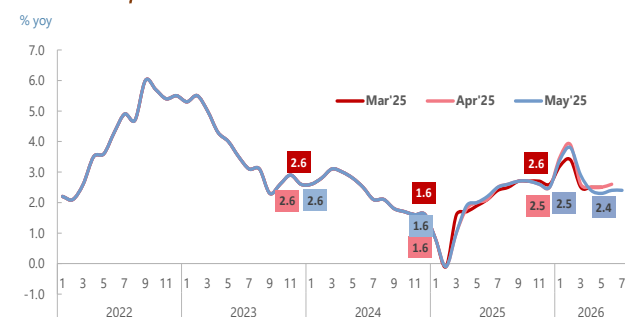
Source: BPS

Inflation Rate among Provinces



Source: BPS

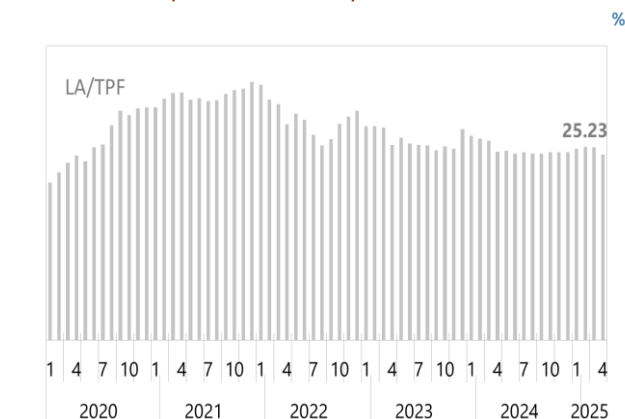
Inflation Expectation



Source: Consensus Economics

Bank Indonesia continues strengthening its monetary policy response to achieve the inflation target of $2.5\% \pm 1\%$ in 2025 and 2026, maintain rupiah stability in line with its fundamentals, and drive sustainable economic growth. The pro-market monetary operation strategy is also continuously optimized to support the effectiveness of monetary policy transmission through adequate liquidity. The role of bank credit in supporting economic growth needs to be continuously strengthened. Banking industry resilience remains solid, thereby strengthening financial system stability.

The Ratio of Liquid Assets to Deposits



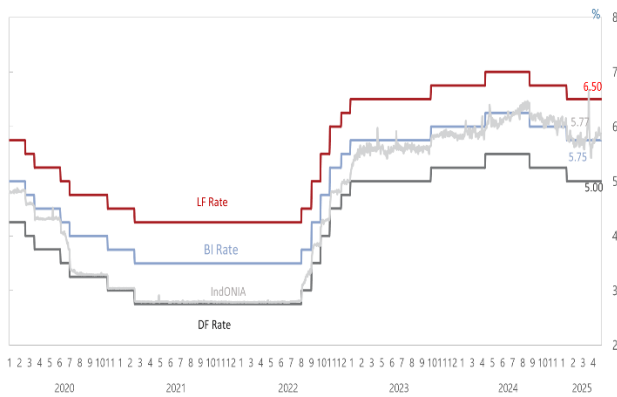
Source: Bank Indonesia

Money Supply



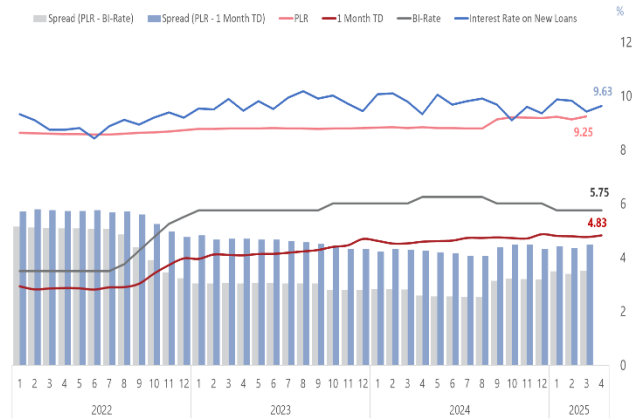
Source: Bank Indonesia

Policy Rate (BI-Rate) and Overnight Interbank Rate



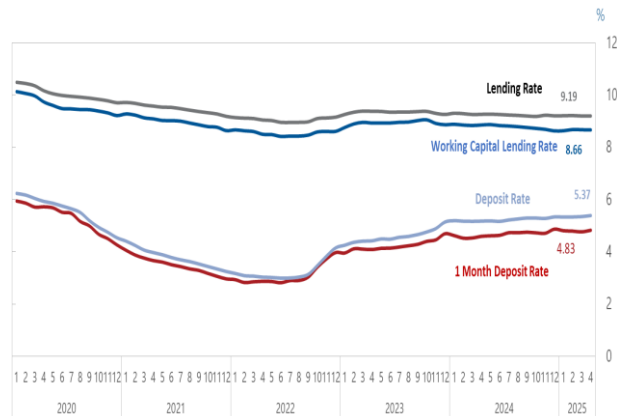
Source: Bank Indonesia

Interest Rate Development



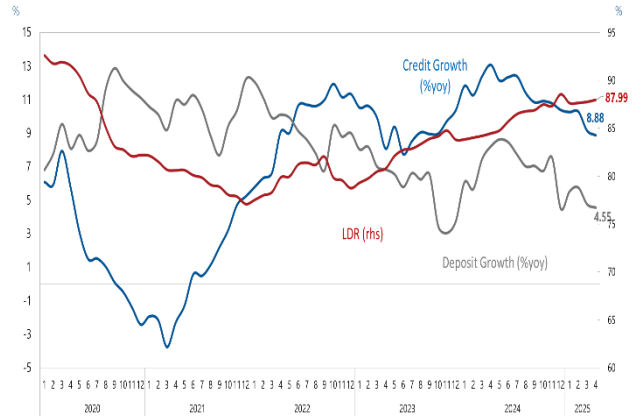
Source: OJK, Bank Indonesia, calculated

Banking Interest Rates



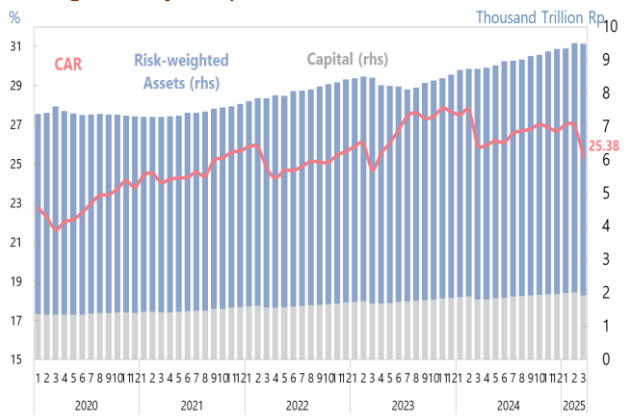
Source: Bank Indonesia

Credit and Deposit Developments



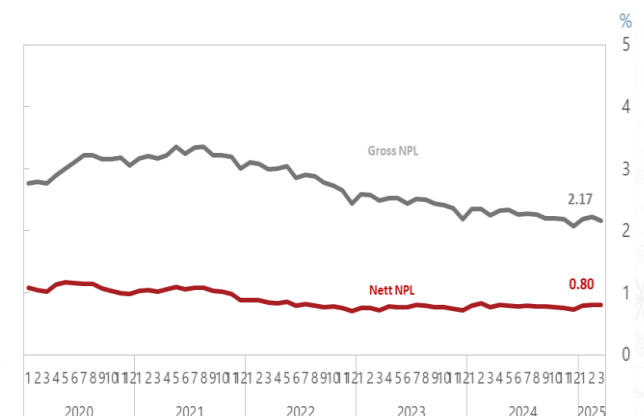
Source: Bank Indonesia

Banking Industry's Capital



Source: Bank Indonesia

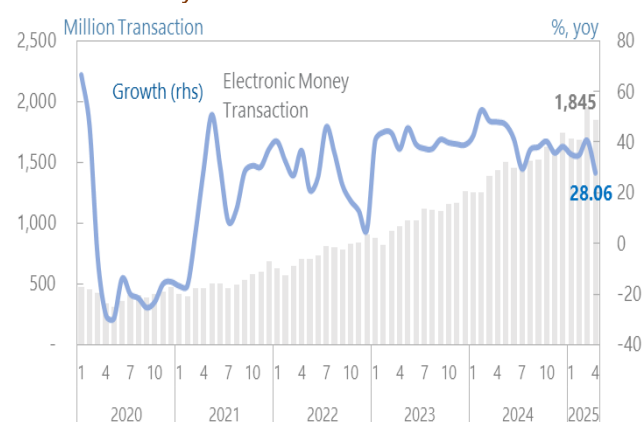
Credit Risk (NPL)



Source: Bank Indonesia, OJK

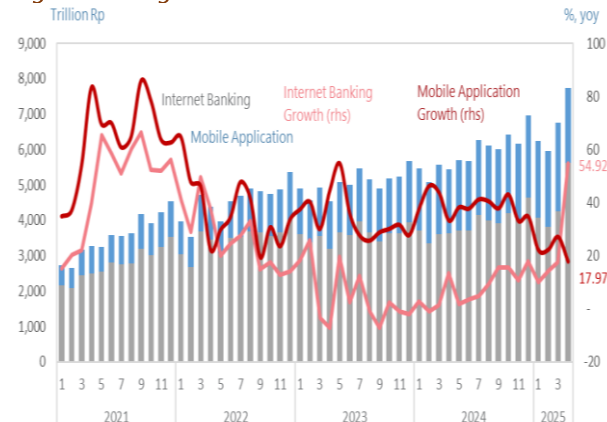
Digital economic and financial transactions continued growing in April 2025, supported by secure, seamless and reliable payment systems. Payment system stability remains well maintained, supported by stable infrastructure and a sound industry structure.

Electronic Money Transactions Volume



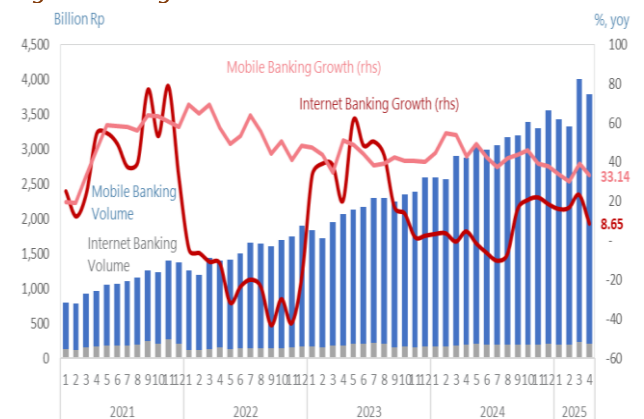
Source: Bank Indonesia

Digital Banking Transactions Value



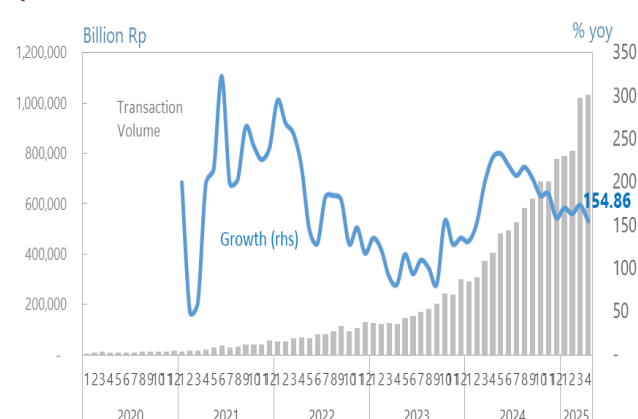
Source: Bank Indonesia

Digital Banking Transactions Volume



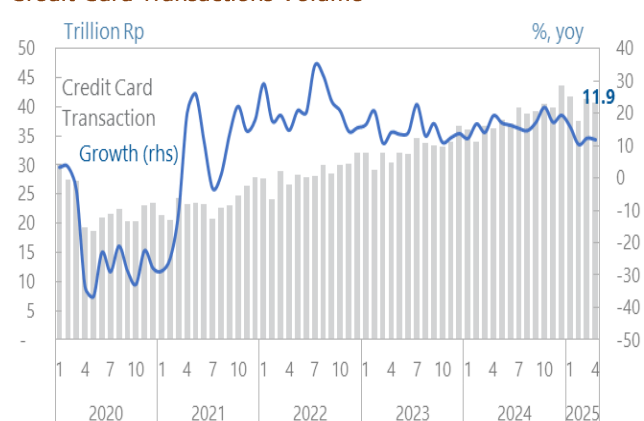
Source: Bank Indonesia

QRIS Transactions Volume



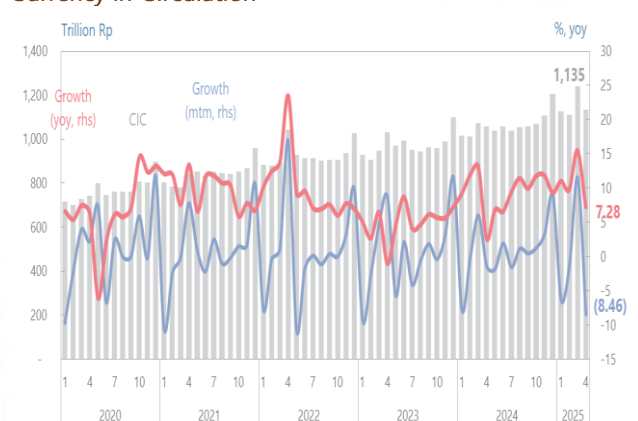
Source: Bank Indonesia

Credit Card Transactions Volume



Source: Bank Indonesia

Currency in Circulation



Source: Bank Indonesia



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

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