

# Presentation Book Investor Relation Unit Republic of Indonesia

*“Synergy to Maintain Economic Stability and Promote Sustainable Economic Growth  
Amidst Heightened Global Challenges”*

April 2025





# About Investor Relations Unit of the Republic of Indonesia



Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

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This Presentation Book is also available for download at: <https://www.bi.go.id/en/iru/presentation/default.aspx>



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## Section 1

# General Summary


*“Indonesia’s Resilient Economy  
Supported by Prudent Policy”*




# Executive Summary




## Preserved Economic Resilience Amidst Global Uncertainty




**Solid economic growth and projection** supported by domestic demand.




**Inflation remains under control** within the target corridor of  $2.5\% \pm 1\%$



**Resilient external sector** supported by adequate reserves, sound BOP, and healthy external debt profile



Historically **prudent fiscal policy** dynamics and **track record of peaceful political transitions**



**Continuous** structural reform, infrastructure development, and climate investment

**Economic growth in Indonesia was maintained.** Indonesia's economic growth was maintained, supported by positive household consumption, fiscal aid, and rising seasonal demand during Eid-ul-Fitr, despite heightened uncertainty. The Consumer Price Index (CPI) inflation in April 2025 recorded 1.17% (mtm) inflation, or 1.95% (yoy) inflation annually, which remains under control within the target corridor of  $2.5\% \pm 1\%$ . **The external sector remains sound, thereby supporting external resilience.** A trade surplus was maintained in March 2025 totaling USD4.3 billion. In 2025, solid BOP performance will be supported by a maintained capital and financial account surplus given attractive yields on investment, accompanied by a manageable current account deficit in the 0.5-1.3% of GDP range. In addition, **solid budget performance continues**, reflected by a **narrower 2024 fiscal deficit** with a surplus in the primary balance and **prudent debt management**. In **2024, fiscal policy is geared towards accelerating economic transformation along with a maintained fiscal discipline, with the fiscal deficit is targeted below 3% of GDP.** **Monetary policy focuses on Rupiah stability amid rising global uncertainty.** Bank Indonesia will continue monitoring inflation and the economic growth outlook in terms of considering further room for monetary easing based on Rupiah exchange rate movements. **The financial system remains solid**, supported by strong liquidity, high capital adequacy, low credit risk, and solid stress test results. To promote strong, socially Inclusive, and environmentally friendly economic growth, the government **consistently implementing the structural reform agenda, including infrastructure development, and improving the investment climate.**

### Rating Update 2024-2025

	BBB (Stable)	March 2025
	Baa2 (Stable)	April 2024
	BBB (Stable)	July 2024
	BBB+ (Positive)	September 2024
	BBB+ (Stable)	March 2024

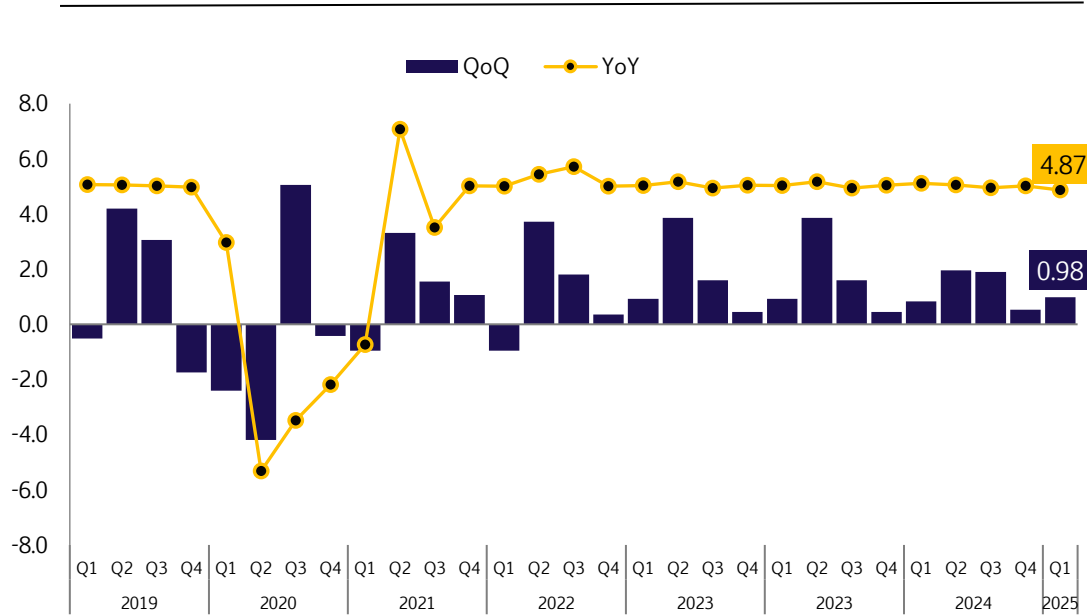
Indonesia has been recognized as a full Investment Grade country by all three major rating agencies — Fitch, Moody's, and S&P — as well as by other agencies, including R&I and JCR. These affirmations highlight Indonesia's macroeconomic stability and promising growth prospects, supported by sound fiscal, monetary, and structural policies.



# Indonesia's Economic Growth Remains Solid and Resilient, Supported by Domestic Demand

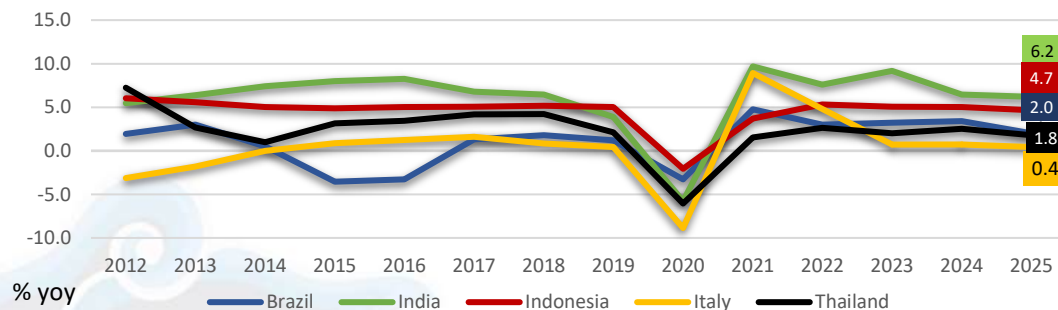


## Strong GDP Growth<sup>1</sup>



**Economic growth in Indonesia was maintained in the first quarter of 2025 despite increasing global uncertainty.** The economy in the first quarter of 2025 grew by 4.87% (yoy), after growing by 5.02% (yoy) in the previous quarter. Spatially, the structure of the Indonesian economy in the first quarter of 2025 showed that the province group on Sulampua was still dominant with a contribution to GDP, followed by Java, Sumatra, Kalimantan, Balinusra. In 2025, economic growth is projected to remain solid, supported by government consumption given greater spending towards the end of the year. Overall, economy in 2025 grew by 4.87% (yoy). Looking ahead, economic growth in 2025 is predicted to remain good in the range of 4.7-5.5% (yoy).

## Favourable GDP Growth Compared to Peers<sup>2</sup>



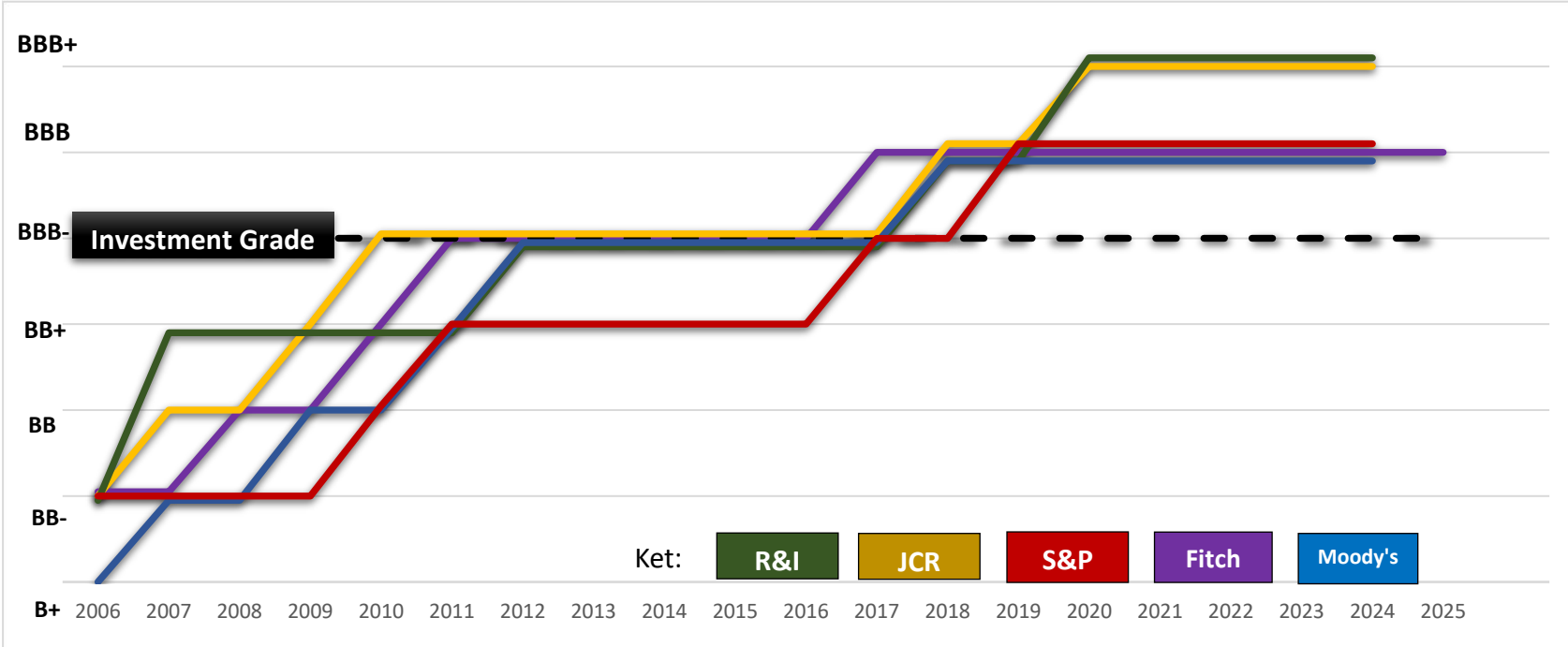
1. Source: Central Bureau of Statistics of Indonesia (BPS), \*\* Including non-profit household consumption
2. Source: World Economic Outlook Database – April 2025; \* indicates estimated figure

## 2025 Growth Projection

Institutions	GDP growth
2025 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (March 2025)	5.0
IMF (WEO, October 2024)	5.1
ADB (Asian Development Outlook, December 2024)	5.0



# Affirmation on Indonesia's Sovereign Credit Rating Amid Global Economy Uncertainties and Election Year



FitchRatings

BBB / Stable

March 2025, Rating Affirmed at BBB/Stable

Indonesia's 'BBB' rating reflects the country's favourable medium-term growth outlook and low government debt/GDP ratio. The rating is primarily constrained by a weak government revenue intake and lagging structural features, such as GDP per capita and governance indicators compared with 'BBB' category peers.

S&P Global Ratings

BBB / Stable

July 2024, Rating Affirmed at BBB/Stable

"Indonesia's economic growth prospects will remain solid, external resilience and the government's debt burden will be maintained, supported by a credible monetary and fiscal policy framework."

R&I

BBB+ / Positive

September 2024, Rating Affirmed at BBB+/Positive

"R&I retains a high opinion of the Joko Widodo administration's prudent fiscal and monetary policies as well as the course of action it has taken to tackle the challenge coming from the structural issues facing the economy. The rating will be upgraded if R&I sees a sure sign that the new president will inherit the policy stance sought by the current administration and that the firm performance of the Indonesian economy and the improvement in fiscal position will be sustained under the new administration".

JCR

BBB+ / Stable

March 2024, Rating Affirmed at BBB+/Stable

"The ratings mainly reflect the country's solid domestic demand-led economic growth potential, restrained public debt and resilience to external shocks supported by accumulation of foreign exchange reserves. JCR holds that the debt will gradually decrease as the fiscal balance improves mainly increased revenue from economic growth and higher commodity prices".

MOODY'S

Baa2 / Stable

April 2024, Rating Affirmed at Baa2/Stable

Indonesia's credit profile is supported by its large economy, low fiscal deficit and modest debt burden. Credit challenges include weak revenue mobilization and a reliance on external funding. The rating is underscored by economic resiliency, monetary, and macroeconomic policy effectiveness.

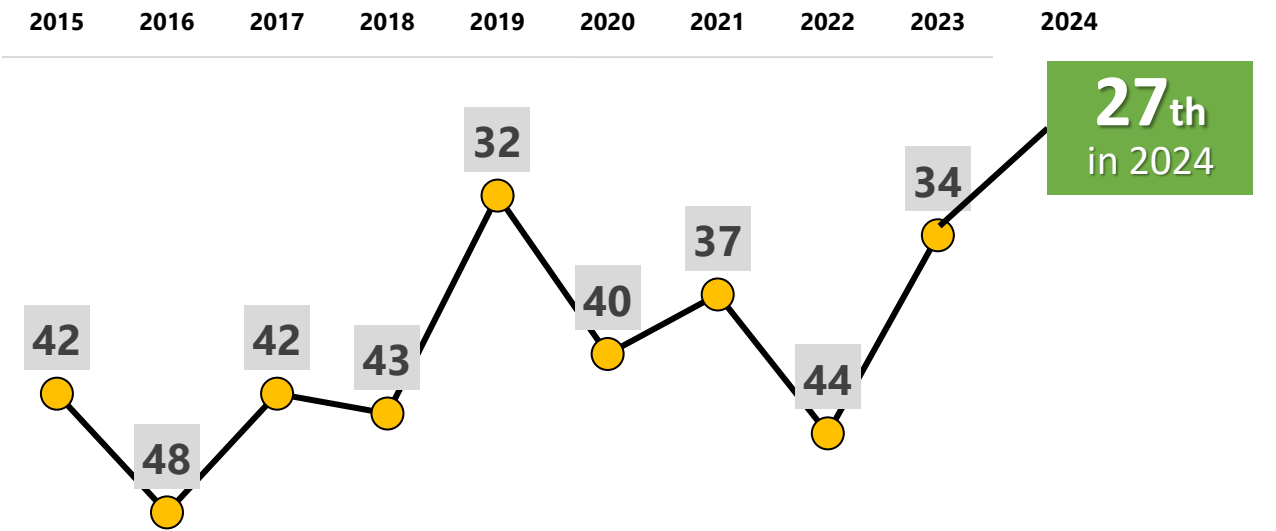


# Consistent Structural Reform Shape Indonesia's Competitiveness



Indonesia's Competitiveness Ranking In 2024 Is In 27th Position Out Of A Total Of 64 Countries, Boosted By Its High Scores In Business Efficiency (14), Government Efficiency (23), And Economic Performance (24).

IMD World Competitiveness Index 2015-2024

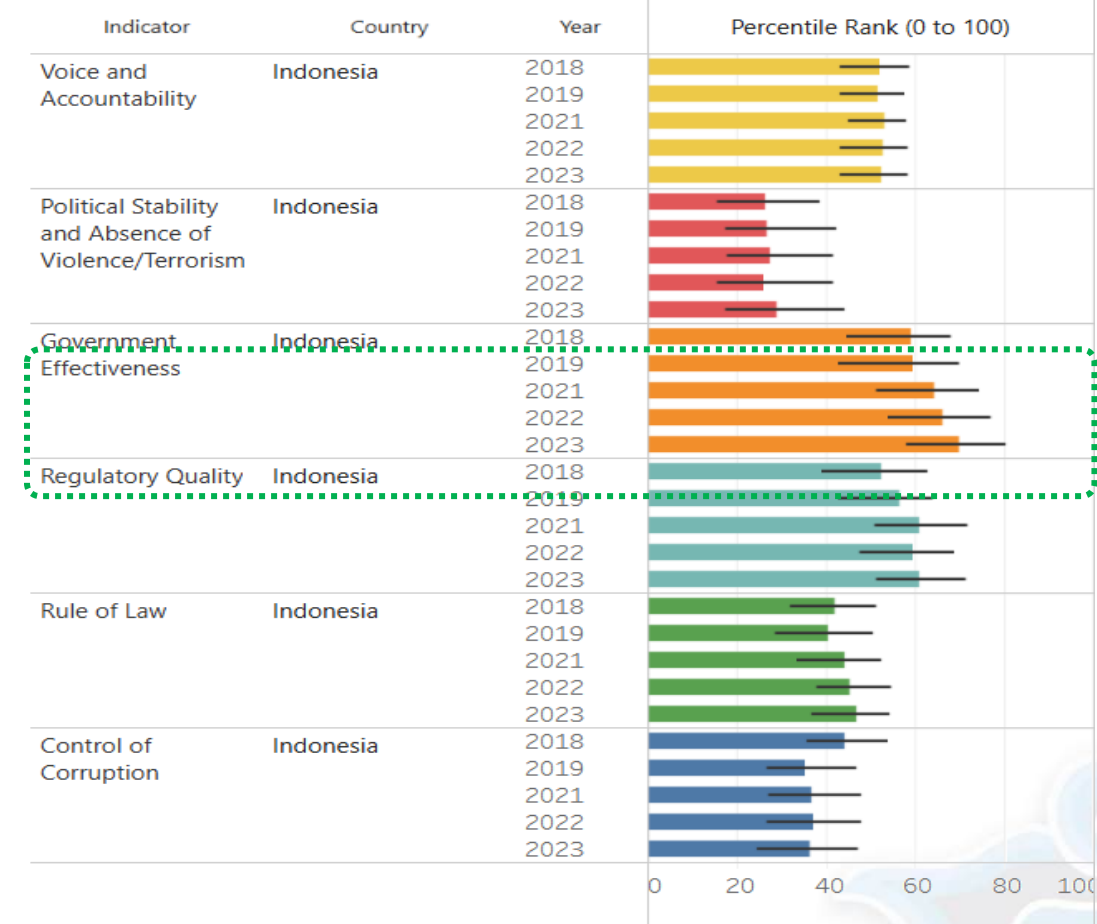


No.	Country	2019	2020	2021	2022	2023	2024
1	South Korea	28	23	23	27	28	20
2	Indonesia	32	40	37	44	34	27
3	Japan	30	34	31	34	35	38
4	India	43	43	43	37	40	39
5	Philippines	46	45	52	48	52	52
6	Mexico	50	53	55	55	56	56
7	Brazil	59	56	57	59	60	62

Source: IMD World Competitiveness Index 2015-2023

Indonesia's Governance Rank Indicates A Continuous Improvement For The Last Decades. One Of The Indicator, The Government Effectiveness, Recorded Highest Percentile Rank Compared To Other Five Indicators.

Worldwide Governance Indicators



Note: Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: Worldwide Governance Indicators, 2024 Update ([www.govindicators.org](http://www.govindicators.org))





## Section 2

# Macroeconomic

*“Promising Growth Prospects  
Supported by Continued Economic  
Recovery Momentum”*

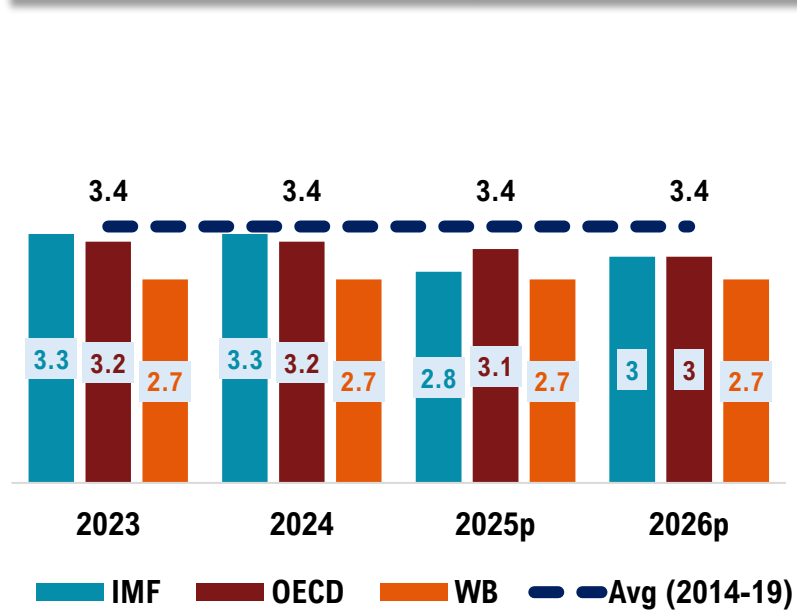


# Global Conditions still Face a Number of Challenges Ahead



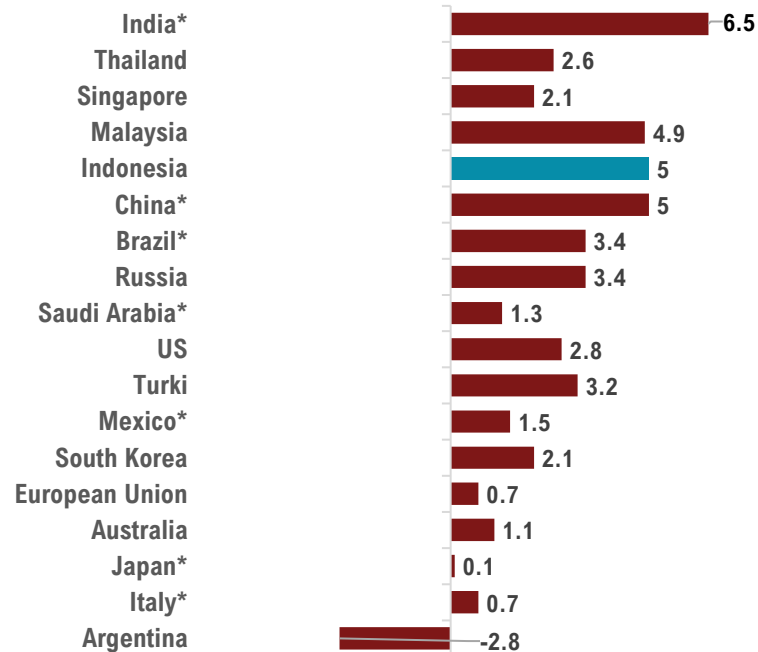
The global growth projection for 2025 is expected to be slightly weaker compared to 2024, with inflation starting to moderate. Although global risks causing uncertainty remain high, Indonesia remains optimistic due to strong and relatively higher growth than other economies.

Global GDP Growth Projection (% YoY)



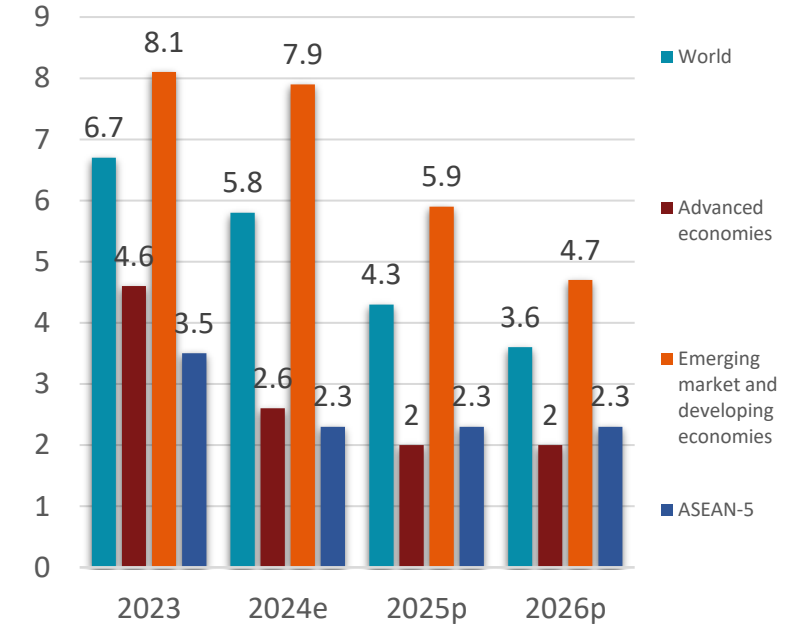
Source: WEO IMF Apr 25, GEP WB Jan 25, and OECD Int Report Mar 25

GDP Growth of Selected Country 2024 (% YoY)



Source: \*WEO IMF Apr 25, GEP WB Jan 25, OECD Int Report Mar 25

Global Inflation Projection (Average CPI) (% YoY)



Source: IMF Data Mapper 25

## DOWNSIDE RISKS

1

Ongoing global Geopolitical tensions

2

Economic Fragmentation: divergent and rapidly shifting policy on a country + Monetary Tightening in Developed Countries

3

Financial Market Volatility: financial instability

4

More limited international development assistance may increase the pressure on low-income countries

5

Demographic shifts and a shrinking foreign labor force

6

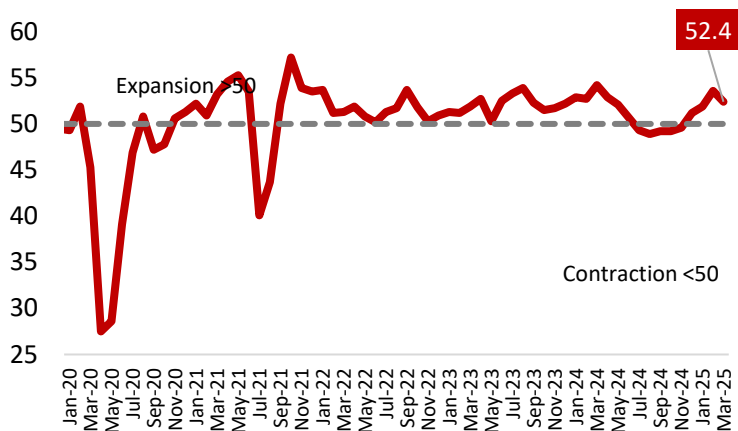
America's Protectionist Policy: Ratcheting up a trade war



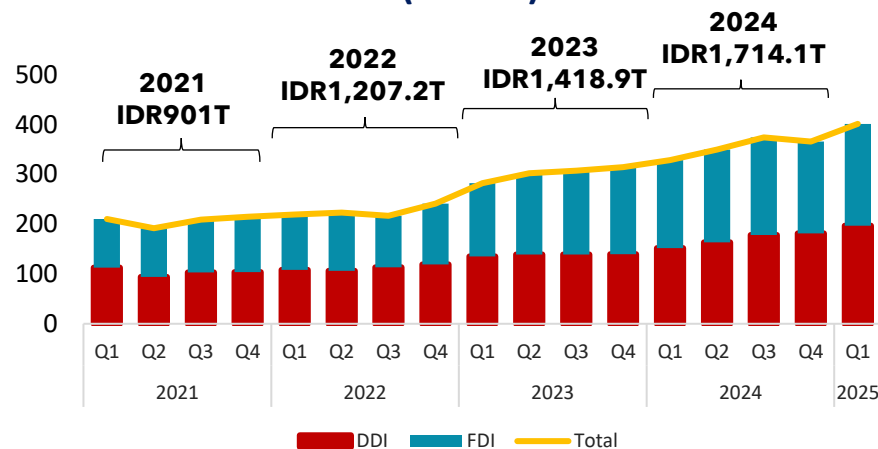
# Indonesia's Leading Indicators Exhibit Favorable Outlooks



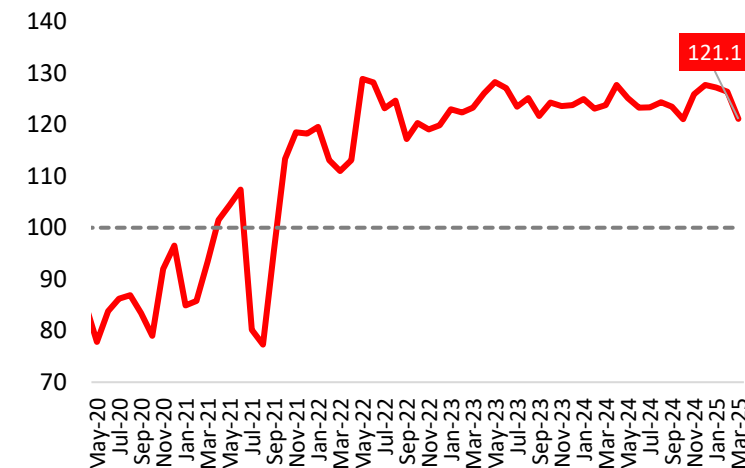
## Manufacturing PMI



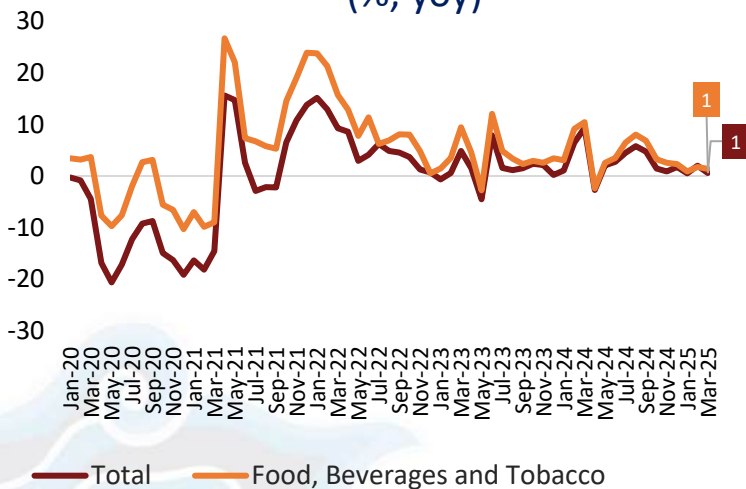
## Total Investment (IDR Tn)



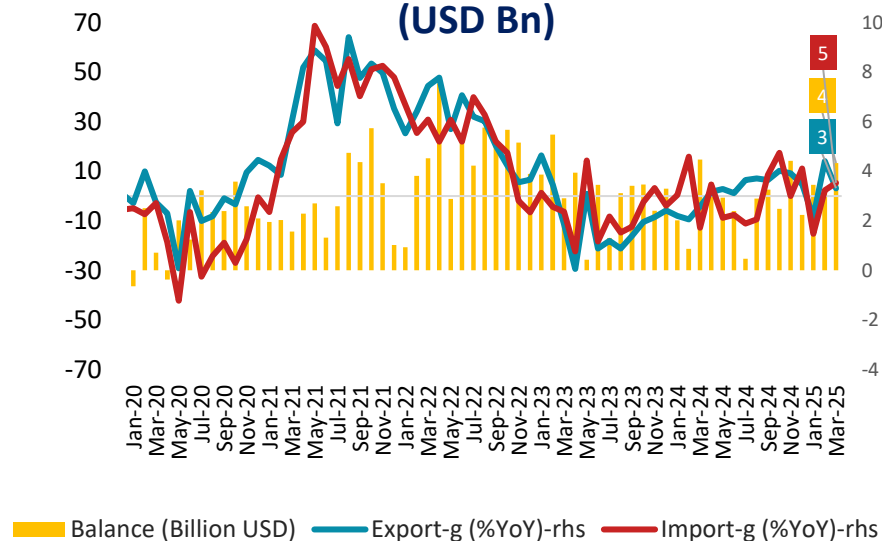
## Consumer Confidence Index



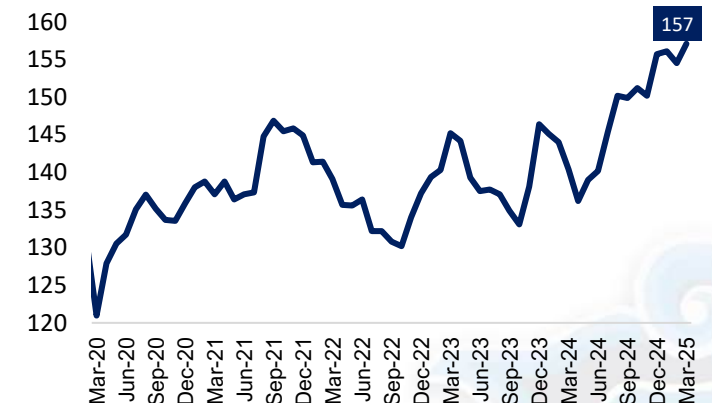
## Retail Sales (% yoy)



## Trade Balance (USD Bn)



## Foreign Exchange Reserves (USD Bn)





# Economic Performance Remains Solid in 2024



## GDP Growth Based on Expenditures (% , YoY)<sup>1</sup>

By expenditure	2020					2021					2022					2023*					2024**					2025***
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
HH. Consumption	2.83	-5.52	-4.05	-3.61	-2.63	-2.22	5.96	1.02	3.56	2.01	4.35	5.52	5.40	4.50	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91	4.98	4.94	4.89
Non profit HH. consumption	-4.99	-7.78	-1.92	-1.92	-4.21	-3.65	4.06	2.87	3.20	1.62	5.91	5.03	5.99	5.72	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	6.06	12.48	3.07
Government consumption	3.87	-6.51	9.81	1.93	2.12	2.59	8.29	0.69	5.24	4.25	-6.58	-4.59	-2.41	-4.66	-4.42	3.33	10.52	-3.86	2.94	3.02	20.44	2.03	4.62	4.17	6.61	-1.38
Gross Fixed Cap. Formation	1.70	-8.61	-6.52	-6.17	-4.96	-0.21	7.52	3.76	4.49	3.80	4.08	3.09	4.98	3.33	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	5.03	4.61	2.12
Exports	0.41	-13.59	-12.72	-7.45	-8.42	2.20	28.46	20.82	22.24	17.99	14.40	16.32	19.09	14.95	16.23	11.72	-2.84	-3.91	1.66	1.34	1.48	8.13	8.79	7.63	6.51	6.78
Imports	-6.05	-21.27	-25.03	-17.64	-17.60	5.18	33.20	31.08	32.61	24.86	16.06	13.06	25.73	6.49	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.50	7.79	11.92	10.36	7.95	3.96
<b>GDP</b>	<b>2.97</b>	<b>-5.32</b>	<b>-3.49</b>	<b>-2.17</b>	<b>-2.07</b>	<b>-0.69</b>	<b>7.08</b>	<b>3.53</b>	<b>5.03</b>	<b>3.70</b>	<b>5.02</b>	<b>5.46</b>	<b>5.73</b>	<b>5.01</b>	<b>5.31</b>	<b>5.05</b>	<b>5.11</b>	<b>5.05</b>	<b>4.95</b>	<b>5.05</b>	<b>5.11</b>	<b>5.05</b>	<b>4.95</b>	<b>5.02</b>	<b>5.03</b>	<b>4.87</b>

## GDP Growth by Sector (% , YoY)

By sectors	2020					2021					2022					2023*					2024**					2025***
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Agriculture, forestry, and fishery	0.03	2.20	2.18	2.64	1.77	3.48	0.56	1.44	2.33	1.87	1.16	1.68	1.95	4.51	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.69	0.71	0.67	10.52
Mining and Quarrying	0.45	-2.72	-4.28	-1.20	-1.95	-2.02	5.22	7.78	5.15	4.00	3.82	4.01	3.22	6.46	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	3.95	4.90	-1.23
Manufacturing	2.06	-6.18	-4.34	-3.14	-2.93	-1.38	6.58	3.68	4.92	3.39	5.07	4.01	4.83	5.64	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72	4.89	4.43	4.55
Construction	2.90	-5.39	-4.52	-5.67	-3.26	-0.79	4.42	3.84	3.91	2.81	4.83	1.02	0.63	1.61	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81	7.02	2.18
Wholesale and Retail Trade, Repair of Car and Motorcycle	1.50	-7.68	-5.14	-3.66	-3.79	-1.28	9.50	5.12	5.54	4.63	5.74	4.44	5.37	6.57	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.85	4.82	5.19	4.86	5.03
Transportation and Storage	1.27	-30.79	-16.71	-13.42	-15.05	-13.09	25.10	-0.72	7.93	3.24	15.79	21.27	25.80	16.99	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92	8.69	9.01
Information and communication	9.82	10.85	10.72	10.99	10.61	8.72	6.90	5.54	6.24	6.82	7.15	8.06	6.94	8.72	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45	7.57	7.72
Financial service	10.63	1.06	-0.95	2.37	3.25	-2.97	8.33	4.29	-2.59	1.56	1.64	1.50	0.87	3.76	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74	4.74	3.98
Other Services*	4.62	-6.26	-1.44	-1.71	-1.24	-2.52	9.83	-0.84	3.43	2.35	3.33	4.02	7.87	4.94	5.03	4.55	7.08	3.34	4.89	4.97	9.45	5.59	5.64	4.88	6.33	5.80
<b>GDP</b>	<b>2.97</b>	<b>-5.32</b>	<b>-3.49</b>	<b>-2.17</b>	<b>-2.07</b>	<b>-0.69</b>	<b>7.08</b>	<b>3.53</b>	<b>5.03</b>	<b>3.70</b>	<b>5.02</b>	<b>5.46</b>	<b>5.73</b>	<b>5.01</b>	<b>5.31</b>	<b>5.04</b>	<b>5.17</b>	<b>4.94</b>	<b>5.04</b>	<b>5.05</b>	<b>5.11</b>	<b>5.05</b>	<b>4.95</b>	<b>5.02</b>	<b>5.03</b>	<b>4.87</b>

Source: Central Bureau of Statistics of Indonesia (BPS)

\*Other services consist of 10 sectors (according to Standard National 2008)



# Inflation Remains Under Control Within The Target Corridor

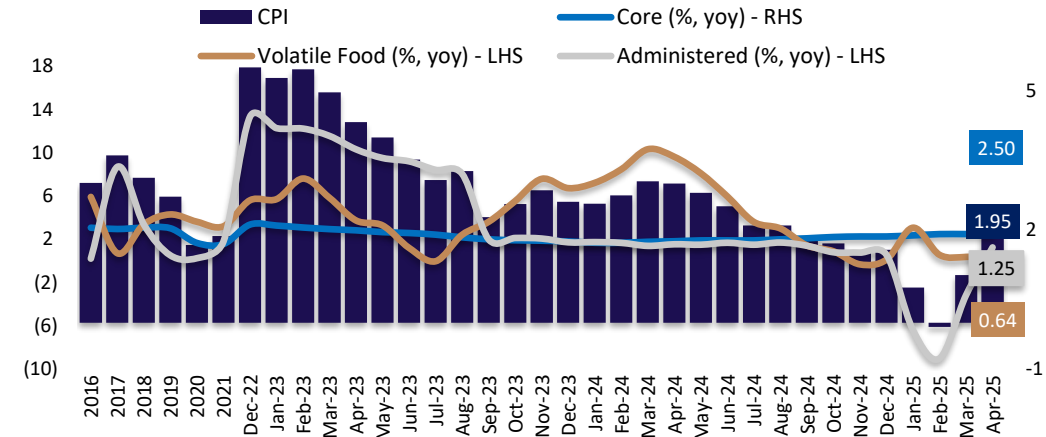


- Consumer Price Index (CPI) in April 2025 remained under control within the  $2.5 \pm 1\%$  target corridor, recorded at 1.95% (yoy), a slight increase from 1.03% (yoy) the month earlier.
  - Core inflation remains manageable and recorded at 2.50% (yoy), slightly increased from 2.48% (yoy) the previous month.
  - Meanwhile, the volatile food (VF) continues to be low, recorded at 0.64% (yoy).
  - Administered prices (AP) inflation remained stable at 1.25% (yoy), shallower than the 3.16% (yoy) deflation in March 2025.
- Inflation will remain under control within the  $2.5\% \pm 1\%$  target corridor in 2025 underpinned by monetary policy consistency, fiscal policy and the National Movement for Food Inflation Control (GNPIP).
  - Bank Indonesia remains fully committed to strengthening monetary policy effectiveness in order to maintain inflation in 2025 within the  $2.5 \pm 1\%$  target range, while continuing to support efforts to strengthen economic growth.

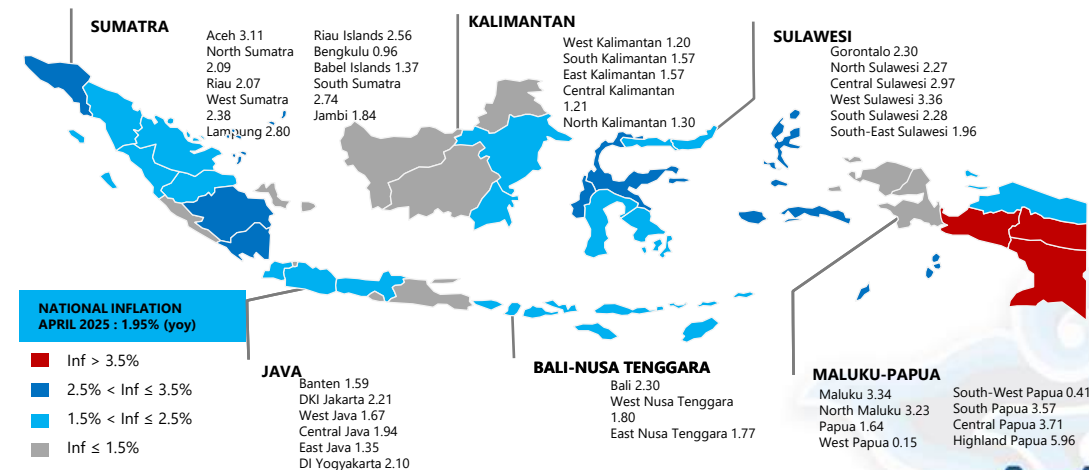
## 2025 Inflation Projection

Institutions	Inflation (% yoy)
2025 Budget	2.5
Bank Indonesia	$2.5 \pm 1\%$
Consensus Forecast (March 2025) – average	2.2
IMF (WEO, October 2024) – end of period	2.5
ADB (Asian Development Outlook, December 2024)	2.8

## CPI Inflation



## Inflation Rate by Provinces





# Short-Term Mitigation and Policy Response Amidst Weakening Global Economic Prospects



In December 2024, the government has issued an economic stimulus package to **maintain community welfare and enhance business competitiveness**

## LOW-INCOME COMMUNITIES

- ❑ **Food assistance/rice distribution:** 16 million beneficiaries, receiving **10 kg of rice per month for two months**.
- ❑ **50% electricity discount for two months** for households with installed power between **450 VA and 2200 VA**.

## MIDDLE-INCOME ASSISTANCE

- ❑ **Property VAT Incentive:**
  - For residential properties valued up to **IDR 5 billion**, a **100% VAT discount** applies to the first **IDR 2 billion** for purchases made between **January and June 2025**.
  - A **50% VAT discount** applies for purchases between **July and December 2025**.
- ❑ **Automotive VAT Incentive:**
  - **Battery-Based Electric Vehicles (KBLBB):**
    - **10% VAT exemption** for CKD (Completely Knocked Down) KBLBB.
    - **15% Luxury Goods Sales Tax (PPnBM) exemption** for CBU and CKD imported KBLBB.
    - **0% Import Duty** for CBU (Completely Built-Up) KBLBB.
  - **Hybrid vehicles receive a 3% Luxury Goods Sales Tax (PPnBM) incentive.**
- ❑ **50% electricity discount for two months** for households with installed power between **450 VA and 2200 VA**.
- ❑ **Government-borne Income Tax (Article 21) incentives** for **labor-intensive sector workers** earning up to **IDR 10 million per month**.
- ❑ **Job security measures** for laid-off workers, including **easy access to Job Loss Guarantee and Pre-Employment Card programs**.
- ❑ **50% discount on Work Accident Insurance contributions** for **six months**.

## MSMEs/ENTREPRENEURSHIP/INDUSTRY

- ❑ **Extension of the 0.5% final income tax rate** on turnover **until 2025**, following a revision of government regulations.
- ❑ **MSMEs with an annual turnover below IDR 500 million** remain **exempt from income tax**.
- ❑ **Financing schemes** for **labor-intensive industries** to support employment and business sustainability.



The government has launched various short-term policy programs to stimulate Indonesia's economic growth in Q1 2025

➤ **Ramadan and Eid al-Fitr Stimulus:**

- **Airline Ticket Price Discounts**
- **Toll Road Fare Discounts**
- **Shopping Discounts** such as Harbolnas 2025, EPIC Sales 2025, and BINA Discount 2025
- **Tourism Programs during Ramadan and Eid al-Fitr Travel #DIINDONESIAAJA** dan events like Jalani Ramadhan and Kembali Fitri Sepenuh Hati (InJourney)
- **Food Price Stabilization**

➤ **2025 Minimum Wage Increase Policy**

- **Payment of THR(Holiday Allowance) for Civil Servants and Private Sector Workers in March 2025**





# Synchronized Policies to Strengthen Inflation Controlling Efforts



## MONETARY POLICY

### Support for pro-stability and pro-growth monetary policies

- Stabilization of the Rupiah exchange rate through intervention in the foreign exchange market on spot transactions, Domestic Non-Deliverable Forward (DNDF), and Government Securities (SBN) in the secondary market;
- Monetary operations including optimization of Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Currency Securities (SVBI), and Bank Indonesia Foreign Currency Sukuk (SUVBI)



## FISCAL POLICY

### Optimization of State Budget as shock absorbers

- Energy Subsidies and Compensation
- Food Security Budget including optimization of Government Rice Reserves (SPHP distribution)
- Social Assistance Program, including food assistance
- Food distribution facilitation
- Optimization of APBD and BTT

## INFLATION CONTROL EFFORTS

K1

### Price Affordability



- Improving the implementation of cheap market operations/easy food movements and the Food Supply and Price Stabilization (SPHP) program
- Food assistance, social protection, subsidies and energy compensation

K2

### Supply Availability



- Strengthening Government Food Reserves (CPP)  
→ CBP is maintained at around 1.2 million tons throughout the year
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3

### Smooth Distribution



- Facilitating the distribution of strategic food commodities
- Optimizing the sea toll program to reach 3TP areas
- Providing assistance for logistics costs

K4



### Effective Communication

- Orchestration of TPID for regional inflation control efforts by the Ministry of Home Affairs through weekly coordination meetings
- Implementation of TPIP-TPID Coordination Meetings per region which are carried out back to back with GNPIP.



CPI INFLATION  
2.5±1%

INFLATION 2025  
MAINTAIN WITHIN THE  
TARGET



# Fiscal Incentives to Boost the Economy



The government provides fiscal incentives to create a conducive investment climate, especially for industry players in order to boost investment and strengthen domestic industrial structure

## TAX HOLIDAY & MINI TAX HOLIDAY

- ❑ Applicable to new investments, particularly in pioneer industries and core business activities.
- ❑ 18 eligible pioneer industries covering 169 KBLI classifications, strategically selected for their strong economic linkages, high added value, advanced technology adoption, and significant national economic impact.
- ❑ Corporate income tax incentives:
  - 100% corporate income tax exemption (full tax holiday) for up to 20 years, depending on the investment value.
  - Mini tax holiday: A 50% corporate income tax reduction for two years after the initial full exemption period.
  - After the tax holiday and mini tax holiday periods expire, investors remain eligible for a 50% reduction of the standard corporate income tax rate.
- ❑ Adjustment due to Global Minimum Tax (GMT) Implementation:
  - Indonesia has aligned its tax policies with the 15% Global Minimum Tax (GMT) framework set by the OECD/G20.
  - Companies benefiting from the Tax Holiday must comply with the minimum tax requirement, ensuring both regulatory stability and competitive investment incentives.

## TAX ALLOWANCE

- ❑ Aims to increase direct investment in specific business sectors or designated regions.
- ❑ Incentives include:
  - 30% net income reduction based on total investment over six years.
  - Accelerated depreciation and amortization.
  - Reduced income tax on dividends paid to foreign investors (10% or lower).
  - Compensation for losses of up to 10 years.
- ❑ Criteria include high investment value for export, significant labor absorption, or high local content.

## INVESTMENT ALLOWANCE

- ❑ Encourages investment in labor-intensive industries, supporting job creation and workforce absorption.
- ❑ Net income deduction of 60% of the investment in tangible fixed assets, including land, used for the taxpayer's main business activities.
- ❑ Deduction is spread over six years (10% annually) from the fiscal year when commercial production starts.
- ❑ Covers 45 labor-intensive industrial sectors, employing an average of 300 workers per tax year.

## SUPER DEDUCTION TAX

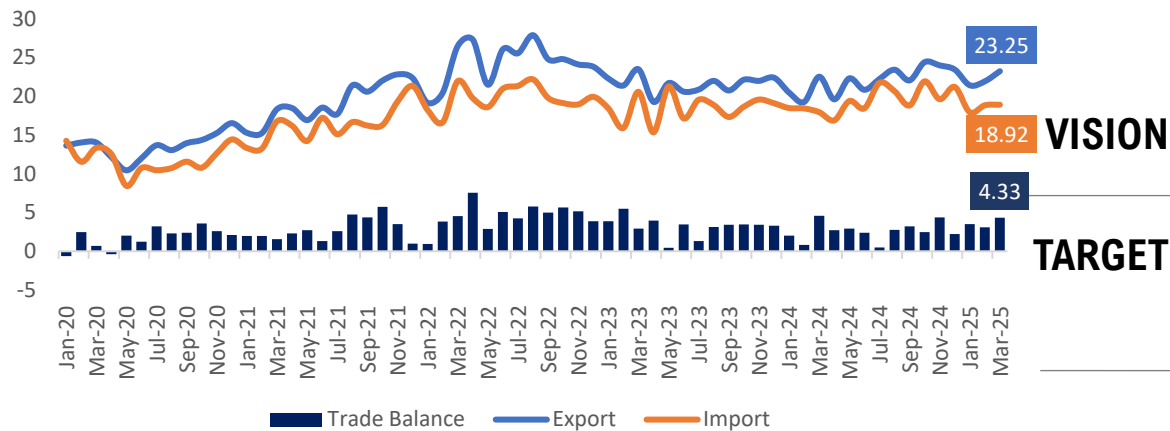
- Super Deduction for Vocational Activities
- ❑ Encourages industries to participate in vocational programs, facilitating knowledge transfer and skill development.
  - ❑ Maximum reduction of 200% in gross income for costs related to work practice, apprenticeships, and learning activities.
- R&D Super Deduction
- ❑ Supports industry-driven innovation and the adoption of the latest technology in production processes.
  - ❑ Maximum gross income deduction of 300% for eligible R&D expenditures in Indonesia.





# Task Force for Increasing National Exports to Strengthen Trade Balance

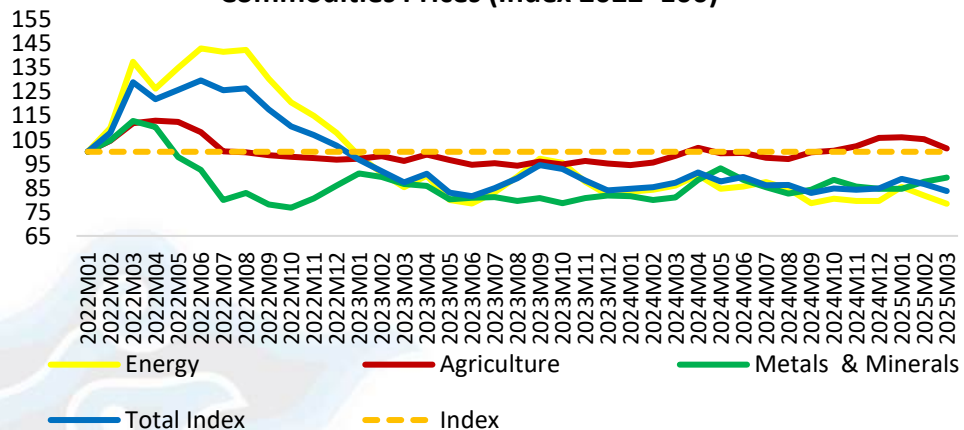
Performance of Indonesia's Export – Import (Billion USD)



Source: BPS

Commodities Prices Volatility

Commodities Prices (Index 2022=100)



Source: World Bank

WORKING GROUP

DRIVERS

## TASK FORCE FOR INCREASING NATIONAL EXPORTS

"MAINTAIN AND IMPROVE NATIONAL EXPORT PERFORMANCE"

STRENGTHENING THE TRADE BALANCE TO DRIVE NATIONAL ECONOMIC GROWTH

WG I

Increasing Productivity and Competitive ness of Export Industries

WG II

Diplomacy, Promotion, and Developme nt of Export Market

WG III

Simplify, Synchronize , and Integrate of Export's Processes and Services

WG IV

Export Financing

WG V

Increasing MSME Exports

WG VI

Regula tions

AMIDST GLOBAL UNCERTAINTY, INDONESIA STILL SUCCESSFULLY MAINTAIN A TRADE SURPLUS FOR 47 CONSECUTIVE MONTHS.



# Main Provisions of the Revised Government Regulation (PP) 8/2025



To enhance the management of Export Proceeds from Natural Resources (DHE SDA), the Indonesian government issued Government Regulation No. 8/2025 on February 17, 2025. This regulation requires exporters in the mining (excluding oil and gas), plantation, forestry, and fisheries sectors to deposit 100% of their DHE SDA into the Indonesian financial system for 12 months.

1

## REGULATED SECTORS:

Mining, Plantations, Forestry and Fisheries

5

## INSTRUMENTS FOR DHE SDA PLACEMENT:

1. Special DHE SDA Accounts
2. Banking Instruments
3. Financial Instruments from LPEI
4. Bank Indonesia Instruments

9

## DHE SDA SUPERVISION AND IMPLEMENTATION:

- Supervised by the Directorate General of Customs and Excise, the Ministry of Finance, Bank Indonesia, and the Financial Services Authority (OJK).
- Monitored through an integrated information system.

2

## EXPORT VALUE SUBJECT TO FOREIGN EXCHANGE PROCEEDS FROM NATURAL RESOURCES (DHE SDA):

Applicable to export values of USD250,000 or more

6

## PERMITTED USES OF DHE SDA:

1. Conversion to Rupiah
2. Government obligations
3. Foreign Currency Dividends
4. Payment for Imported Goods and Services
5. Repayment of Foreign Currency Loans

10

## SANCTIONS FOR NON-COMPLIANCE:

Suspension of Export Services

3

## DHE SDA DEPOSIT REQUIREMENT:

Export proceeds must be deposited into a special account no later than the end of the third month after the PPE (Export Declaration) is issued.

7

## DHE SDA UTILIZATION BY EXPORTERS:

Can be used by exporters and counted as a reduction in the required DHE SDA placement amount.

11

## REGULATORY OVERSIGHT FOR EXPORTERS:

Exporters will be monitored by Bank Indonesia and/or the Financial Services Authority (OJK).

4

## DHE SDA PLACEMENT OBLIGATION:

100% of DHE SDA must be placed for 12 months, except for the oil and gas sector

8

## INCENTIVES FOR PLACING DHE SDA:

- Special tax rates for exporters.
- Incentives for exporters, export-import financing institutions (LPEI), and banks.
- Exporters may qualify as "exporters with good reputation", granting them additional benefits.

12

## TRANSITIONAL PROVISIONS:

DHE received after the implementation of PP 8/2025 will follow the new regulations, regardless of whether the PPE date is before or after the regulation takes effect.



# Utilizing LCT to Maintain Indonesian Exchange Rate Stability



## Implementation Progress

- ❑ Currently, the implementation of Local Currency Transaction (LCT) cooperation between Indonesia has been established with Malaysia, Thailand, Japan, China, South Korea, and United Arab Emirates.
- ❑ Singapore and India are still in the process of negotiating their Operational Guidelines.
- ❑ In 2024, LCT transactions across the majority of partner countries exhibited a consistent upward trend, reaching a recorded total of USD 16.23 billion



## STRENGTHENING LCS INTO LCT

Line of Business	Current Account, Capital Account, and Financial Transaction
Scope of Collaboration	Money Market, Foreign Exchange, including Cross-Border Payment
Expand Participants	LCT (including QR) and ACCD Bank users
Currency Arrangement	FEA Flexibilities and Pricing Credibility



## LCT NATIONAL TASK FORCE PILLAR

Trade and Direct Investment

Banking and Financial Markets

Expanding the use of LCT and Payment Transactions between countries





## Section 3

# External Sectors

*“Strong External Resilience Supported by Adequate  
Reserves and Sound Balance of Payments”*

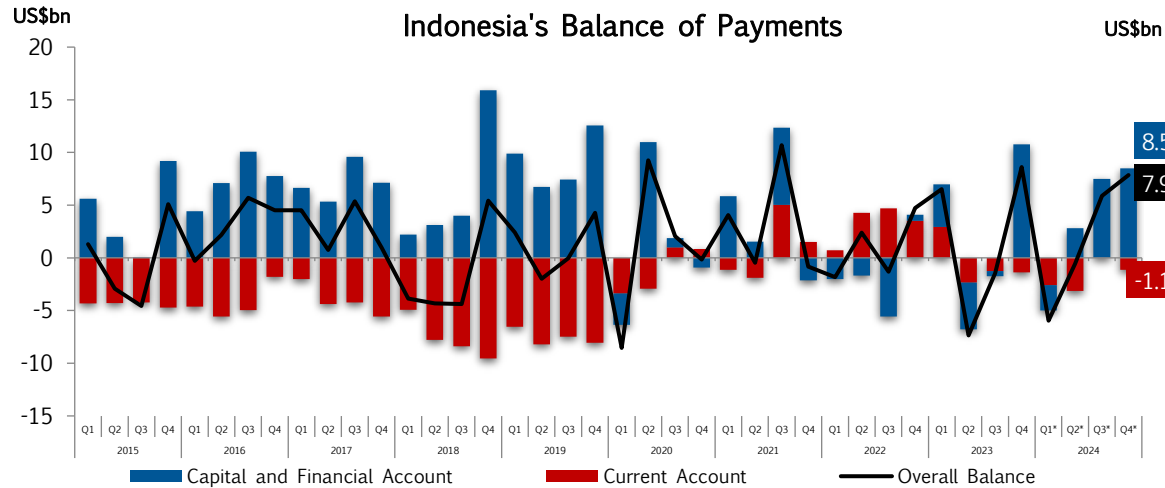


# External Sector Remains Resilient

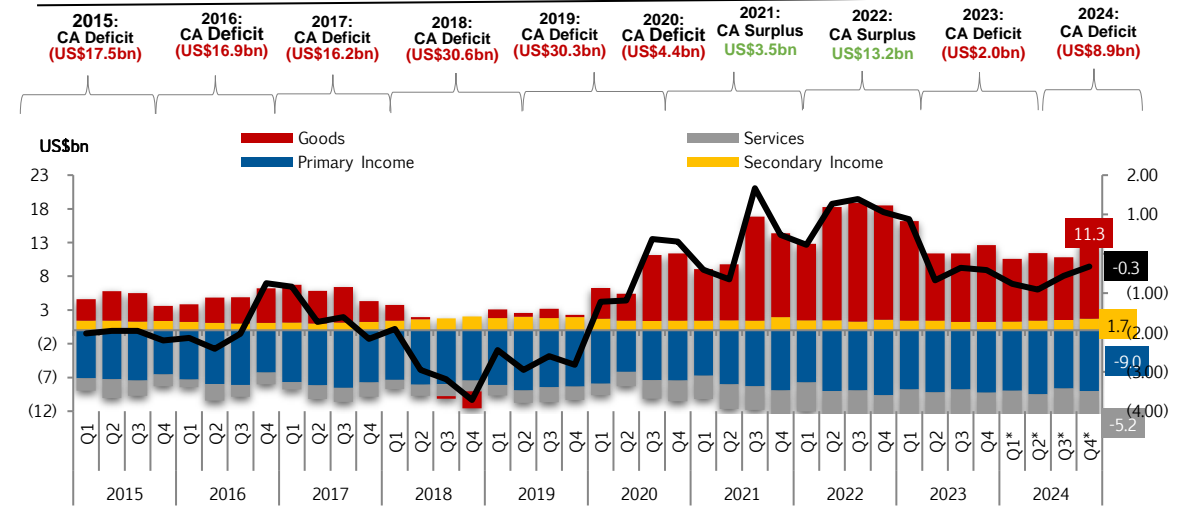
## ... Supported by Adequate Reserves and Sound Balance of Payments



### Balance Of Payment Remains Solid

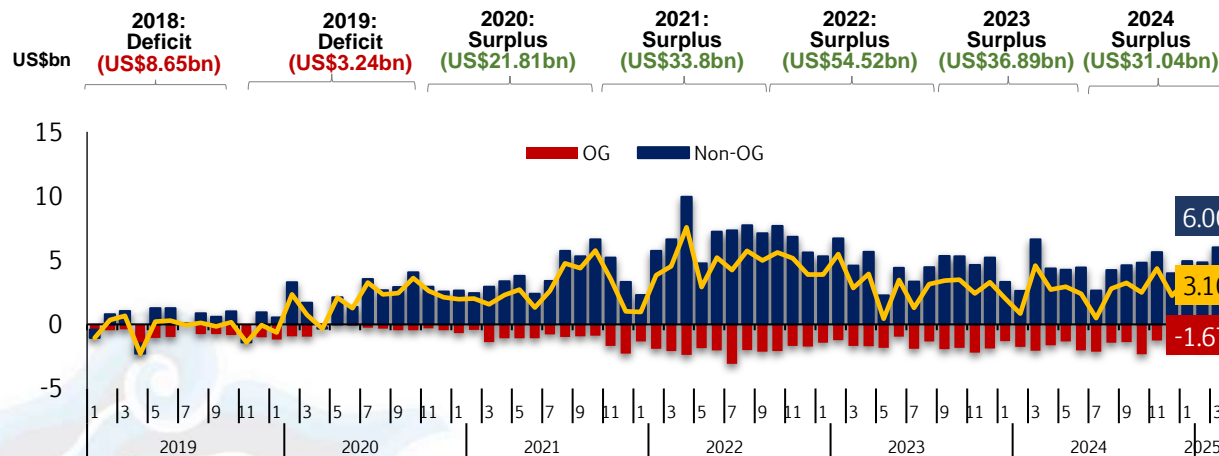


### Current Account Recorded Low Deficit

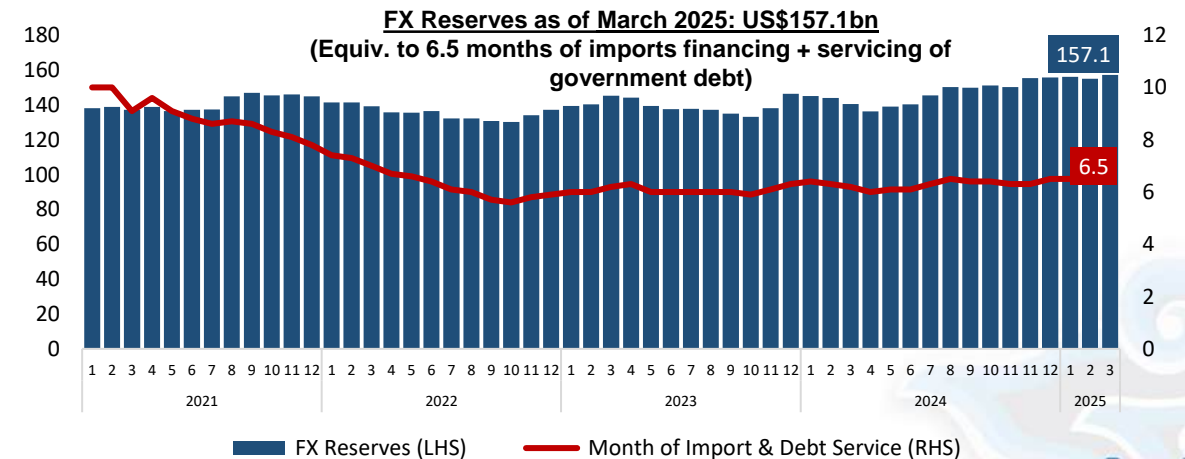


Source: Bank Indonesia

### Trade Balance Surplus Continues



### Official Reserve Assets Increased to Reinforce External Sector Resilience



Source: Bank Indonesia

Source: Bank Indonesia

Source Central Bureau of Statistics of Indonesia

\* Preliminary Figure

\*\* Very Preliminary Figure



# Ample Lines of Defense Against External Shocks

Bilateral, multilateral and regional international financial cooperation are also resulting in more ample lines of defense against external shocks



## Ample Reserves

### FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of Mar 2025: **US\$157.1 bn**

## Swap Arrangement

### Bilateral

#### Japan

- Renewed a 3-year USD22.76 billion swap line with Japan in October 2024 (The facility is available in USD and JPY)

#### Singapore

- Renewed a 3-years SGD/IDR swap arrangement with the size up to SGD 9.5 bn / IDR 100 tn (equivalent) in November 2024

#### China

- Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 400 bn / IDR 55 tn (equiv.) in January 2025

#### Malaysia

- Renewed a 5-year RM/IDR swap arrangement with a size up to RM 24 billion / IDR 82 trillion (equiv.) in October 2024

#### Korea

- Renewed a 3-year BCSA with the Republic of Korea amounting to KRW10.7 trillion or Rp115 trillion (equiv) in March 2023

### Regional

#### Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement
- Came into effect in 2010 with a pool of US\$120 bn
- Doubled to US\$240 bn effective July 2014

### Global

#### IMF Global Financial Safety Net - GSFN

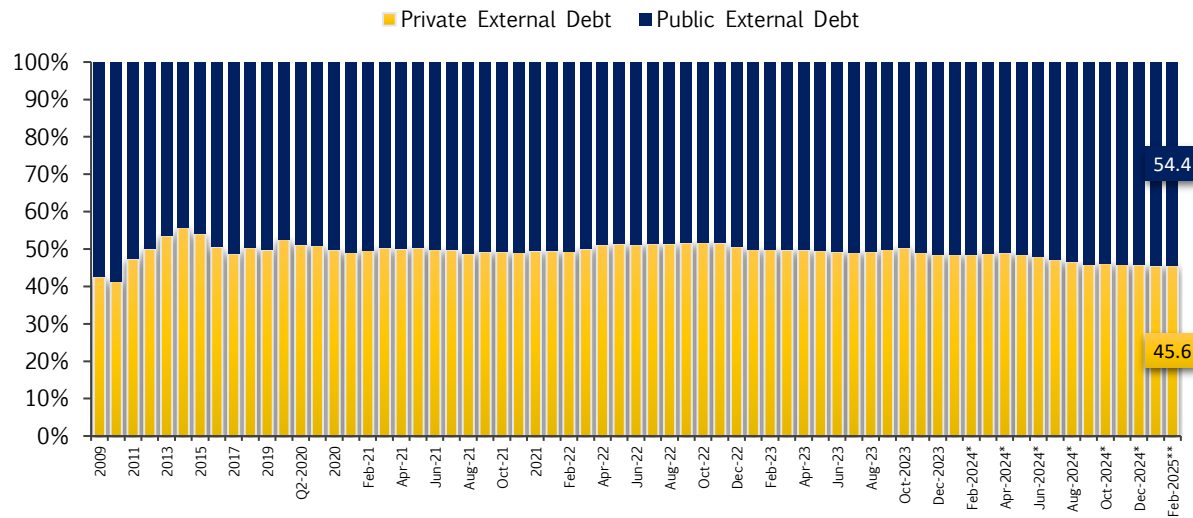
- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)



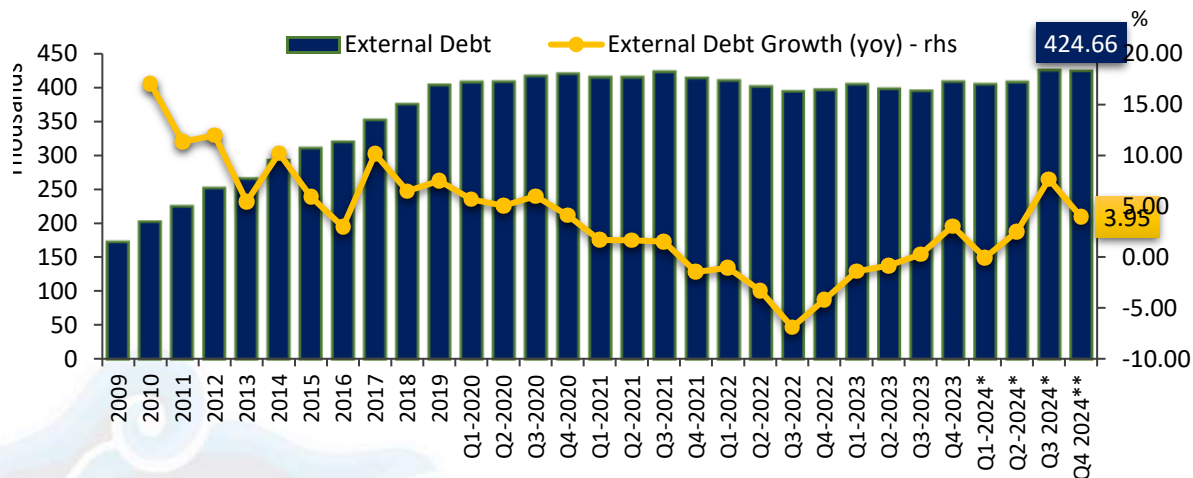
# Healthy External Debt Profile



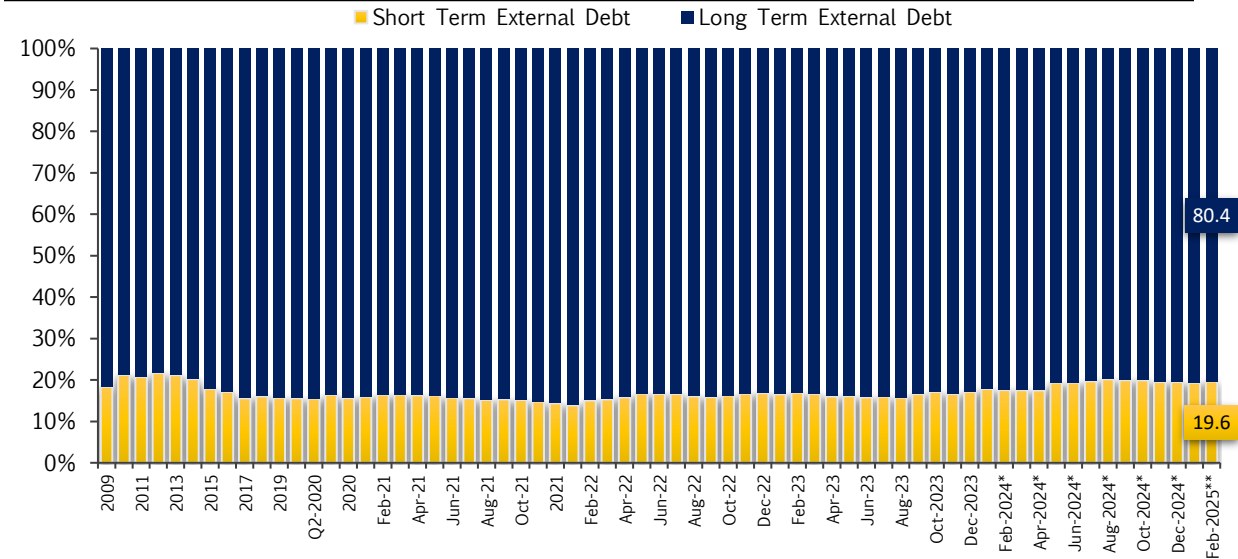
## External Debt Structure



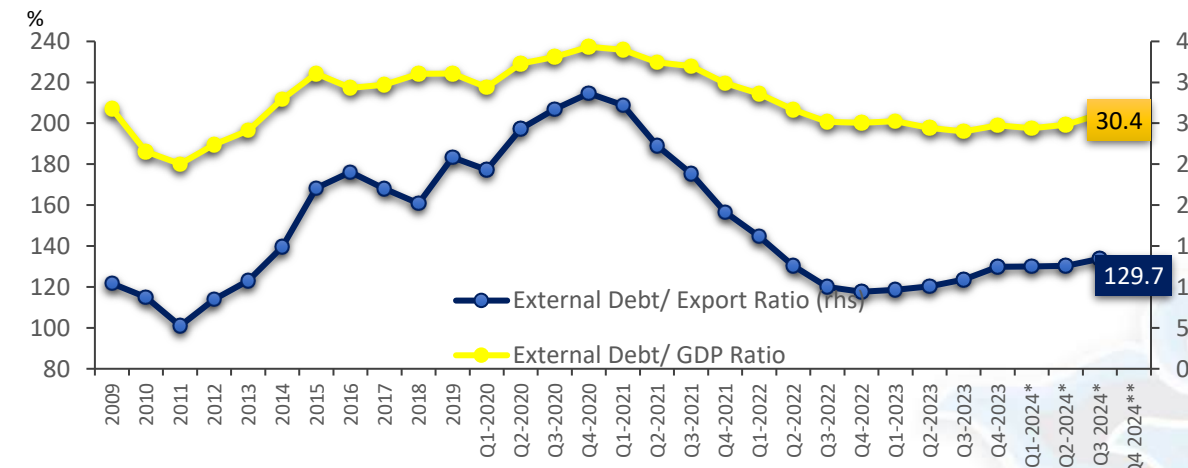
## External Debt Remains Manageable



## The Structure of External Debt is Dominated by Long-Term Debt



## External Debt to GDP Ratio & Debt to Export Ratio

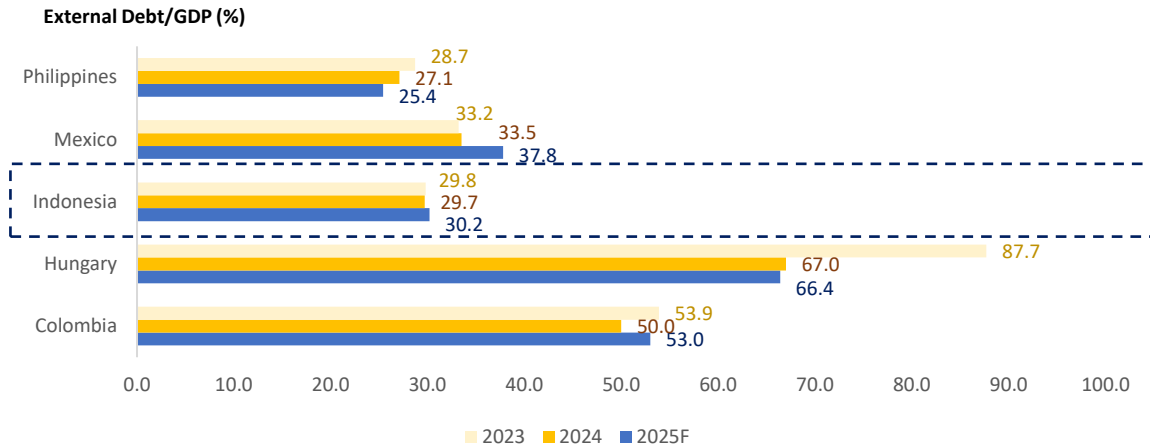




# Strengthened Private External Debt Risk Management



## Lower Debt Burden Indicator (External Debt/GDP) Compared to Peers Rating



Source: Moody's Credit View Fundamental Data, May 2025

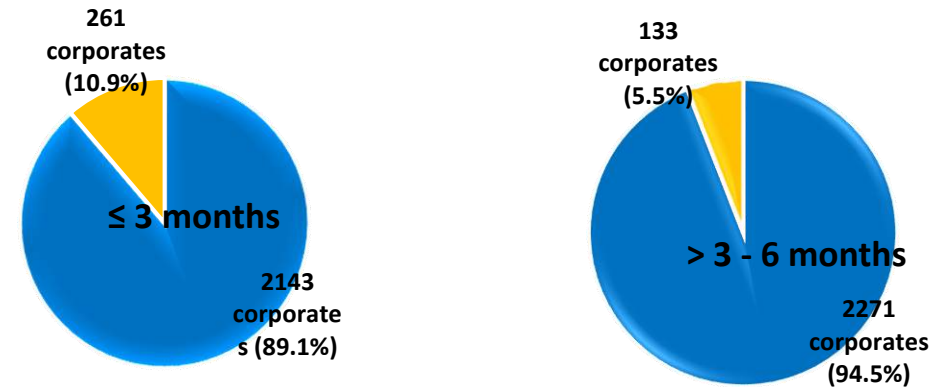
## Regulation on Prudential Principle in Managing External Debt

Regulation Key Points	1 Jan 17 & beyond
Object of Regulation	Governs all foreign currency Debt
Hedging Ratio	
≤ 3 months	25%
> 3 – 6 months	25%
Liquidity Ratio (≤ 3 months)	70%
Credit Rating	Minimum rating of BB- (State-owned Enterprises)
Hedging transaction to meet hedge ratio	Must be done with a bank in Indonesia
Sanction	Applied

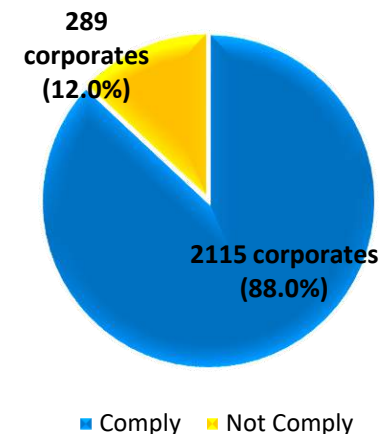
Source: Bank Indonesia

## Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio

### Hedging Ratio\*



### Liquidity Ratio\*



\*Data as of Q3-2024, with total population 2,412 corporates

Source: Bank Indonesia





## Section 4

# Fiscal

*“Solid Budget Performance with Strong  
Commitment to Maintain Fiscal  
Credibility”*

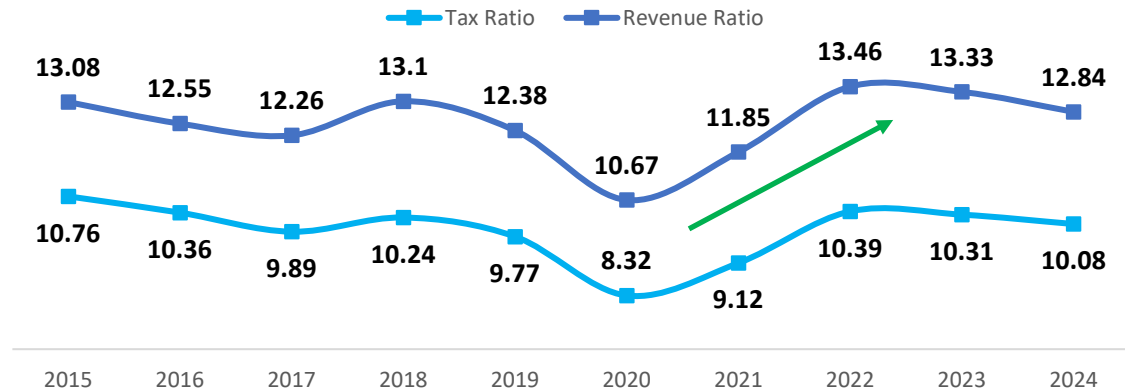


# Fiscal Discipline Continues to be Maintained

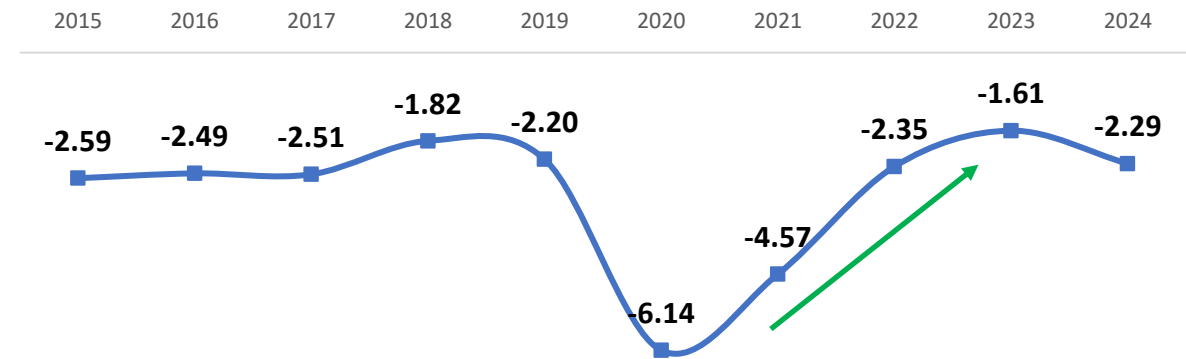
Continue robust economy growth and tax reform has been able to offset the adverse impact of the moderating commodity prices



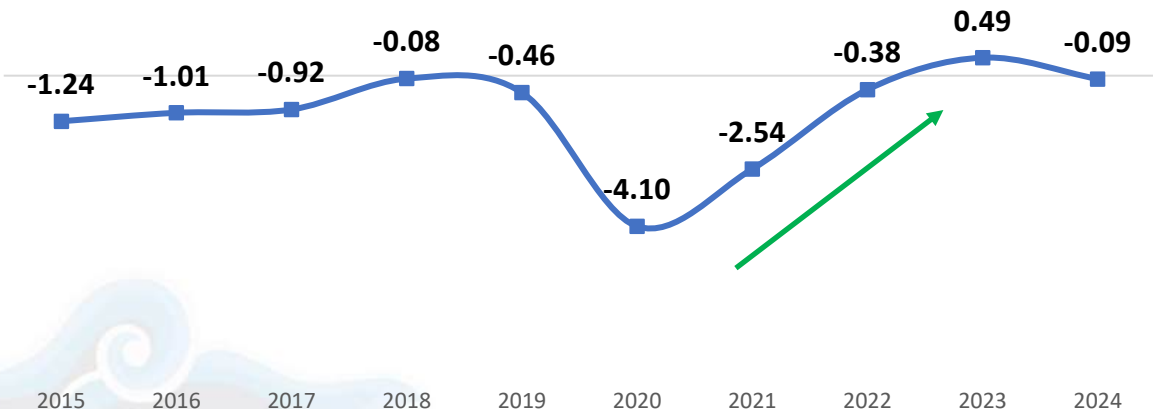
## Revenue and Tax ratio increases in line with stronger recovery (% GDP)



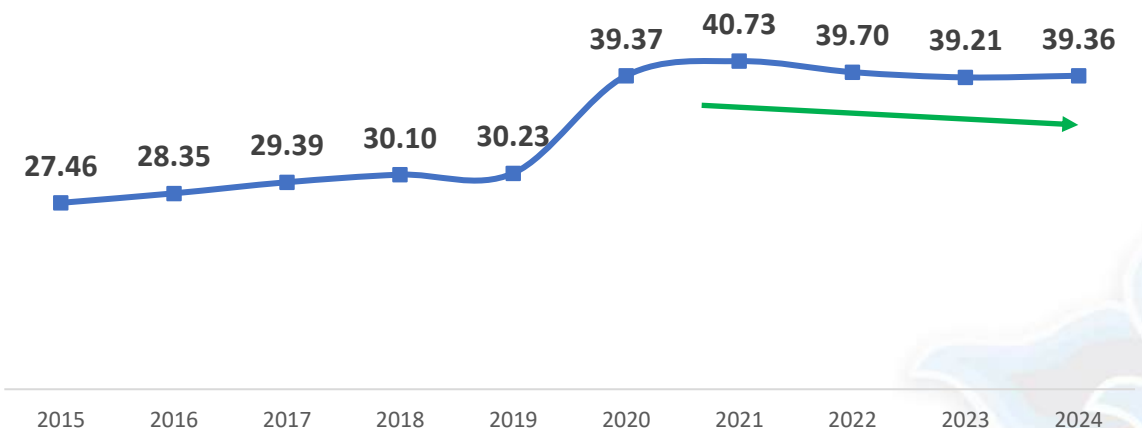
## Overall budget position improved significantly (% GDP)



## Surplus Primary Balance (% GDP)



## Debt Ratio Declines(% of GDP)












# The 2025 Budget

Projected deficit at 2.53% of GDP, under control within safe limits



## Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2024 Budget	2024 Realization	2025 Budget
 <b>Economic Growth (%)</b>	5.2	5.0	5.2
 <b>Inflation (% , yoy)</b>	2.8	1.6	2.5
 <b>10Y T-Bonds Rate (% , average)</b>	6.7	6.8	7.0
 <b>Exchange rate (IDR/US\$, average)</b>	15,000	15,847	16,000
 <b>Oil Price/ICP (USD/barrel, average)</b>	82	78.1	82
 <b>Oil Lifting (tbpd)</b>	635	571.1	605
 <b>Lifting Gas (tboepd)</b>	1,033	973	1,005








## The 2025 Budget Posture

	Budget	% GDP
<b>A. Revenue</b>	<b>3,005.1</b>	<b>12.36</b>
I. Tax Revenue	2,490.9	10.24
1. Tax	2,189.3	9.00
2. Custom and Excise	301.6	1.24
II. Non-Tax Revenue	513.6	2.11
III. Grant	0.6	0.00
<b>B. Expenditure</b>	<b>3,621.3</b>	<b>14.89</b>
I. Central Government Expenditure	2,701.4	11.11
1. Line Ministries Expenditure	1,160.1	4.77
2. Non-Line-Ministries Expenditure	1,541.4	6.34
II. Transfer to Region	919.9	3.78
<b>C. Primary Balance</b>	<b>(63.3)</b>	<b>(0.26)</b>
<b>D. Surplus/(Deficit)</b>	<b>(616.2)</b>	<b>(2.53)</b>
<b>E. Financing</b>	<b>616.2</b>	<b>2.53</b>



# Developments In Basic Macroeconomic Assumptions



	Indicator	2024		2025	
		Budget	Realization	Budget	Realization
	<b>Economic Growth (%)</b>	5.2	2024: 5,03%	5.2	-
	<b>Inflation (% , yoy)</b>	2.8	1.57	2.5	1.03% (yoy) 1.65% (mtom)
	<b>Exchange rate* (IDR/USD average)</b>	15.000	16.162 (eop) 15.847 (ytd)	16.000	16.795 (eop)* 16.379 (ytd)*
	<b>10Y T-Bonds Rate (% , average)</b>	6.7	7.0 (eop) 6.8 (ytd)	7.0	7.07% (eop)** 6.97% (ytd)**
	<b>ICP Indonesia (USD/barel, average)</b>	82	71.6 (eop) 78.1 (ytd)	82	71,1 (eop) 74,1 (ytd)
	<b>Oil Lifting (tbpd)</b>	635	579.7	605	573.9
	<b>Gas Lifting (tboepd)</b>	1.033	978.8	1.005	985.7

## Inflation Rate

March inflation was driven by the end of electricity discounts and stable food prices during Ramadan and Eid.

## Rupiah Value and SBN Yield

The exchange rate remains sensitive to global market fluctuations, while government bond (SBN) yields stay stable and competitive. The government continues to monitor and mitigate risks from global financial dynamics affecting domestic markets.

## Indonesia Crude Oil Price (ICP)

Geopolitical factors continue to drive oil price volatility. Overall, prices are trending downward amid weak demand and U.S. policy signals. OPEC+ is expected to review its production cut strategy.

## Oil and Gas Lifting

The optimization of oil and gas lifting is being pursued through enhanced investment and advancements in technology.



# The 2025 State Budget Performance as of March Still on Track

Improved revenue performance, with expenditure showing significant disbursement



2025

(in IDR tn)	Budget	Realization as of 31 Mar	% Budget
<b>A. Revenue</b>	<b>3,005.1</b>	<b>516.1</b>	<b>17.2</b>
I. Tax Revenue	2,490.9	400.1	16.1
1. Tax	2,189.3	322.6	14.7
2. Custom and Excise	301.6	77.5	25.7
II. Non-Tax Revenue	513.6	115.9	22.6
<b>B. Expenditure</b>	<b>3,621.3</b>	<b>620.3</b>	<b>17.1</b>
I. Central Government Expenditure	2,701.4	413.2	15.3
1. Line Ministries Expenditure	1,160.1	196.1	16.9
2. Non-Line-Ministries Expenditure	1,541.4	217.1	14.1
II. Transfer to Region	919.9	207.1	22.5
<b>C. Primary Balance</b>	<b>(63.3)</b>	<b>17.5</b>	<b>(27.7)</b>
<b>D. Surplus/ (Deficit)</b>	<b>(616.2)</b>	<b>(104.2)</b>	<b>16.9</b>
<b>% Surplus/(Deficit) to GDP</b>	<b>(2.53)</b>	<b>(0.43)</b>	
<b>E. Financing</b>	<b>616.2</b>	<b>250.0</b>	<b>40.6</b>

Revenue

IDR 516.1 tn

▼ 18,2% (yoy)

Expenditure

IDR 620.3 tn

▲ 1,4% (yoy)

Budget Deficit

IDR 104,2 tn

0.43% GDP

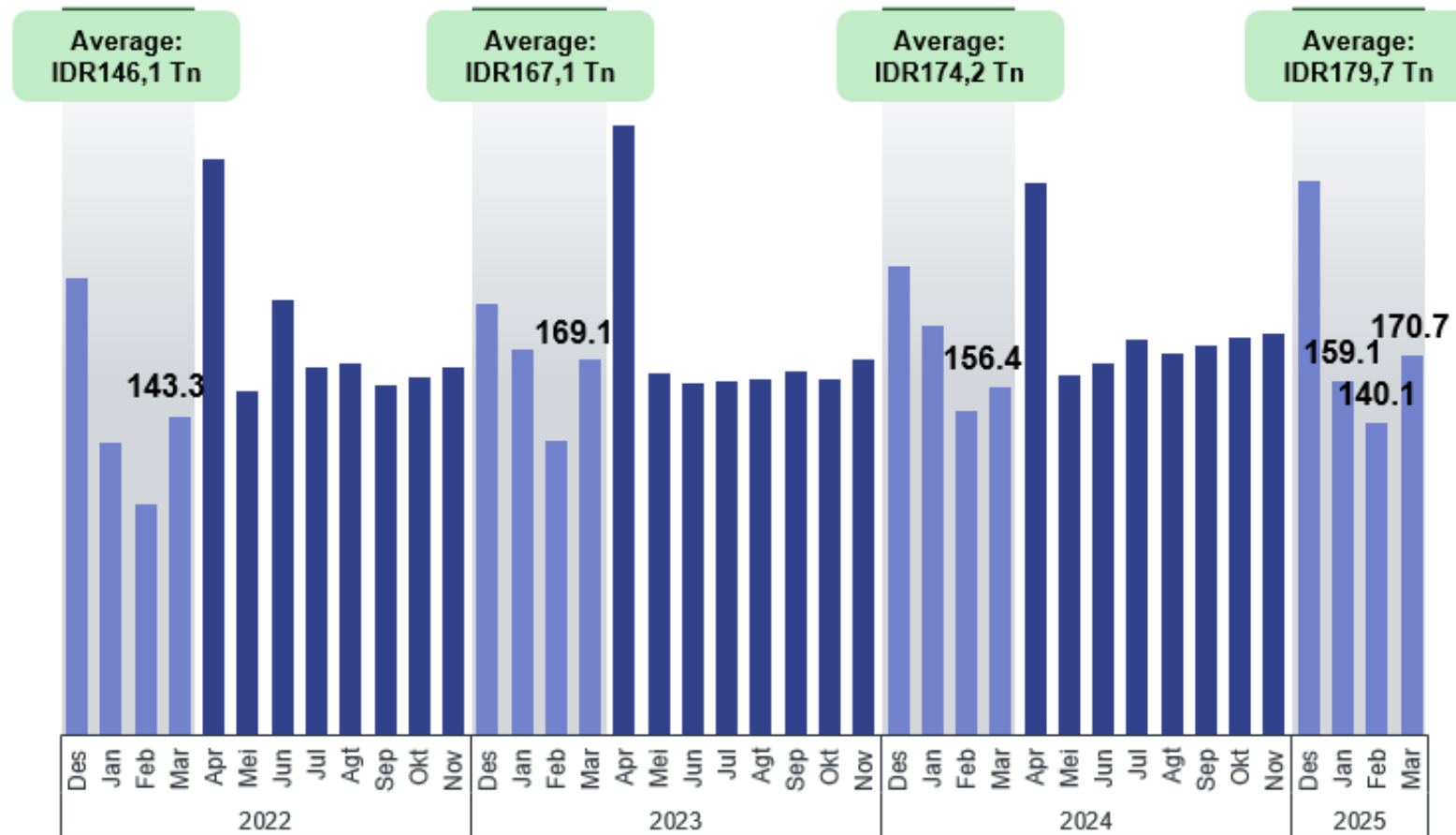
Primary Balance  
Surplus

IDR 17.5 tn



# Tax Revenue Shows Upward Trend in March 2025

Gross tax revenue until March 2025 amounted to IDR469.91 Tn



	Gross Growth (%, yoy)	Cumulative Gross Growth (%, ytd)
January	-13,4	-13,4
February	-4,0	-9,3
<b>March*</b>	<b>9,1</b>	<b>-3,3</b>

## March 2025 (Provisional Data)



Tax revenues follow a specific monthly trend, but changes in tax administration policies, like implementing the Average Effective Rate (TER) of Income Tax 21 and relaxing administrative deadlines for payments and tax return reporting, have altered this pattern.



Cumulative admissions from December 2024 to March 2025 showed a slight improvement compared to the previous year.



Besides administrative changes, shifts in economic activity and commodity prices also impact the monthly trend pattern of tax revenues.



# Government Expenditure Accelerate in March After Slow Start to the Year

Realization reaches IDR620.3 trillion (17.1% of budget), up significantly from 9.6% in February



## Central Government Expenditure realization until March 31 reached IDR413.2 T or 15.3% of budget

(in 2024, the realization of the same period was 17,3% of budget due to election and food assistance program)

### Line Ministries Expenditure IDR196.1 T (16.9% of Budget)



- Expenditure including Religious Holiday Bonus for Government Employees, Military, and Police Personnel;
- Social Assistance (a.l. PBI JKN, PKH, Basic food cards etc.) will still be paid/distributed according to the schedule

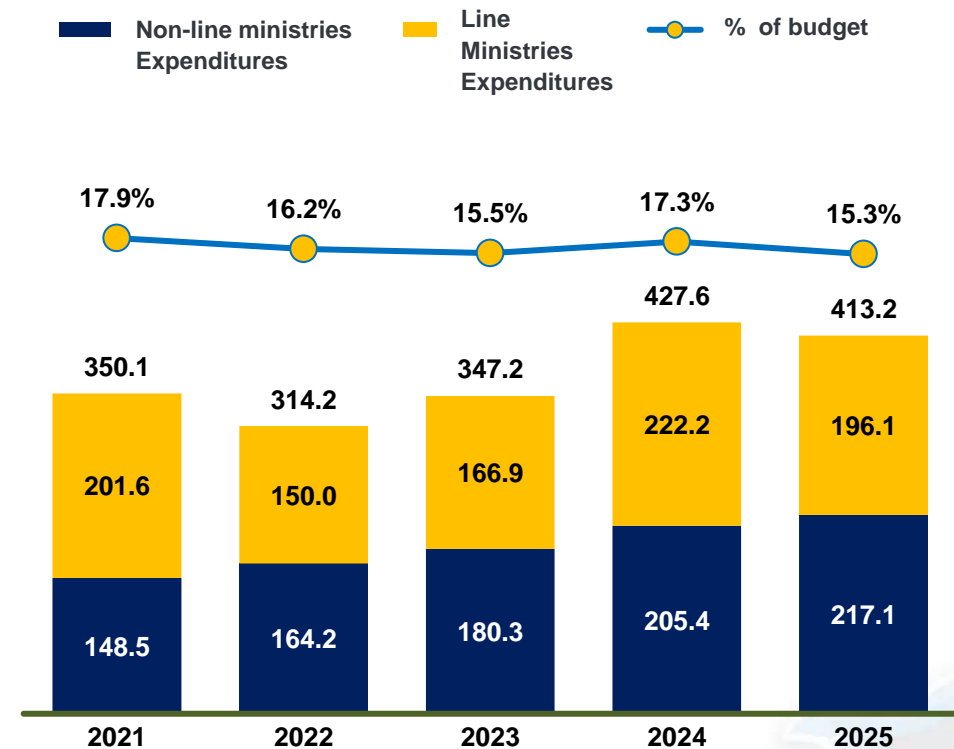
### Non-Line Ministries Expenditure IDR217.1 T (14.1% of Budget)



supported by the payment of pension benefits including Religious Holiday Bonus, subsidies, and compensation according to the schedule

Based on the potential formation of GDP up to the third week of April, the contribution of Budget showed an increasing contribution to support investment (I), consumption (C) and government spending (G).

### Central Government Expenditure Realization March 2021 – 2025 (IDR Tn)





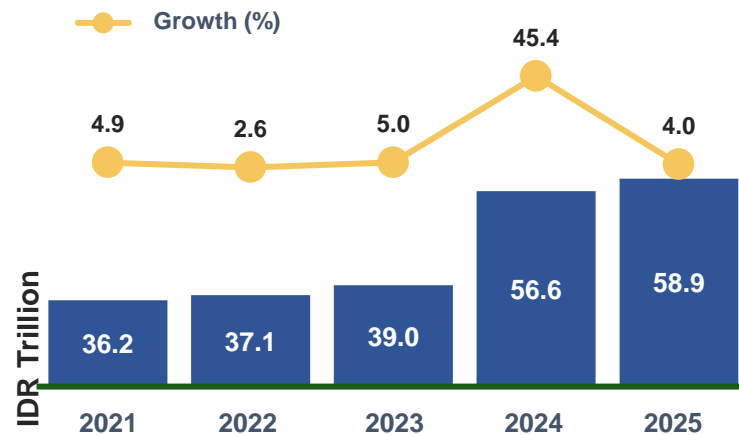
# Non-line Ministries Expenditure Pick Up In March



Non-Line Ministries Expenditure realization until March 31 reached IDR217.1 T or 13.3% of budget

## Pension Benefits

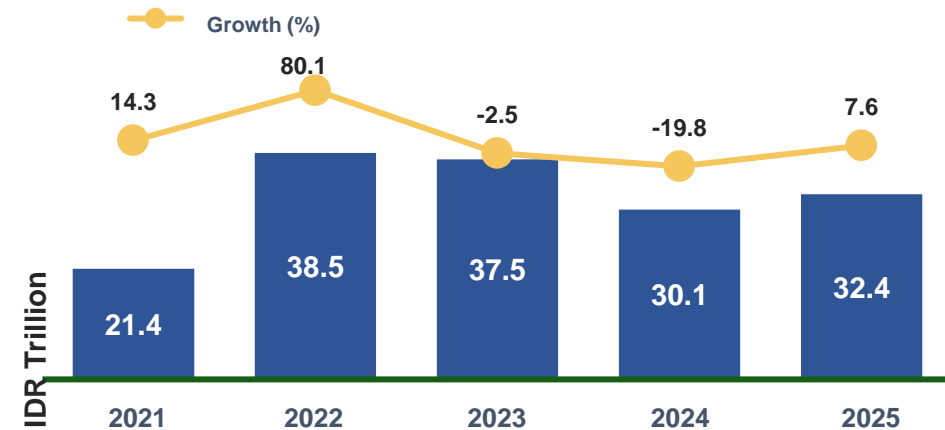
Payment of pension benefits including Religious Holiday Bonus as scheduled



Utilization	2024	2025	
	Realization	Realization	Growth (%)
Pension Benefits	56,6	58,9	▲ 4,0
- Taspen	49,7	51,7	▲ 4,1
- Asabri	6,9	7,2	▲ 3,8

## Subsidies & Compensation

Subsidy realization until March 31, 2025 come from Energy Subsidy (IDR32.2 trillion) and Non-Energy Subsidy (IDR183.9 billion)



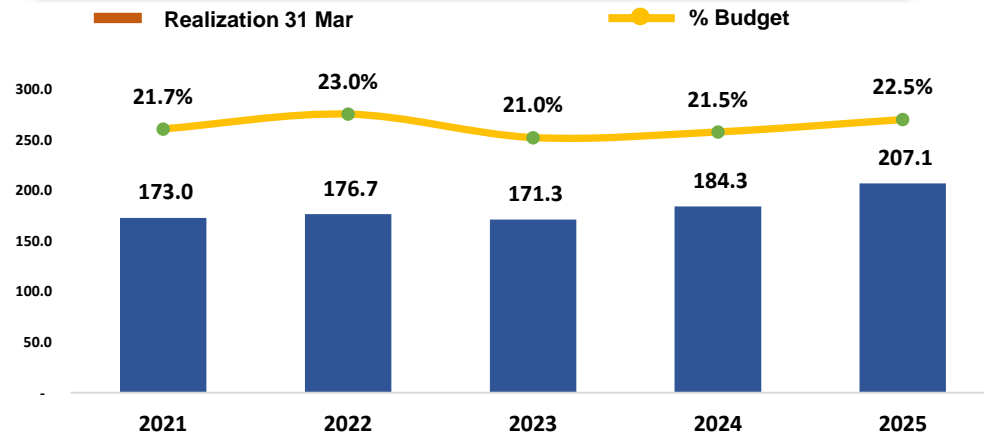
Utilization	2024	2025	
	Realization	Realization	Growth (%)
Fuel (in thousand kiloliters)	2.807,9	2.906,8	▲ 3,5%
LPG 3 Kg (in million kg)	1.329,8	1.368,0	▲ 2,9%
Subsidized electricity (in million customers)	40,2	41,9	▲ 4,2%
Fertilizer (in million tons)	1,3	1,7	▲ 27,7%



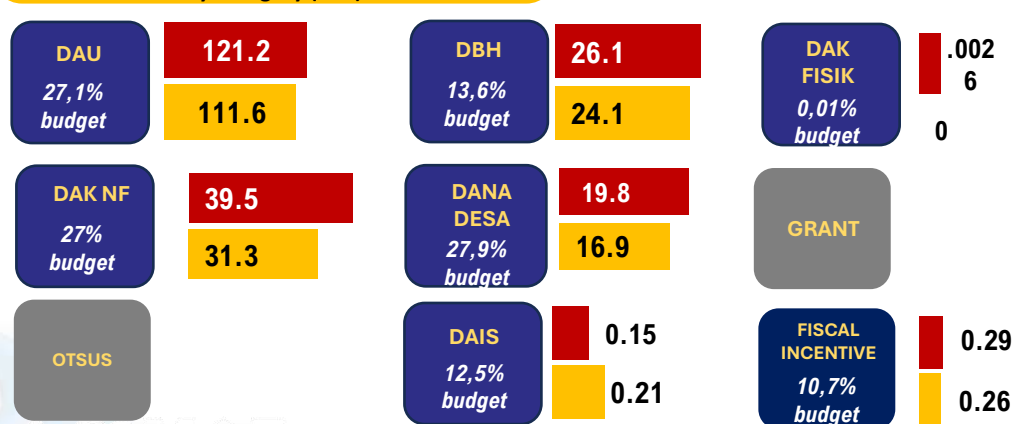
# Increased Transfer To Region Disbursement Compared To Last Year Underscore Stronger State Budget Support For Local Public Services



Transfer to Region Realization  
until 31 March, 2021-2025 (IDR Tn)



Transfer to Region Performance  
by Category (YoY)



The realization of Transfer to Regions as of March 31, 2025 is IDR 207.1 T or distributed 22.5%\* of the budget



In March, Transfer to Region distribution is optimized to support regional public services such as schools and health centers through DAK,NF, BOS and BOK, as well as to support the implementation of local government through DAU, especially to support the payment of Religious Holiday Bonus for Regional ASN.



Almost all types of Transfer to Regions have increased their realization when compared to 2024 (DAU, DBH, DAK & Dandes), this is due to an increase in regional and village performance in delivering the performance requirements.



Some Transfer to Region funds have not been distributed because the submission of performance requirements from the Regional Government has not been fulfilled and/or has not been included in the distribution schedule.

Notes:

DAU: General Allocation Fund  
DBH: Revenue Sharing Fund  
DAK Fisik: Physical Special Allocation Fund  
DAK NF: Non-Physical General Allocation Fund  
Dana Desa: Village Fund  
DAIS: Special Fund for Yogyakarta  
Otsus: Special Autonomy Fund

\*Transfer to Region budget before Presidential Instruction 1/2025



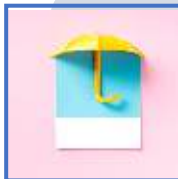
# Ensuring The Sustainability Of The 2025 Priority Budget To Support The Development Agenda



**EDUCATION**  
IDR 724.3 Tn

**20.0%**

- Improving access to and quality of education through initiatives like PIP, KIP College, BOS, BOP PAUD, and scholarships (LPDP).
- Providing nutritious meals for school children, renovating schools, and building model schools.
- Improving the connection between education and the needs of the job market.



**SOCIAL PROTECTION**  
IDR 503.2 Tn

**13.9%**

- Continuing social security programs such as PKH, Basic Food Cards, PIP, and College KIP.
- Strengthening social security across all life stages.
- Facilitating poverty alleviation through empowerment-based social protection.



**HEALTH**  
IDR 218.5 Tn

**6.0%**

- Implementing promotive and preventive measures to accelerate the reduction of stunting and tuberculosis cases.
- Constructing high-quality hospitals, providing free health check-ups, and enhancing the effectiveness of the JKN program.
- Strengthening technological and pharmaceutical independence.
- Fortifying a reliable health system.



**FOOD SECURITY**  
IDR 144.6 Tn

**3.8%**

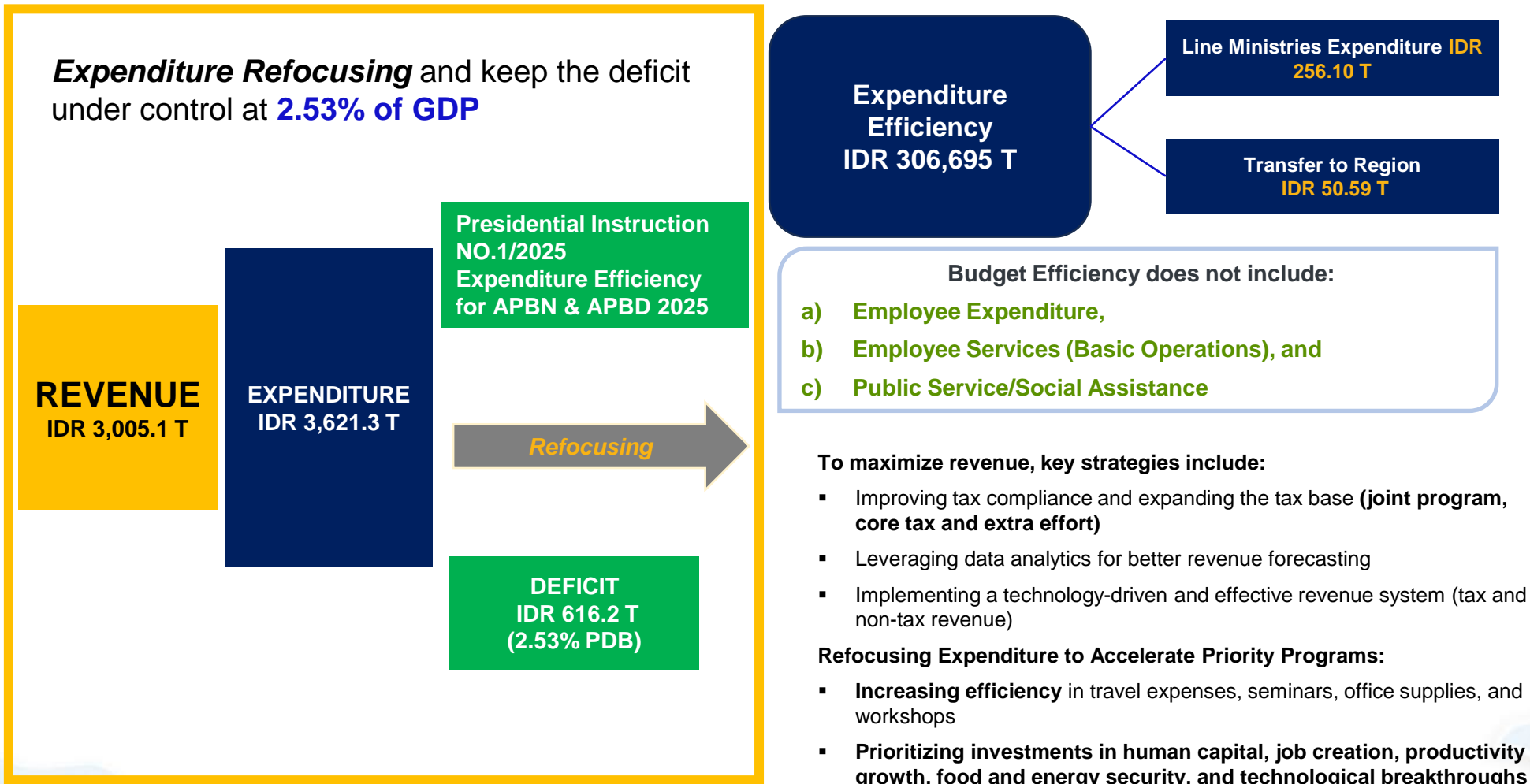
- Intensifying and expanding agricultural land, while strengthening agricultural facilities and infrastructure such as dams and irrigation systems.
- Increasing access to financing for farmers.
- Bolstering national food reserves to ensure food availability and affordability.



# The President Mandated Bureaucratic Efficiency To Boost Productive Spending (Presidential Instruction 1/2025)



Reconstructing Expenditures Towards Greater Productivity to Accelerate Development Targets





With prudent and accountable management, the realization of financing is well maintained in supporting the performance of the National Budget

## Debt Financing Realization

Rp 224.3 (28.9%)

**Government Securities**  
(Net)

Rp 238.8

**Foreign Loan**  
(Net)

Rp (14.4)

Note :

1. all numbers in trillion Rupiah
2. The percentage is the percentage of budget ceiling from National Budget year 2024



# 2025 Financing Needs & Sources



## Financing Needs

**2025 State Budget Deficit  
(2.53% GDP)**



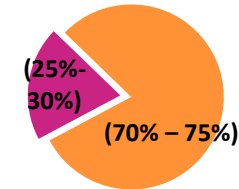
- Investment financing
- On Lending
- Guarantees
- Other financing
- Debt repayment



## Financing Sources

Foreign Loan

Foreign  
Currency Bonds



■ Foreign Currency  
■ Local currency

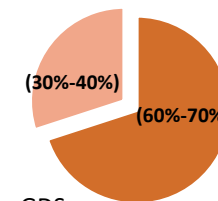
Domestic Loan

Domestic Bonds



Gross Bonds  
Issuance  
(Auction & non auction)

2025  
Matured  
T-Bills  
Issuance



■ GDS  
■ Sukuk

## 2025 GS Issuances

**Realization as of Mar 31<sup>st</sup> (Trillion IDR)**

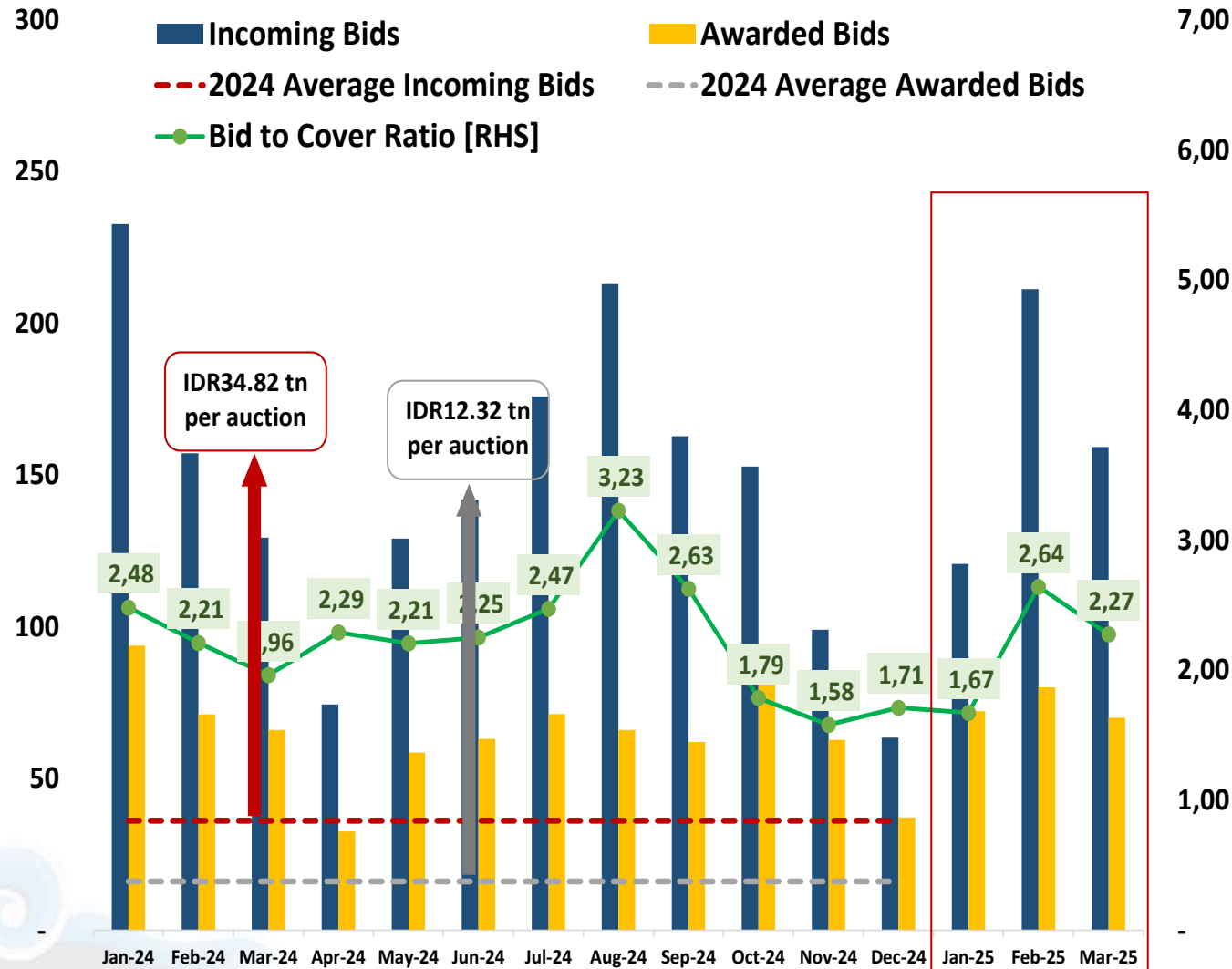
Government Debt Securities (SUN)	288.44
IDR Denominated	232.56
FX Denominated	55.88
Sovereign Sharia Securities (SBSN)	113.53
IDR Denominated	69.10
FX Denominated	44.43

*Note: Realization of issuances including prefunding in 2024*



# Primary Market Performance 2024 - 2025

Government Securities (GS)



## In 2025 :

- Average incoming bid is **IDR44.65 tn/auction**
- Average awarded bid is



# Ownership of Tradable Domestic GS



Description	Dec-20		Dec-21		Dec-22		Dec-23		Dec-24		Mar-25	
<b>Banks*</b>	1,375.57	35.54%	1,591.12	34.01%	1,697.43	31.97%	1,495.39	26.52%	1,051.40	17.41%	1,121.88	17.99%
Govt Institutions (Bank Indonesia**)	454.36	11.74%	801.46	17.13%	1,020.02	19.21%	1,095.51	19.43%	1,618.01	26.79%	1,643.06	26.35%
Bank Indonesia (gross)	874.88	22.60%	1,220.73	26.09%	1,453.58	27.38%	1,363.90	24.19%	1,486.85	24.62%	1,551.06	24.88%
GS used for Monetary Operation	420.51	10.86%	419.27	8.96%	433.57	8.17%	268.39	4.76%	(131.16)	-2.17%	(92.00)	-1.48%
<b>Non-Banks</b>	2,040.83	52.72%	2,286.40	48.87%	2,591.98	48.82%	3,048.51	54.06%	3,370.11	55.80%	3,470.14	55.66%
Mutual Funds	161.32	4.17%	157.93	3.38%	145.82	2.75%	177.80	3.15%	186.99	3.10%	186.47	2.99%
Insurance Company and Pension Fund	542.82	14.02%	655.24	14.00%	873.03	16.44%	1,041.40	18.47%	1,145.27	18.96%	1,183.39	18.98%
Foreign Holders	973.91	25.16%	891.34	19.05%	762.19	14.36%	842.05	14.93%	876.64	14.52%	891.87	14.30%
Foreign Govt's & Central Banks	178.31	4.61%	233.45	4.99%	203.11	3.83%	229.16	4.06%	257.36	4.26%	266.51	4.27%
Individual	131.21	3.39%	221.41	4.73%	344.30	6.48%	435.28	7.72%	542.50	8.98%	567.57	9.10%
Others	231.57	5.98%	360.47	7.70%	466.65	8.79%	551.98	9.79%	618.71	10.24%	640.84	10.28%
<b>Total</b>	<b>3,870.76</b>	<b>100%</b>	<b>4,678.98</b>	<b>100%</b>	<b>5,309.43</b>	<b>100%</b>	<b>5,639.41</b>	<b>100%</b>	<b>6,039.52</b>	<b>100%</b>	<b>6,235.07</b>	<b>100%</b>

67.91%

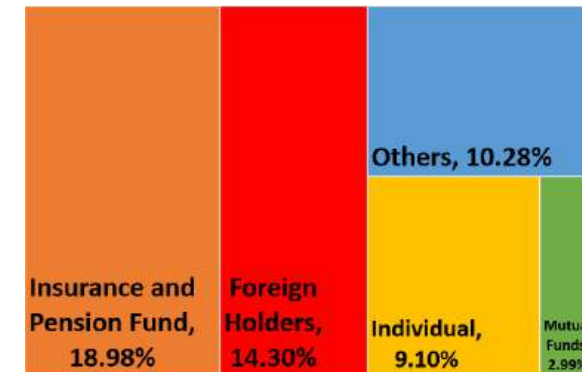
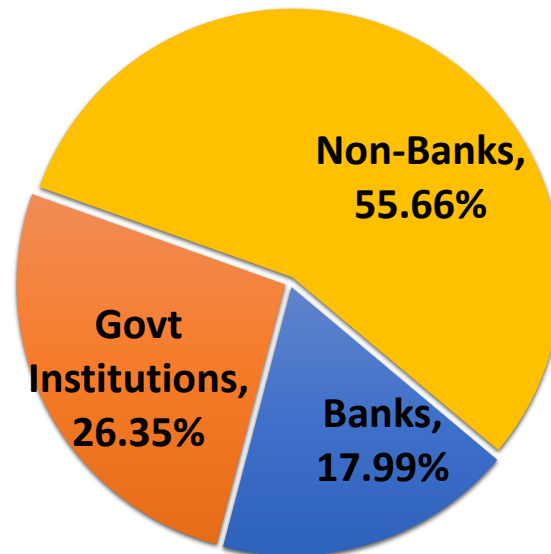
Portion of foreign ownership in the mid & long term sector (≥ 5 years)

IDR1,092.02

on January 24, 2020, foreign holders reach a record high in nominal terms

- 1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.  
 2) Others such as Securities Company, Corporation, and Foundation.  
 \*) Including the Government Securities used in monetary operation with Bank Indonesia.  
 \*\*) net, excluding Government Securities used in monetary operation with Banks.

Source : SI-BISSES



Source: Ministry of Finance

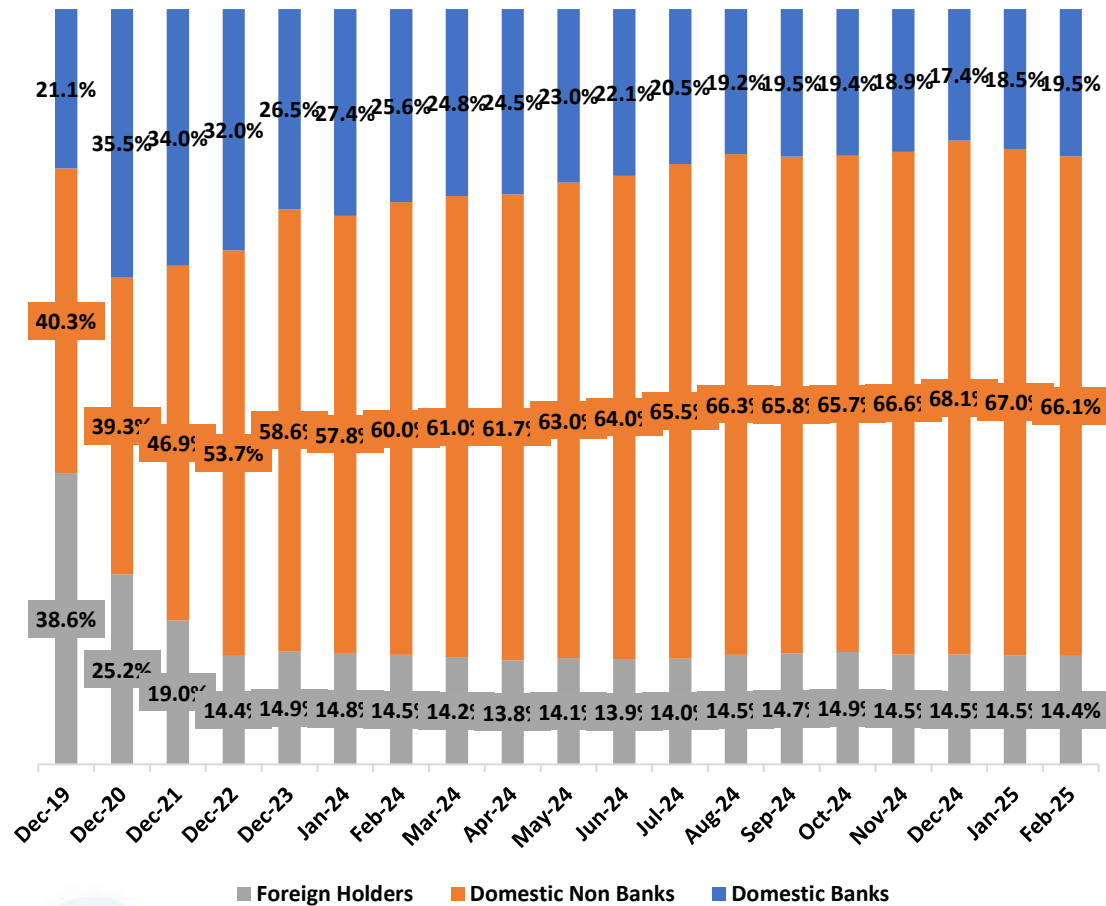


# Holders of Tradable Government Securities

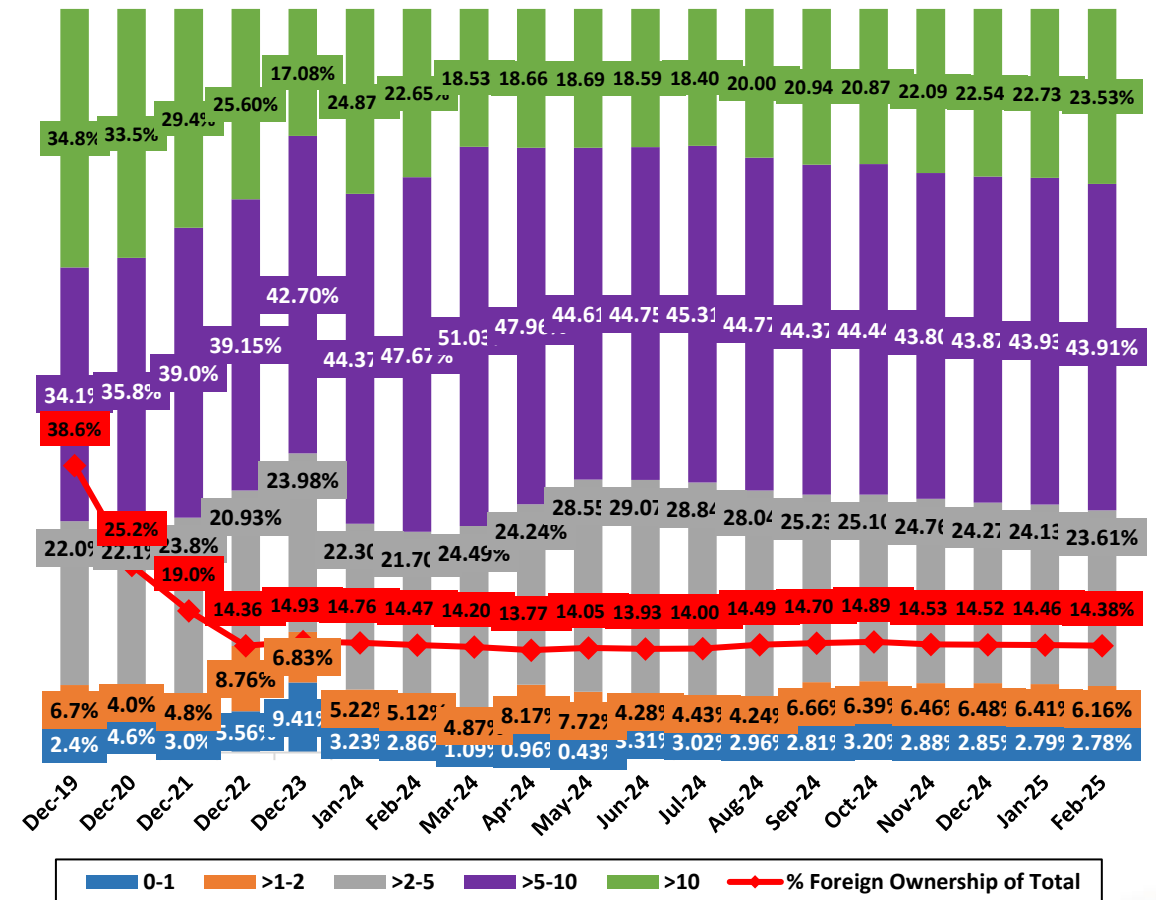
More Balance Ownership In Terms of Holders and Tenors



Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor





# Government Guarantee For Infrastructure Development

Reflects strong commitment to national infrastructure development



## Government Guarantee Program

<b>Credit Guarantee</b>	<ul style="list-style-type: none"> <li><b>Power (Electricity)</b> – Full credit guarantee for PT PLN's debt payment obligations under FTP 1 10.000MW and 35GW programs*</li> <li><b>Clean water</b> – Guarantee for 70% of PDAM's debt principal payment obligations</li> <li><b>Toll road</b> – Full credit guarantee for PT Hutama Karya's debt payment obligations for the development of Sumatra Toll Roads</li> <li><b>Infrastructure</b> - Full credit guarantee on SOE's borrowing from international financial institution &amp; financing guarantee for PT SMI's local infrastructure</li> <li><b>Public Transportation (Light Rail Transit)</b> – Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development of LRT Jabodebek</li> <li><b>Jakarta-Bandung High Speed Train</b> – Full credit guarantee in order to fulfill obligation of sharing amount of capital into joint corporation or to financing the cost overrun of KCJB project.</li> </ul>
<b>Business Viability Guarantee (BVG)</b>	<b>Power (Electricity)</b> – Guarantee for PT PLN's obligations under Power Purchase Agreements with IPPs (off-take and political risk) under FTP-2 10.000MW and 35GW programs*
<b>PPP Guarantee</b>	<b>Infrastructure</b> – Guarantee for Government-related entities obligations (line ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements
<b>Political Risk Guarantee</b>	<b>Infrastructure</b> – Guarantee for infrastructure risk of National Strategic Projects (Presidential Decree No.58/2017) which are not covered by other type of guarantees

## Contingent Liabilities from Government Guarantee as of Q4 2024\*\*

No	Central Government Guarantee for Infrastructure Programs	Exposure/ Outstanding (USD billion)
1	Coal Power Plant 10,000MW Fast Track Program (FTP 1)	0,04
2	Renewable energy, Coal and Gas Power Plant 10,000 MW (FTP 2)	3,99
3	Electricity Infrastructure Fast Track Program (35 GW)	5,65
4	Direct Lending from International Financial Institution to SOEs	3,08
5	Public –Private Partnerships (PPP)	6,73
6	Sumatera Toll Road	1,67
7	Light Rail Transit Jabodebek	1,38
8	Jakarta-Bandung High Speed Train	0,45
9	Clean Water Supply Program	0,01
10	Regional Infrastructure Financing	0,04
	<b>Total</b>	<b>23,03</b>

- Maximum new guarantee issuance for the period 2025-2029 is set at 0.6% of GDP per year.
- Starting from 2008 the Government has allocated a contingent budget with respect to these guarantees. The allocated fund is then transferred to a guarantee reserve fund. This reserve fund can be used to serve any claims that may arise from the guarantees.

\*) MOF provides both credit guarantees and BVGs for 35GW program

\*\*) Currency conversion of IDR16,162.00/USD1, IDR16,851.32/EUR1 and IDR 102.36/JPY1 (31 Desember 2024)



# 2025 Global Sukuk Transaction Summary

## (Prefunding)



- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2024 and successfully priced a US\$ 2.75 billion Sukuk offering comprising of US\$ 1,100 million 5.5-year, US\$ 900 million 10-year, and a 30-year US\$ 750 million tranche.
- The transaction received positive response from investors since the start of bookbuilding, generating a combined final order book exceeding US\$ 5.5 billion reflecting an oversubscription of 2.0x. The transaction is priced at 5.0% for 5.5-year, 5.25% for 10-year, and 5.65% for 30-year tranche.
- Several notable achievements of this transaction include:
  - This marks the fourth time the Republic has accessed the USD debt capital markets, making it the sole Asian sovereign to successfully access the USD market four times throughout 2024 indicating sustained investor's interest in the Republic's issuance.
  - The final price represents the tightest ever print on a spread basis compared to U.S. Treasuries across the 10-year and 30-year tenors from the Republic for both its Conventional and Sukuk issuances historically.
  - The final order size is the largest USD issuance in ASEAN this year and helped the Republic raise a total of \$5.1 billion USD Sukuk Issuance, this marks the largest amount that the Republic has managed to raise in a single year via Sukuks historically.
  - Higher allocation to investors from Middle East, Malaysia, and Brunei on the 5.5-year and 10-year tranche.

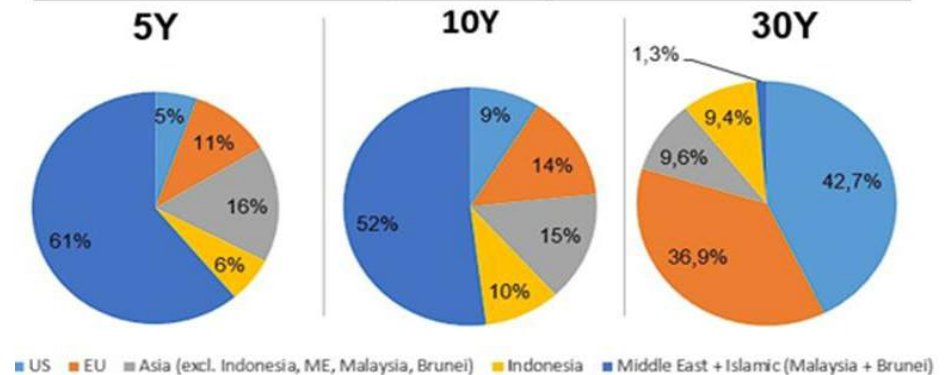
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme		
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)		
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Pricing Date	18 November 2024		
Issue Date	25 November 2024		
Tenor	5.5Y Sukuk	USD 10Y Sukuk	USD 30Y Sukuk
Maturity Date	25 May 2030	25 Nov 2034	25 Nov 2054
Tranche Size	USD 1.1 billion	USD 900 million	USD 750 million
Profit Rate	5.00% Fixed, Semi-annual, 30/360	5.25% Fixed, Semi-annual, 30/360	5.65% Fixed, Semi-annual 30/360
Re-Offer Price	100.00%	100.00%	100.00%
Reoffer Spread	UST + 72 bps	UST + 83.4 bps	UST + 103.8 bps
Reg S ISIN	USY68613AD30	USY68613AE13	USY68613AF87
144A ISIN	US71567TAD46	US71567TAE29	US71567TAF93
Use of Proceeds	The Obligor will use the net proceeds it receives from the issue of Certificates to meet part of its general financing requirements		
Other Details	USD200k/1k denoms., English / Indonesian Law		
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai		
Joint Bookrunners	Deutsche Bank, Dubai Islamic Bank, J.P. Morgan, KFH Capital, Standard Chartered Bank (B&D)		
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk		

Confidential

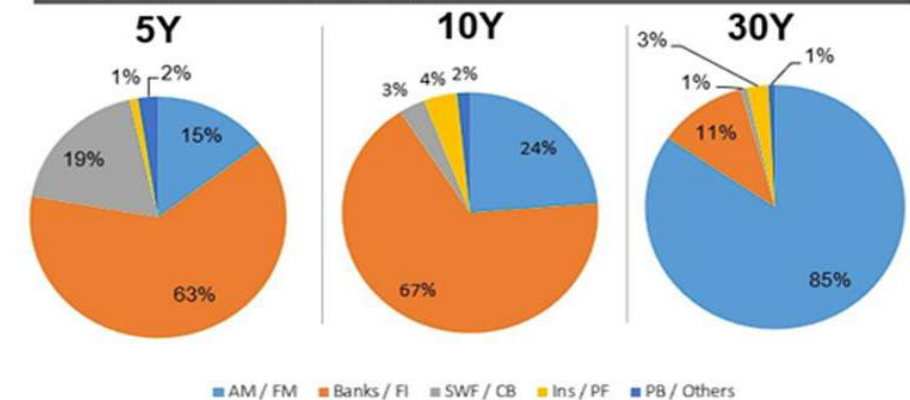
### ORDERBOOK DISTRIBUTION

5-Year USD	10-Year USD	30-Year USD
<b>US\$ 2.09bn+</b> From 108 accounts	<b>US\$ 2.05bn+</b> From 94 accounts	<b>US\$ 1.41bn+</b> From 78 accounts

### INVESTORS BY GEOGRAPHY (ALLOCATION)



### INVESTORS BY TYPE (ALLOCATION)





# SEC16 - Global Bond Transaction Summary



- **Landmark return to the USD and EUR Capital Markets** – The transaction marked the Republic's return to the G3 primary markets in just less than two months, demonstrating the Republic's strong access to the international capital markets and a testament to the high credit quality. This represented the Republic's largest deal printed in the international markets since 2021, surpassing the initial target size and meeting the Republic's price objectives.
- **First-mover advantage to capitalize on deep investor liquidity in the full opening week of 2025** – The Republic is the first sovereign issuer to open the Asia ex-Japan G3 bond market this year, on the back of generally positive risk sentiment and global macro backdrop.
- **High-quality robust orderbook laid foundations for a sharp pricing outcome** – Initial Price Guidance (IPG) was announced for the USD tranches at Asia open, followed by IPG for EUR tranches at London open within the same day.

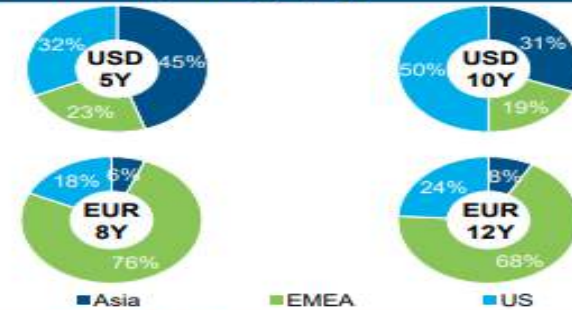
## Transaction Summary

Issuer	Republic of Indonesia (the "Republic")			
Issue Format	SEC Registered, Senior Unsecured, Fixed Rate Notes off SEC Shelf			
Issuer Ratings	Baa2 (Stable) / BBB (Stable) / BBB (Stable) (Moody's / S&P / Fitch)			
Issue Ratings	Baa2 / BBB / BBB (Moody's / S&P / Fitch)			
Pricing Date	January 8, 2025			
Settlement Date	January 15, 2025 (T+5)			
Tenor	5Y USD	10Y USD	8Y EUR	12Y EUR
Maturity Date	January 15, 2030	January 15, 2035	January 15, 2033	January 15, 2037
Issue Size	USD 900 million	USD 1.1 billion	EUR 700 million	EUR 700 million
Coupon	5.25% S/A, 30/360	5.60% S/A, 30/360	3.875% Ann Act/Act (ICMA)	4.125% Ann Act/Act (ICMA)
Re-Offer Price / Yield	99.783 / 5.30%	99.622 / 5.65%	99.716 / 3.917%	98.835 / 4.251%
Reoffer Spread	CT5+83.3bps	CT10+96.3bps	MS+145bps	MS+170bps
Par Call	1-month	3-months	6-months	6-months
Other Details	USD200k/1k denominations (USD), EUR100k/1k denominations (EUR), New York Law			
Listing	SGX-ST and Frankfurt Stock Exchange			
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic			
Joint Lead Managers	ANZ, BofA Securities (B&D), HSBC, J.P. Morgan and Standard Chartered Bank			
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk			

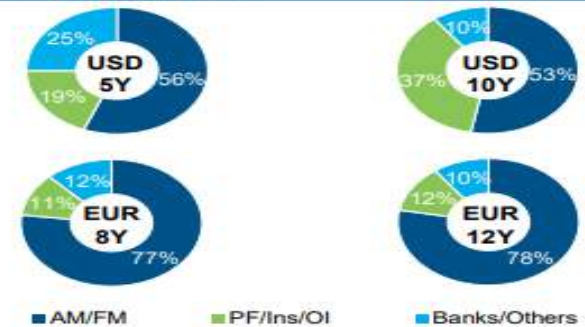
## Orderbook Distribution

USD 5Y	USD 10Y	EUR 8Y	EUR 12Y
Books > \$2.05bn (incl. \$2.45mm add'l "prop" per HKSFC code) from 105 accounts)	Books > \$2.20bn (incl. \$3.4mm add'l "prop" per HKSFC code) from 114 accounts	Books > €1.2bn from 63 accounts	Books > €1.2bn from 57 accounts

## Investors by Geography



## Investors by Type





# Maintaining Sustainability of Spending Priorities in the 2025 Budget to Support Development Agenda



## EDUCATION

IDR724.3 T

- Improving access and quality of education, including PIP, KIP College, BOS, BOP PAUD, scholarships (LPDP)
- **Providing free nutritious meals for school children, renovating schools, and building model schools**
- Strengthening link & match with the labor market (vocational & certification)



## SOCIAL PROTECTION

IDR503.2 T

- Continuing social protection programs such as PKH, Kartu Sembako, PIP, KIP College
- Synergy and integration of social protection with **welfare cards**
- Strengthening lifelong social protection
- Strengthening graduation from poverty through empowerment-based social protection



## HEALTH

IDR218.5 T

- Promotive and preventive efforts, accelerating the reduction of **stunting and TB cases**
- **Building quality hospitals, providing free health check-ups** and improving the effectiveness of the JKN program
- Strengthening technology and pharmaceutical independence
- Strengthening a reliable health system



## FOOD SECURITY

IDR144.6 T

- Intensification and extensification of agricultural land, strengthening agricultural facilities and infrastructure (e.g., dams and irrigation)
- Food barns & increasing farmers' access to financing
- Strengthening national food reserves (availability and affordability of food)





## Section 5

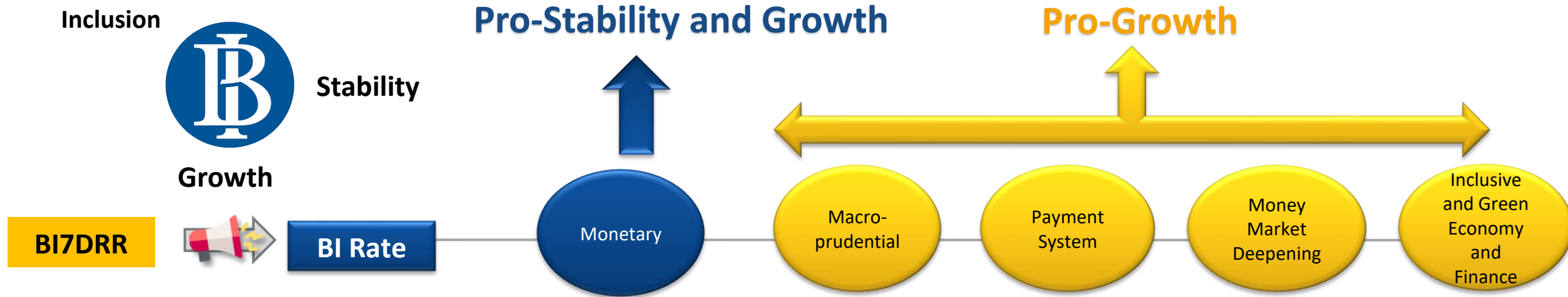
# Monetary & Financial Sector

*“Credible Monetary Policy and  
Favorable Financial Sector”*

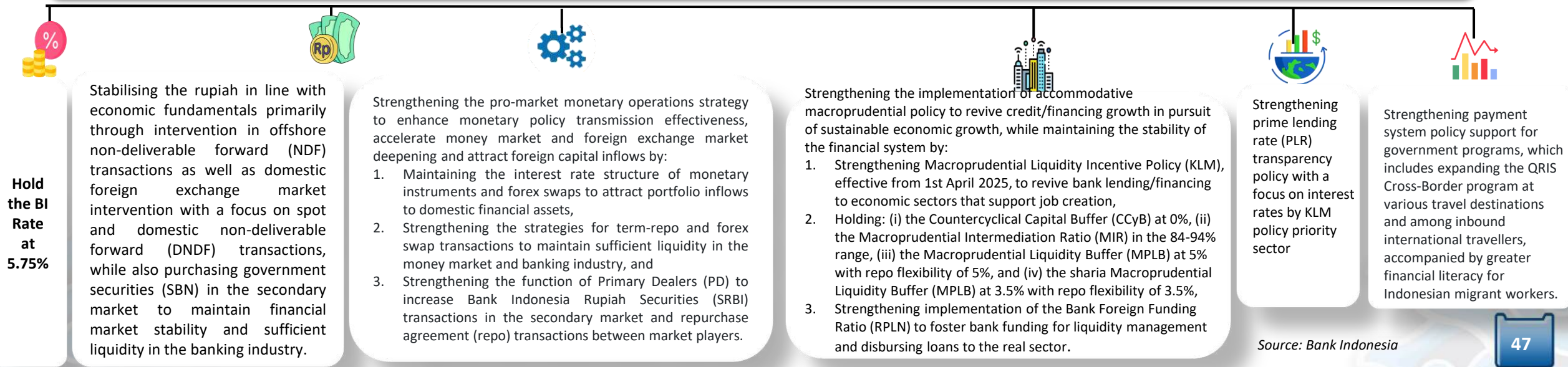


# Bank Indonesia Policy Mix: April 2025

## Maintaining Stability, Strengthening Economic Growth



The Bank Indonesia Board of Governors decided on 22nd-23rd April 2025 to hold the BI-Rate at 5.75%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.00% and 6.50%, respectively. The decision is consistent with efforts to maintain inflation in 2025 and 2026 within the  $2.5 \pm 1\%$  target corridor, maintain rupiah exchange rate stability in line with economic fundamentals despite increasing global uncertainty, and drive economic growth.



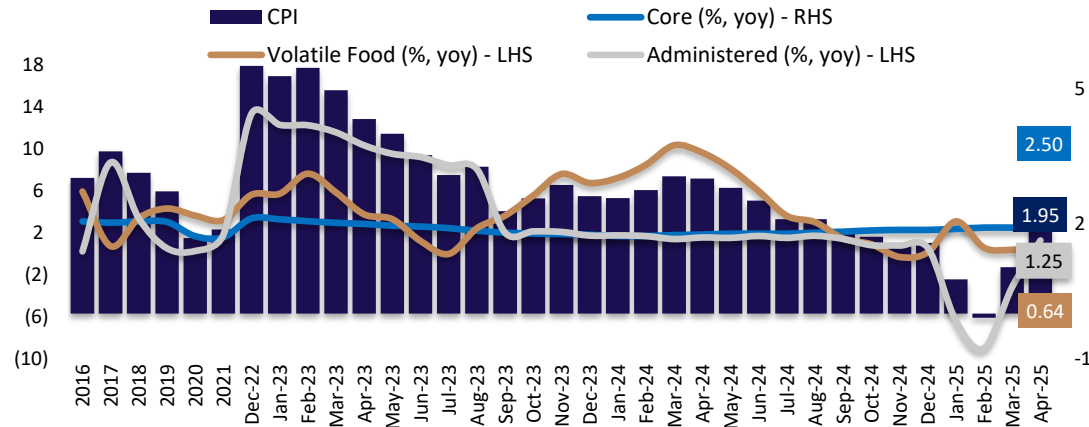
Source: Bank Indonesia



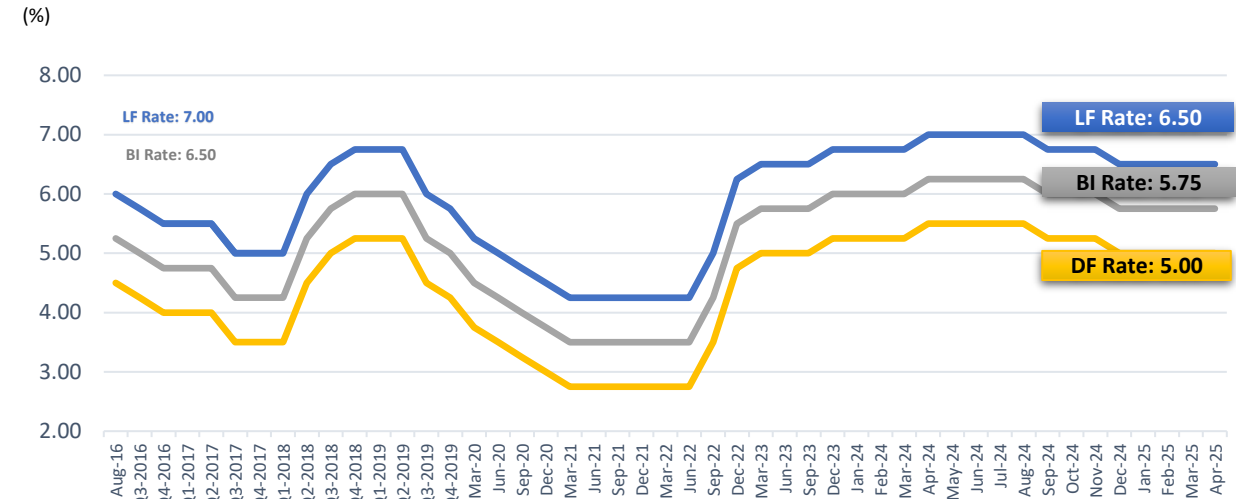
# Manageable Monetary Environment Amid Heightened Global Uncertainty



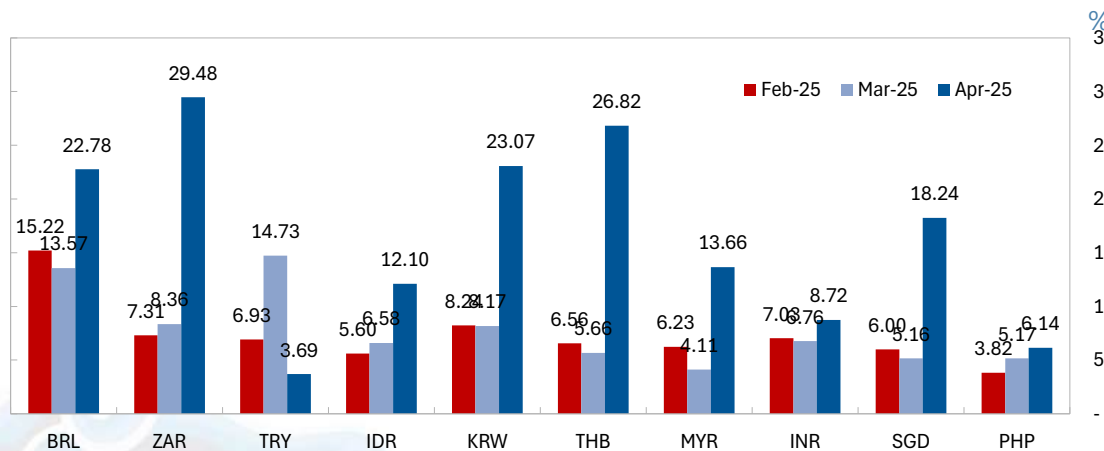
## Well Maintained Inflation Ensured Price Stability



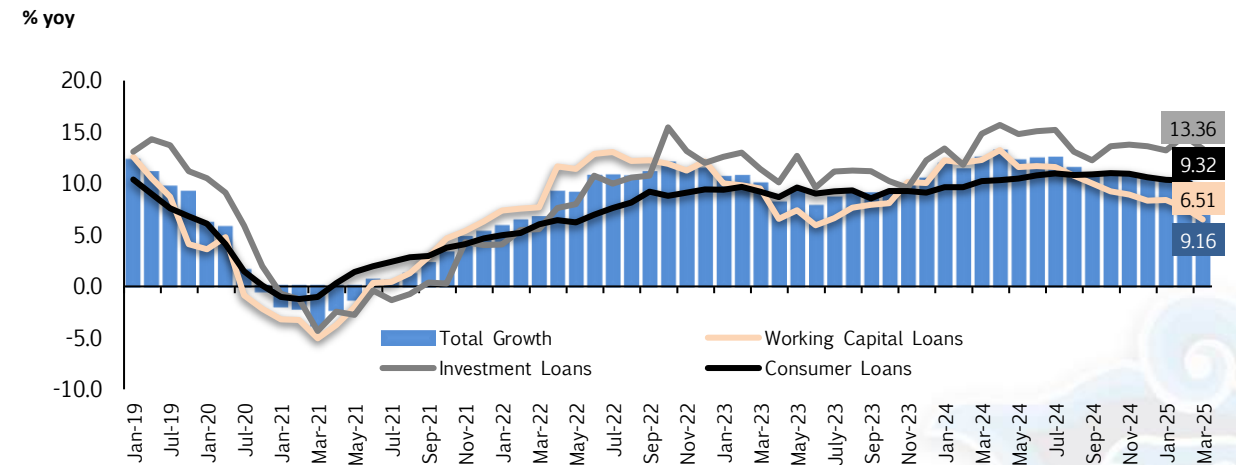
## Strengthened Monetary Policy Framework



## Rupiah Exchange Rate Volatility



## Credit Growth Profile





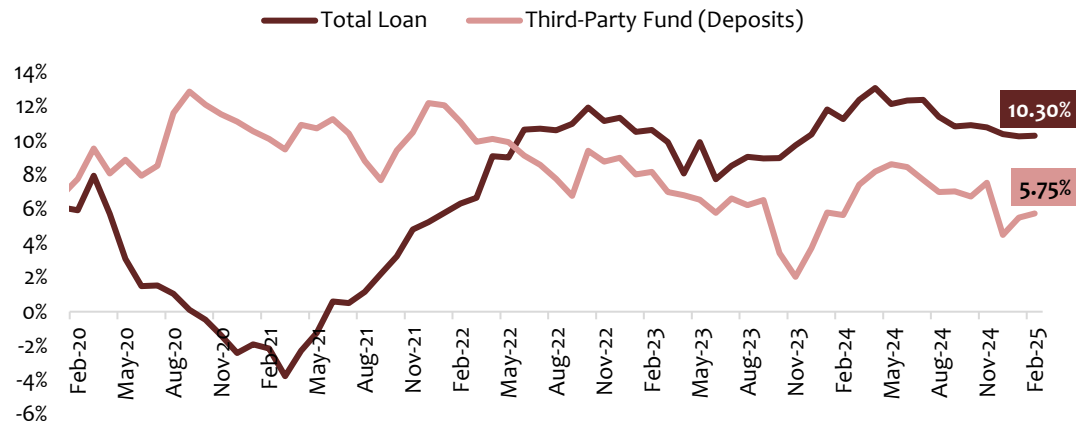
# Banking Intermediation



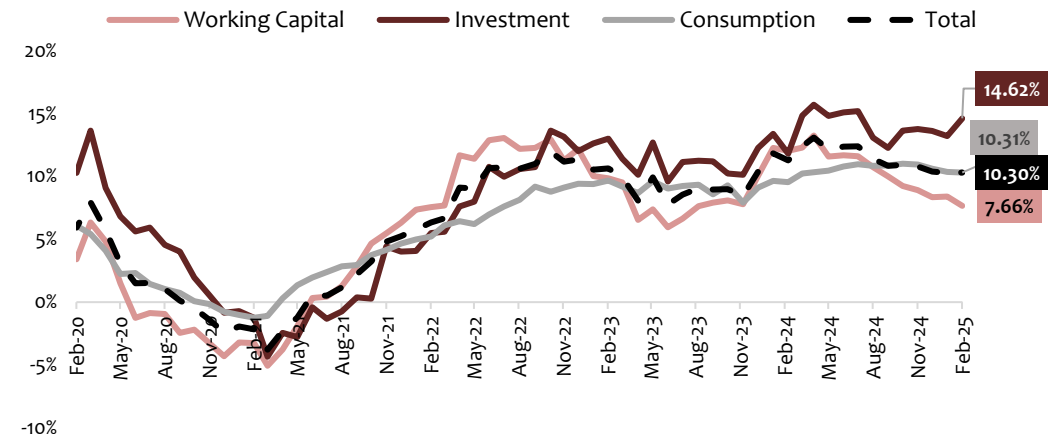
Despite global economic challenges, bank loans and third-party funds continue to grow, driven by increased demand for investment and corporation loans



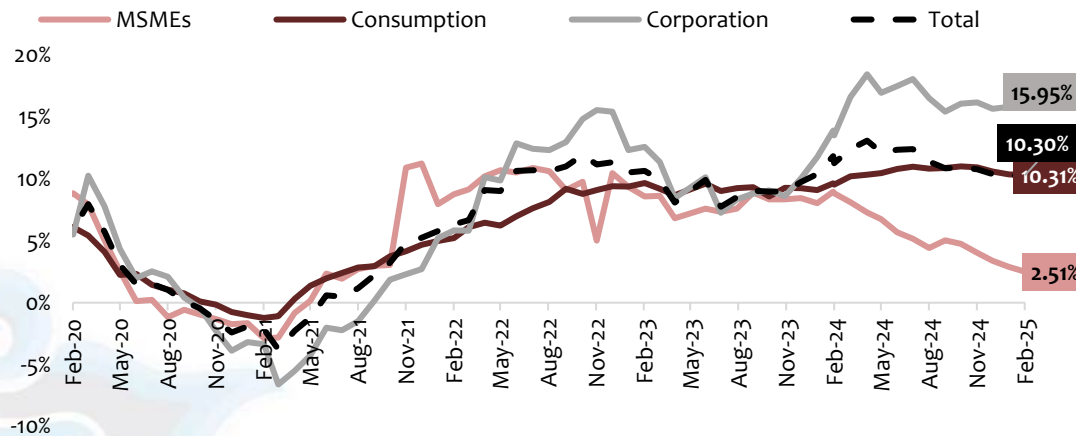
In **February 2025**, bank credit grew by **10.30% (yoy)** and total deposits grew by **5.75% (yoy)**, respectively.



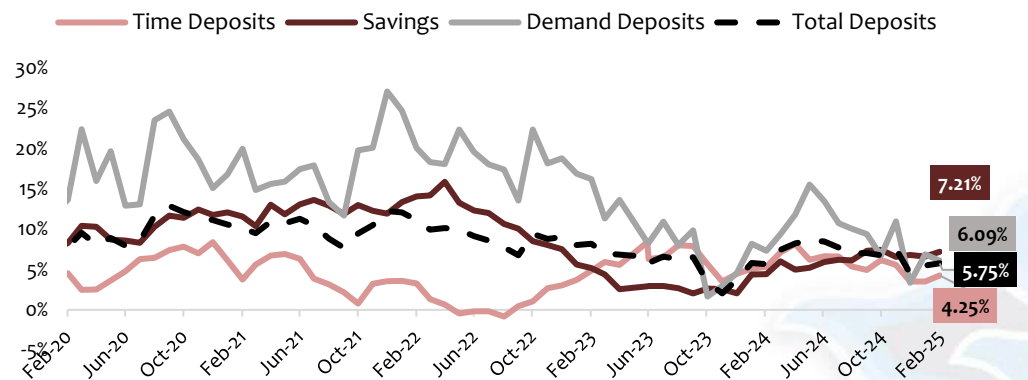
Majority types of loans maintained a positive trend in **February 2025**, with **investment loans**, in particular, growing by **14.62% (yoy)**.



Loan growth remained stable in **February 2025**, with major contribution from **Corporation loans**, with **15.95% (yoy)** growth.



Total deposits grew in **February 2025** driven by **Savings** growth of **7.21% (yoy)**.





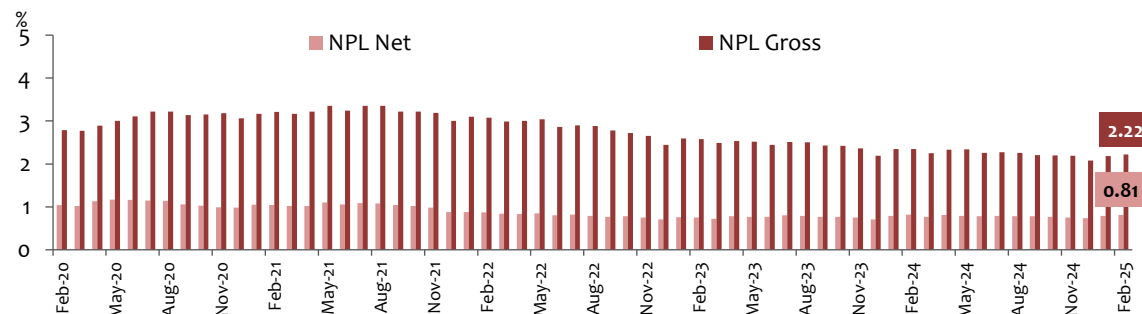
# Banking Risk Profile and Profitability



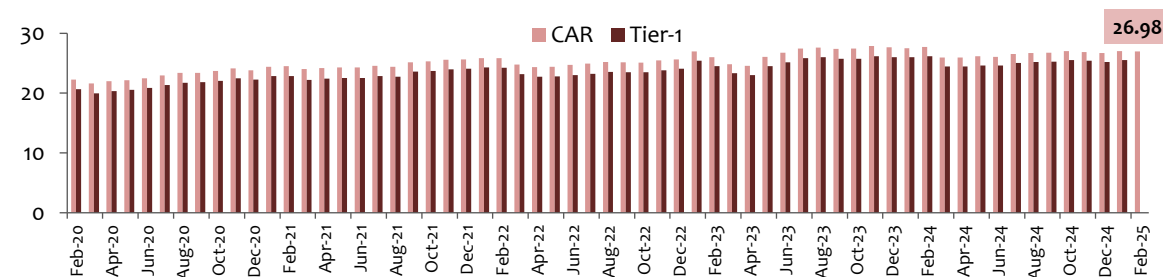
*The banking industry has ample liquidity, resilient capitalization, and manageable credit risk, while maintaining a consistent level of profitability*



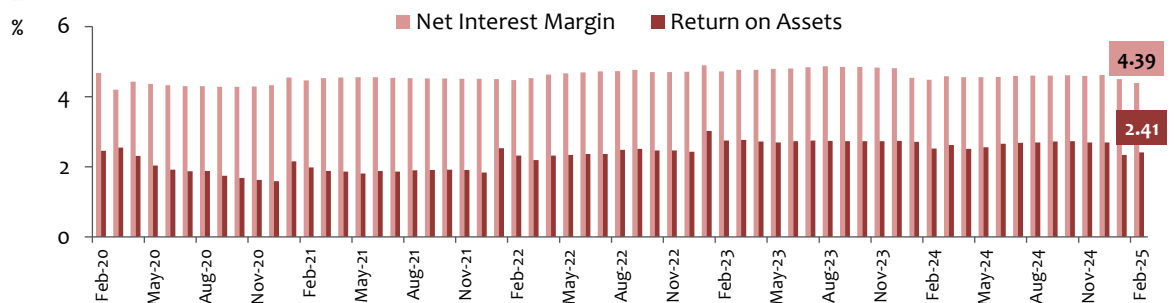
The banking NPL ratios grew in **February 2025**, recorded at **2.22% gross** and **0.81% net**, significantly below the threshold.



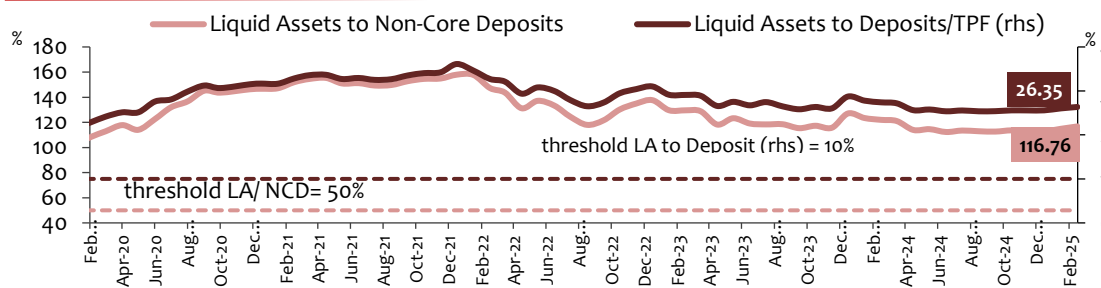
The banking sector's Capital Adequacy Ratio (CAR) grew with a value of **26.98%** as of **February 2025**.



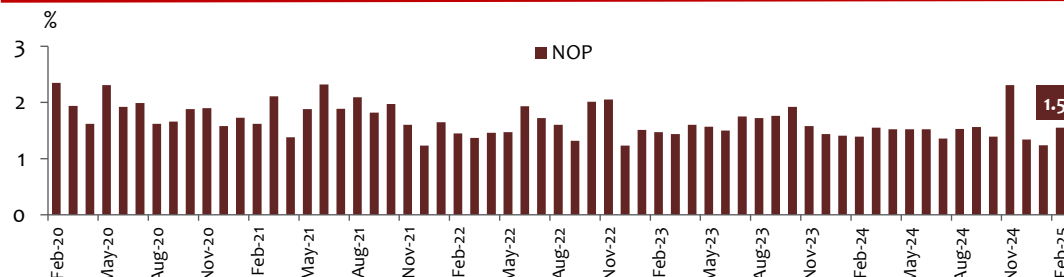
The banking industry's profitability remained stable with NIM grew moderately at **4.39%** while ROA grew at **2.41%**, as of **February 2025**.



Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.



Net Open Position was maintained well below the maximum limit of 20% and grew at **1.55%** in **February 2025**.





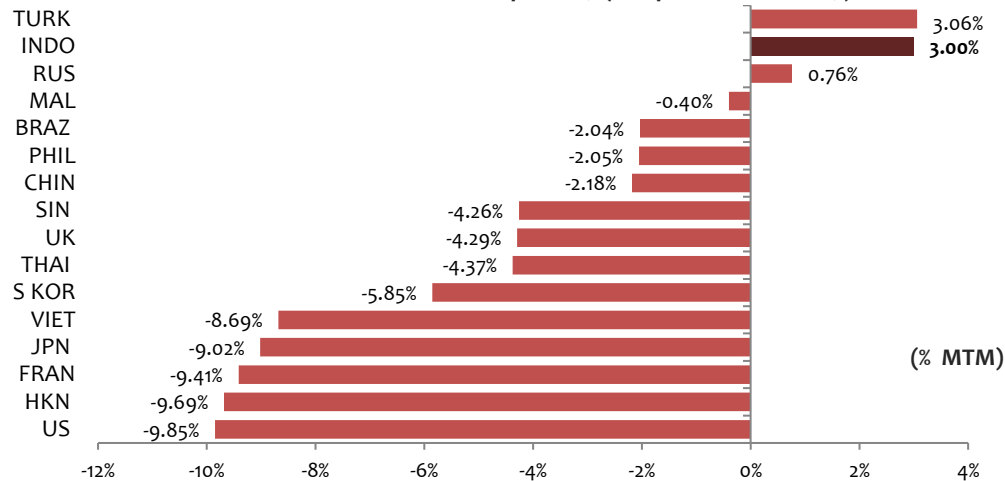
# Domestic Capital Market Performance

Continued pressure on the global stock market impacts Indonesia's capital market in the short term but remained resilient

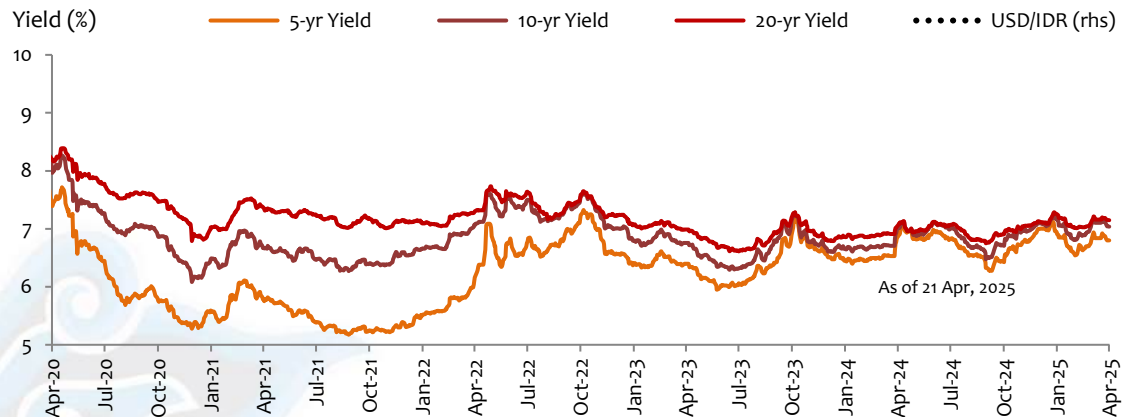


As of **21 April 2025**, stock indices in many economies faced pressures, while **Indonesia** experienced positive growth amidst geopolitical tensions.

Stock Index Performance as of 21 April 2025 (compared to 21 Mar'25)



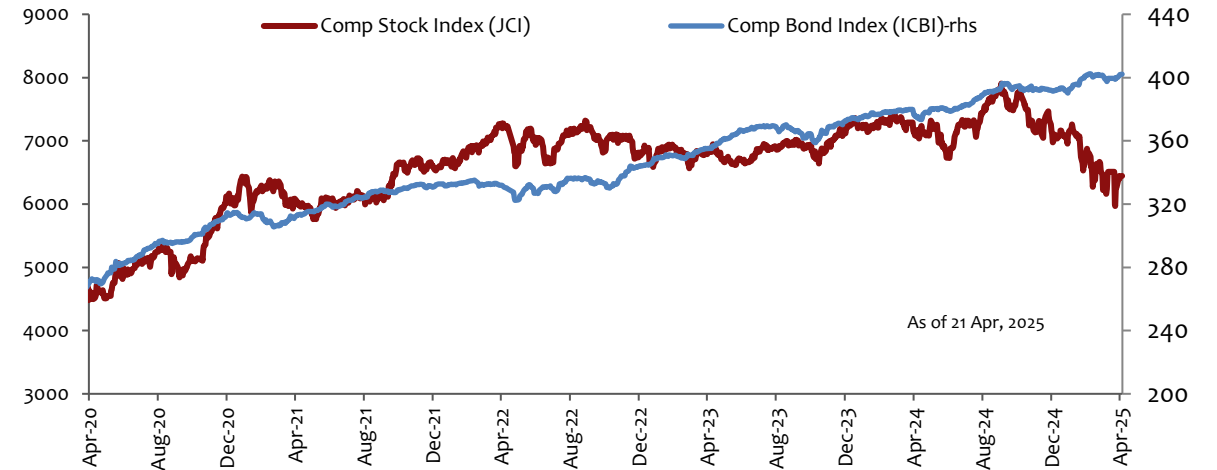
Indonesian government bond yields for 5-year tenor increased as of **21 April 2025**.



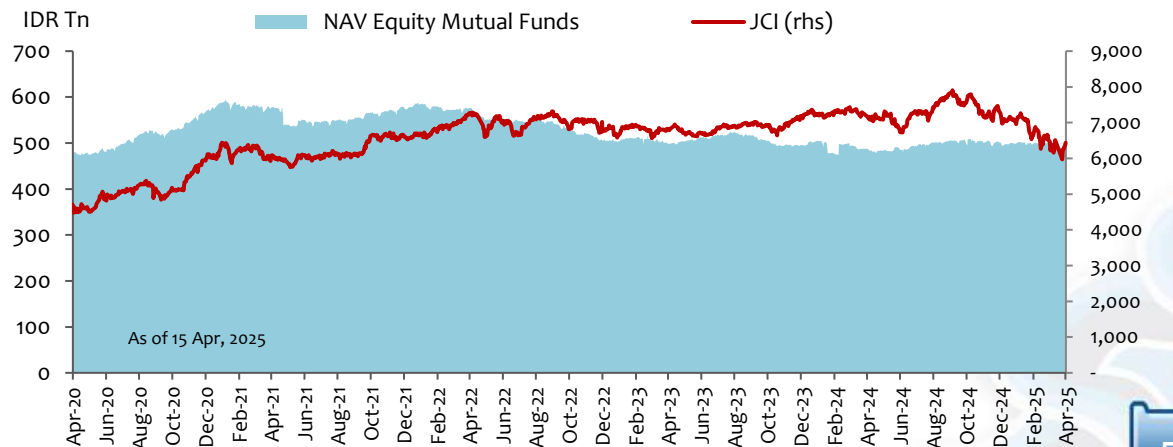
Source: Reuters, OJK



As of **21 April 2025**, the composite bond and composite stock index experienced positive growth



The Net Asset Value (NAV) of equity mutual funds adjusted slightly in response to movements in the stock market.



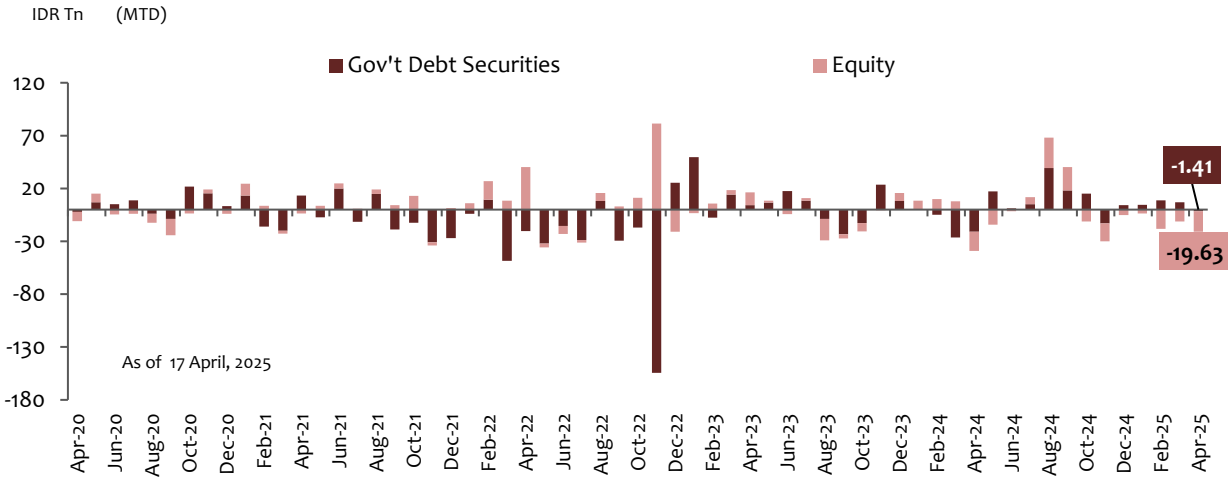


# Domestic Capital Market Performance

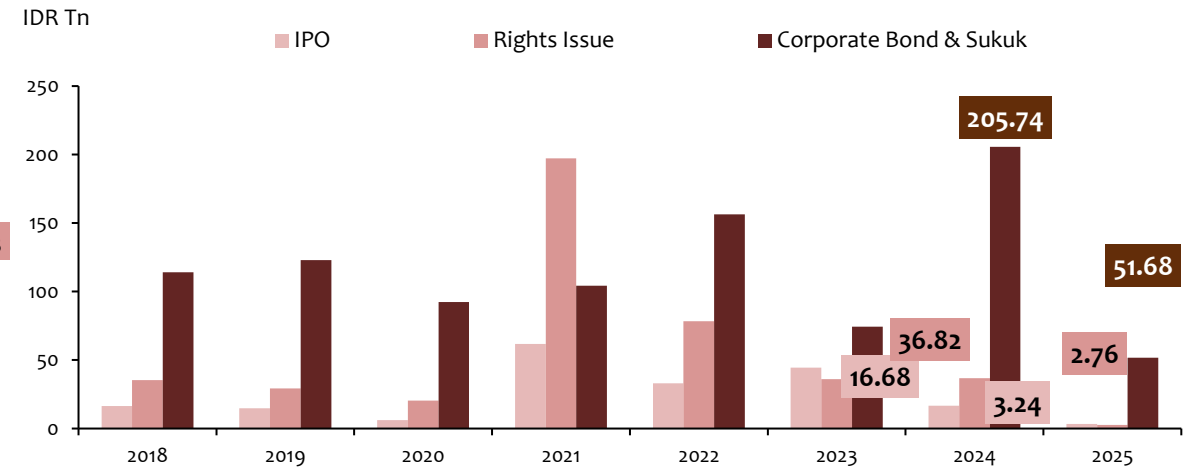
Several capital market indicators remained positive



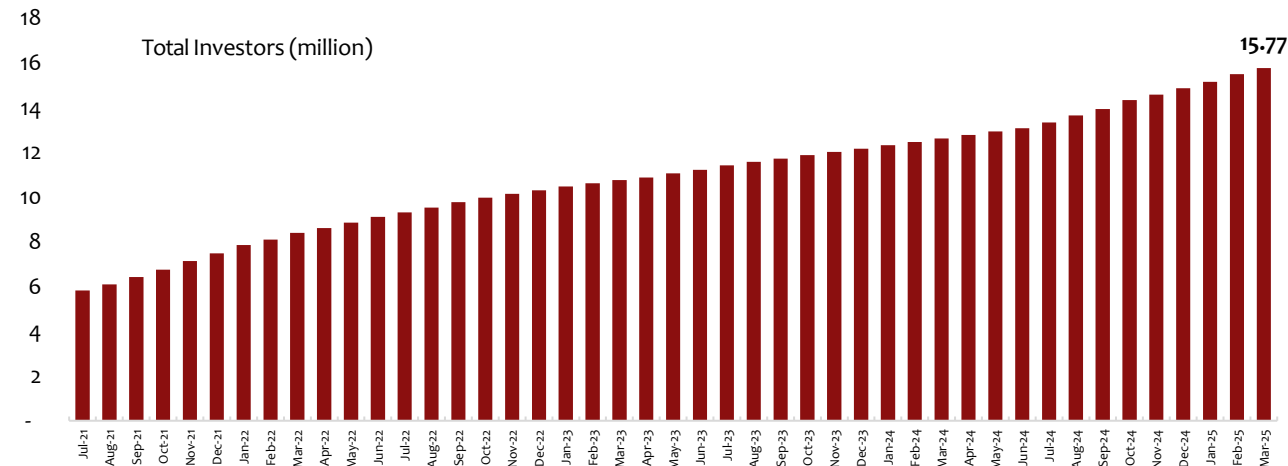
Non-resident portfolios of government bonds recorded a **YTD net buy of IDR15.23 Tn**, while equity market recorded a **YTD net sell of -IDR29.92 Tn**, as of **17 April 2025**.



Total securities issuance reached **IDR259.24 Tn (YTD)** as of 30 December 2024, and **IDR57.68 Tn** as of **March 2025**.



Capital Market Investors continued to grow to **15.77 million** by the end of **March 2025**, representing a **24.84% (yoy)** increase.



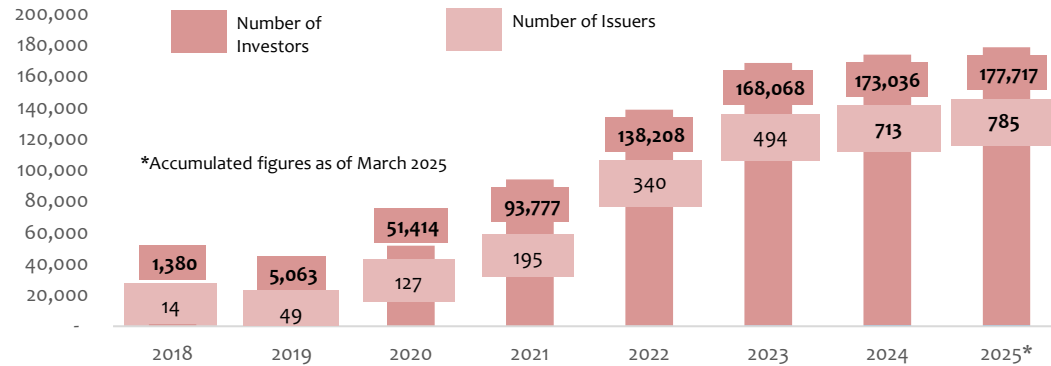


# Securities Crowdfunding and Carbon Exchange

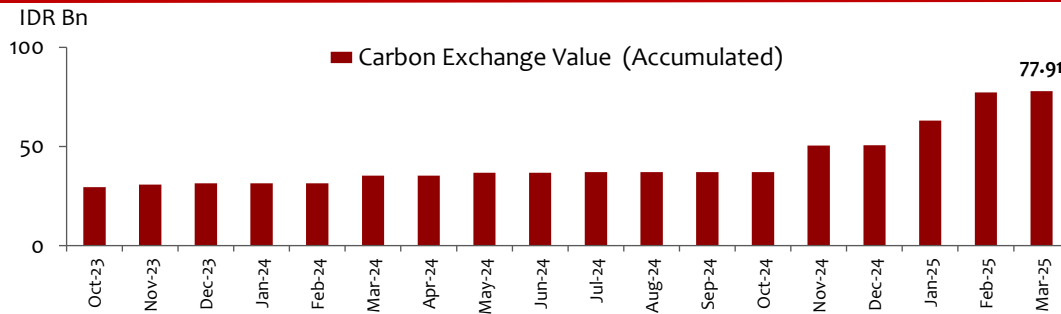
Securities Crowdfunding (SCF) and Carbon Exchange grew steadily



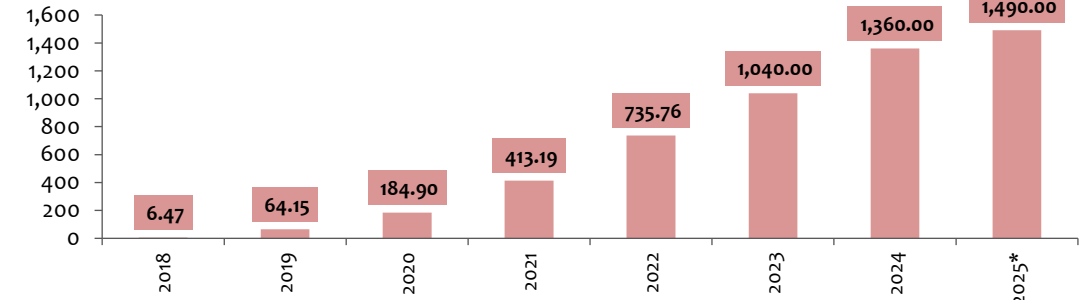
The total number of investors and issuers in Securities Crowdfunding increased to **177,717** and **785**, respectively, as of **March 2025**.



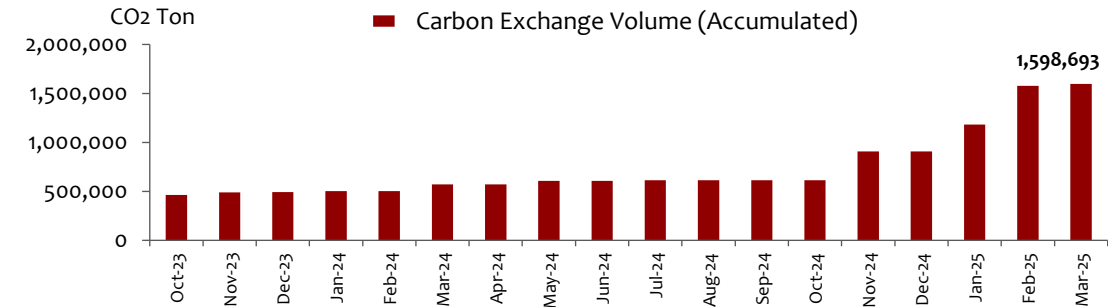
Since its launch in September 2023, the Carbon Exchange has achieved an accumulated transaction value of **IDR77.91 billion** as of **March 2025**.



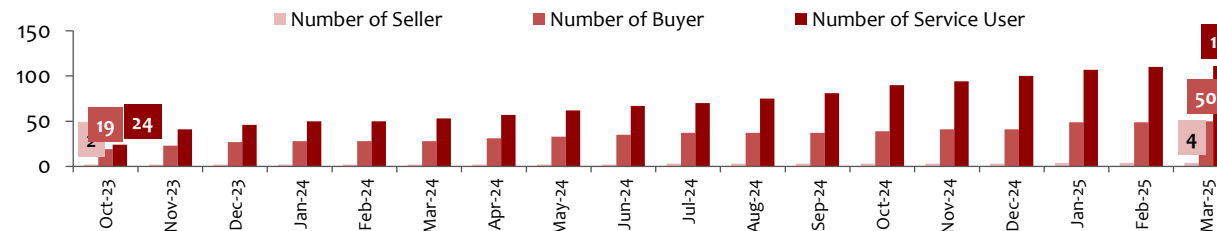
Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.49 Tn** as of **March 2025**.



The traded volume in Carbon Exchange recorded a total of **1,598,693 CO2e Ton** as of **March 2025**.



The number of service users in Indonesia's Carbon Exchange increased from **24** in October 2023 to **111** in **March 2025**.



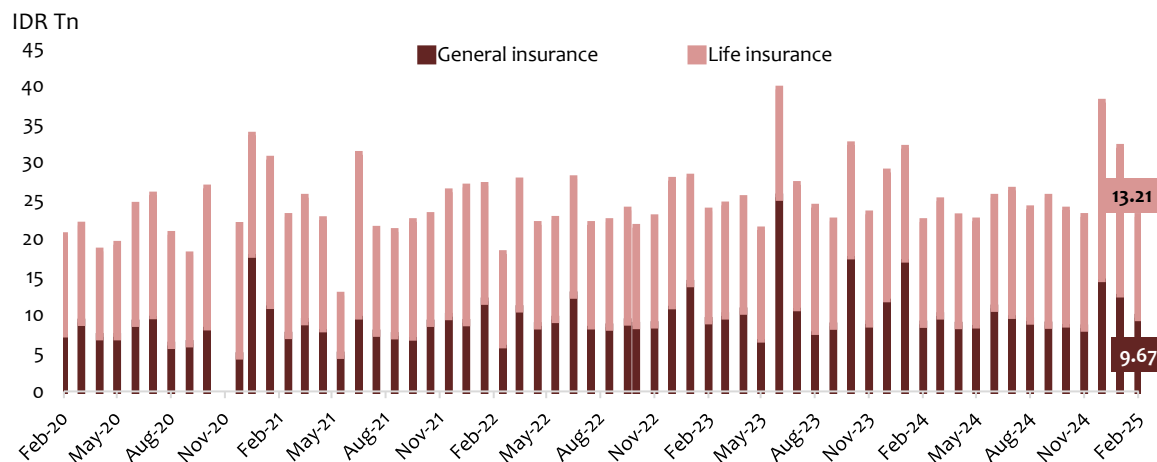


# Insurance Sector

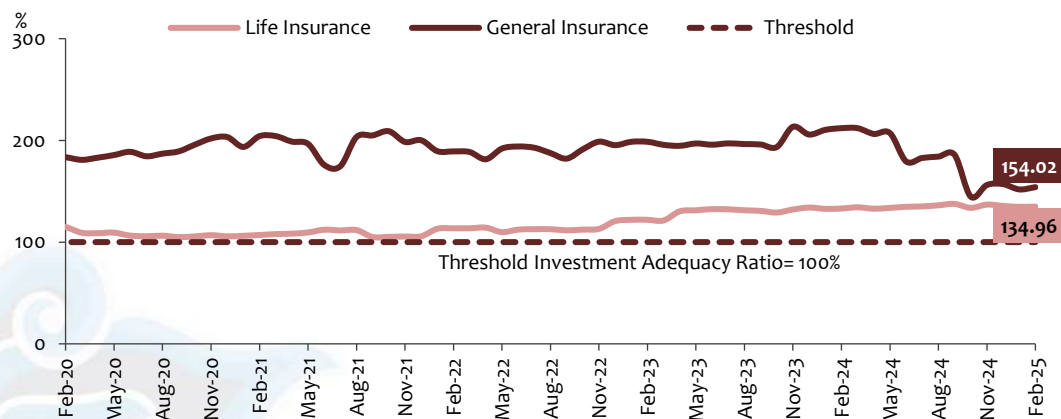
Insurance sector continued to expand, shown by adequate performance and manageable risks



In **February 2025**, insurance premiums marked a total increase of **IDR22.88 Tn** (mtm) with General and Life insurance added premiums grew moderately at **IDR9.67 Tn** and **IDR13.21 Tn**, respectively.



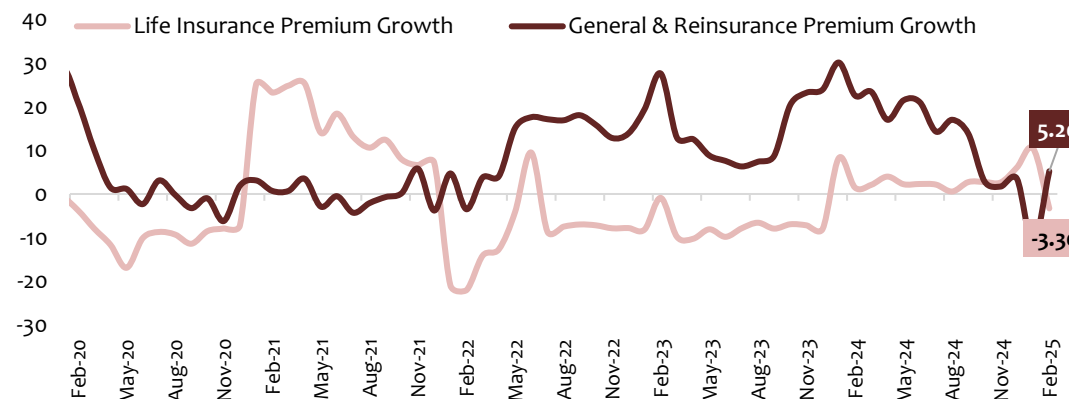
In **February 2025**, the Investment Adequacy Ratio of both Life Insurance and General Insurance increased above the threshold of **134.96%** and **154.02%**, respectively.



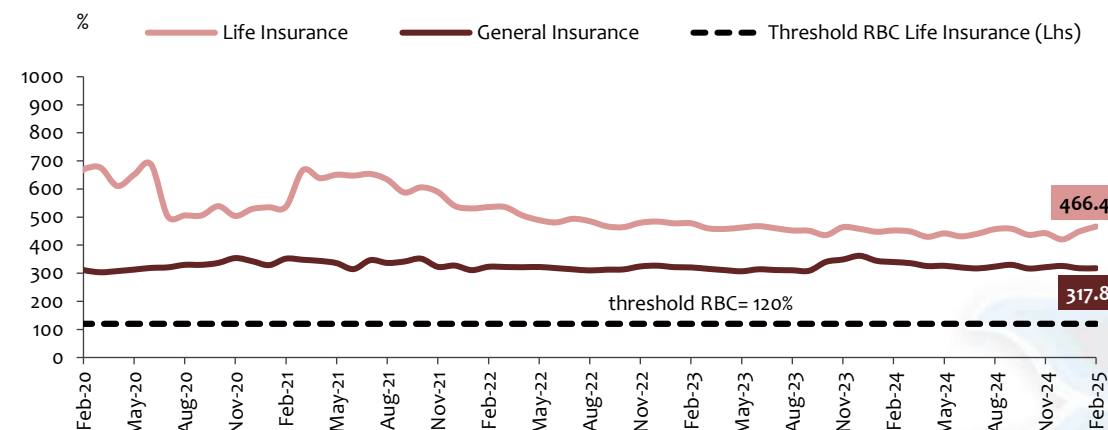
Source: OJK



General & Reinsurance Premium Growth increased to **5.20%** in **February 2025**, while Life Insurance slowed at **-3.30%**.



Risk-Based Capital (RBC) of the insurance industry increased well above the minimum threshold with Life Insurance at **466.40%** and General Insurance at **317.88%** in **February 2025**.



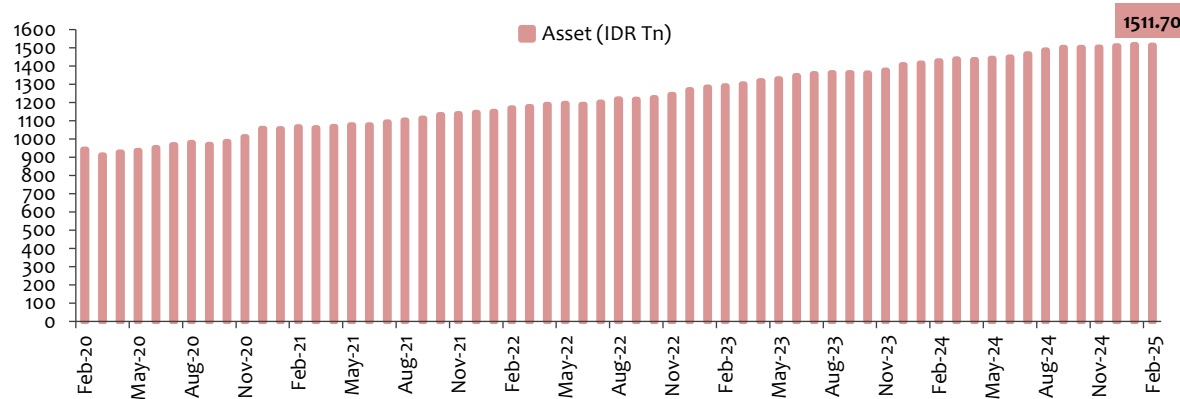


# Pension Funds and Guarantee Institutions Performance

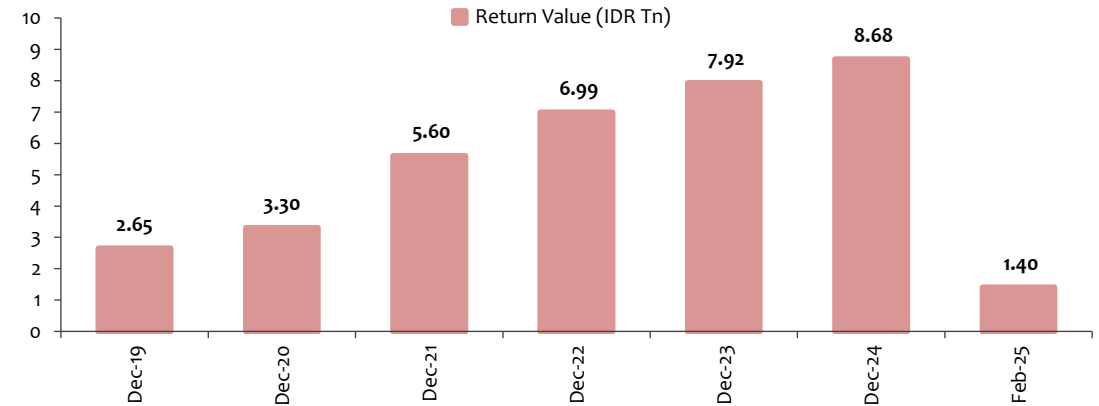
*Pension funds and Guarantee Institutions remain positive shown by adequate performance and manageable risks*



In **February 2025**, Pension funds total asset increased at **IDR1,511.70 Tn**.



In **February 2025**, Guarantee Institutions Accumulated Return Value grew moderately at **IDR1.40 Tn YTD**.



Number of Participants in Pension Funds reached to **28.86 Million** in **February 2025**.

Pension Funds	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25
Number of Participants (Million)	26.23	27.27	28.09	28.94	28.86



In **February 2025** Guarantee Asset Value reached **IDR46.59 Tn** and grew at a slower rate by **-0.30% (yoy)**.

Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25
Assets Value (IDR T)	36.90	39.12	46.41	46.39	46.59
Growth YoY	46.66%	6.00%	18.64%	-0.05%	-0.30%



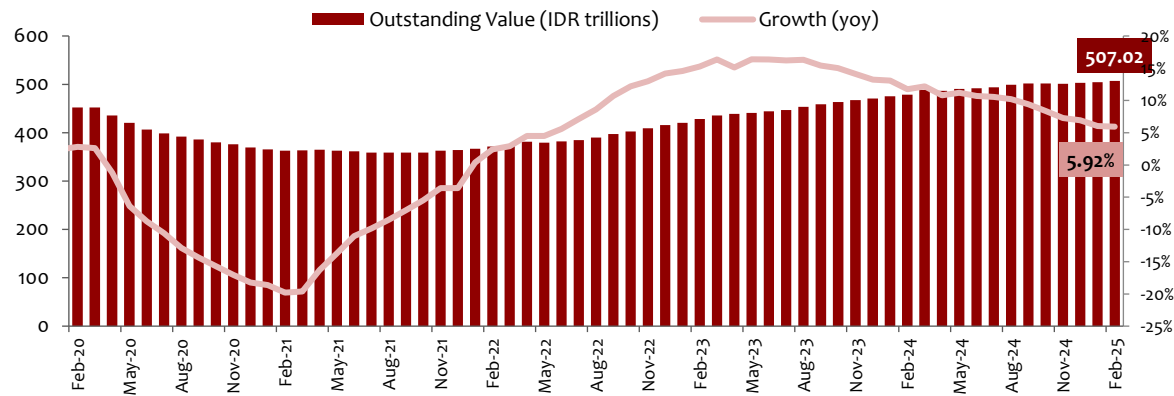
# Financing, P2P Lending, Venture Capital, Microfinance Institutions



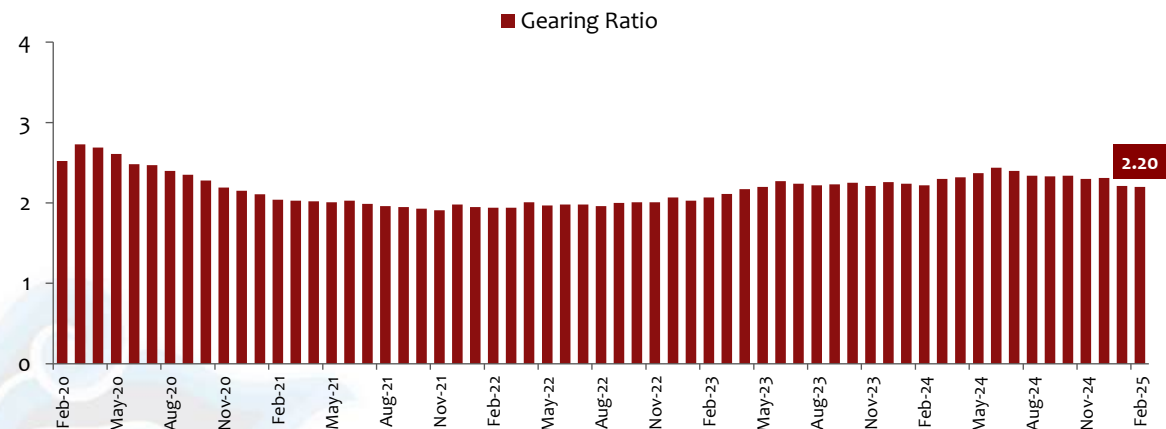
The performance of financing institutions continue to improve, as shown by growing net financing, a stable gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio



In **February 2025**, net financing continued to grow at a moderate level by **5.92% (yoy)** to **IDR507.02 Tn**.



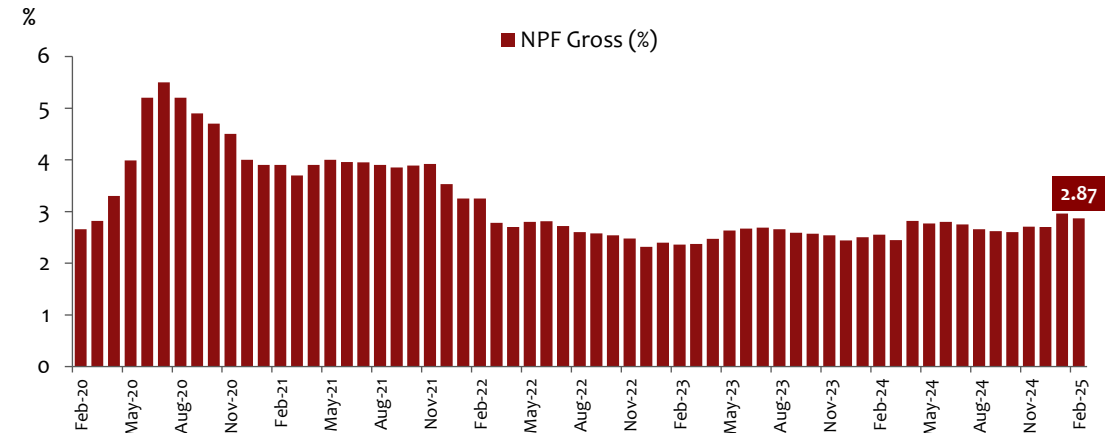
The gearing ratio of financing institutions stood at **2.20 times** below the 5 times threshold in **February 2025**.



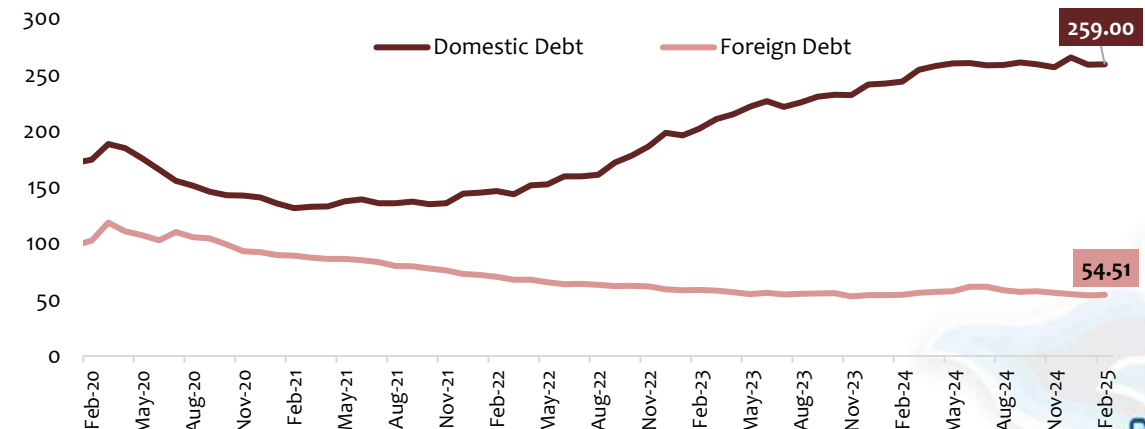
Source: OJK



The Gross Non-Performing Financing (NPF) ratio of financing institutions grew moderately at **2.87%** in **February 2025**, well below the 5% threshold.



The debt exposure of financing institutions increased at **IDR259.00 Tn** for domestic debt and **IDR54.51 Tn** for foreign debt, as of **February 2025**.





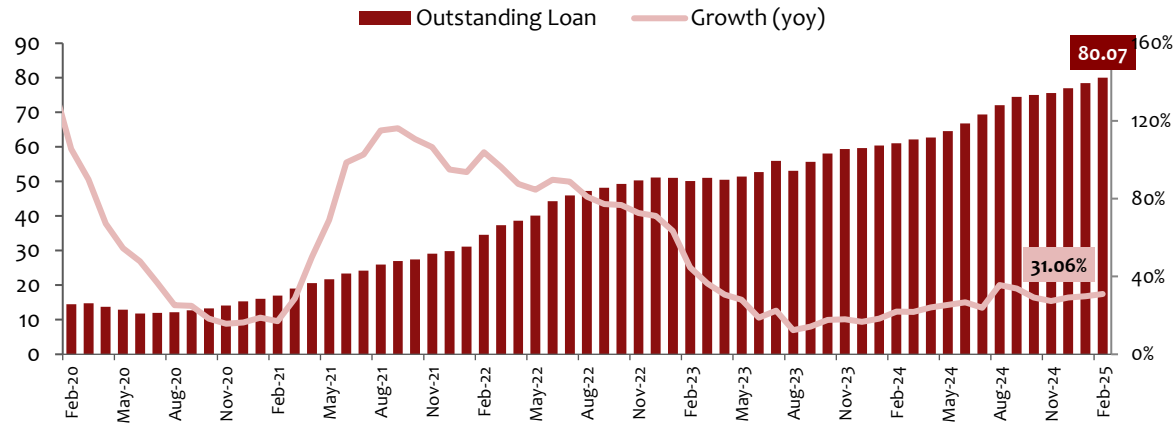
# Financing, P2P Lending, Venture Capital, Microfinance Institutions



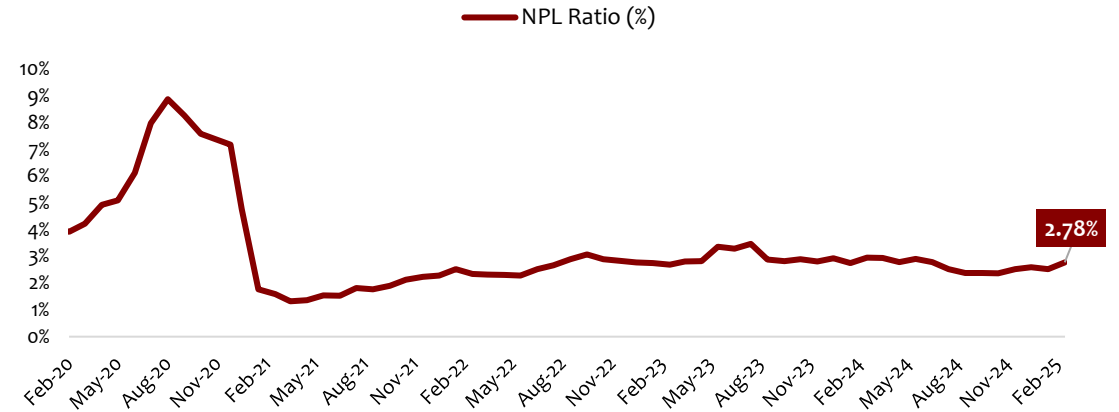
Peer to Peer Lending (P2PL) Fintech intermediation remains positive with a manageable NPL ratio



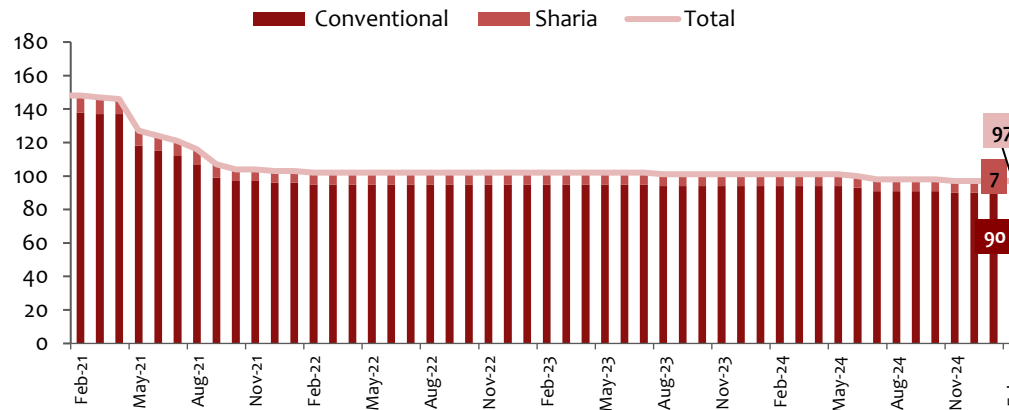
The outstanding loan of P2PL Fintech increased to **IDR80.07 Tn** or increased by **31.06%** (yoy) as of **February 2025**.



The Non-Performing Loan ratio (TWP90) of P2PL grew moderately at **2.78%** in **February 2025**.



There are a total of **97** fintech platforms, consisting of **90 conventional** platforms and **seven sharia** platforms in **February 2025**.

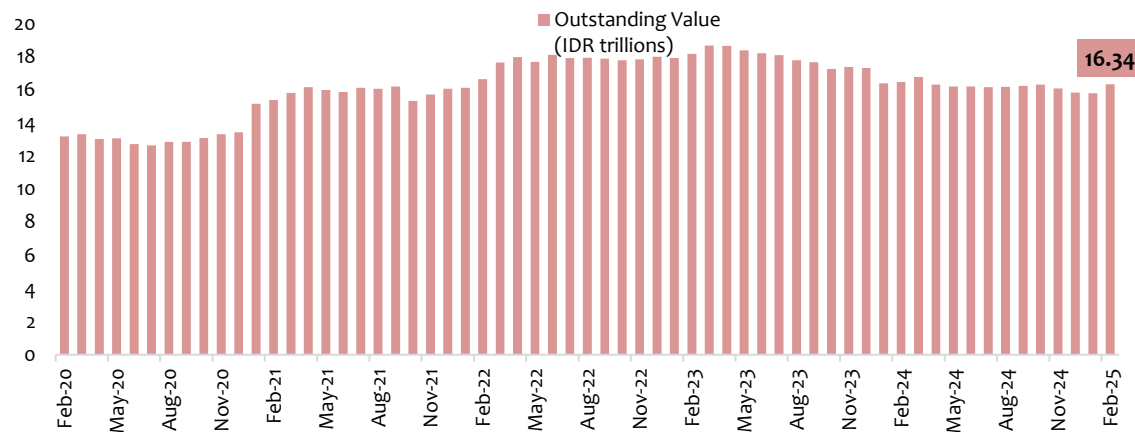




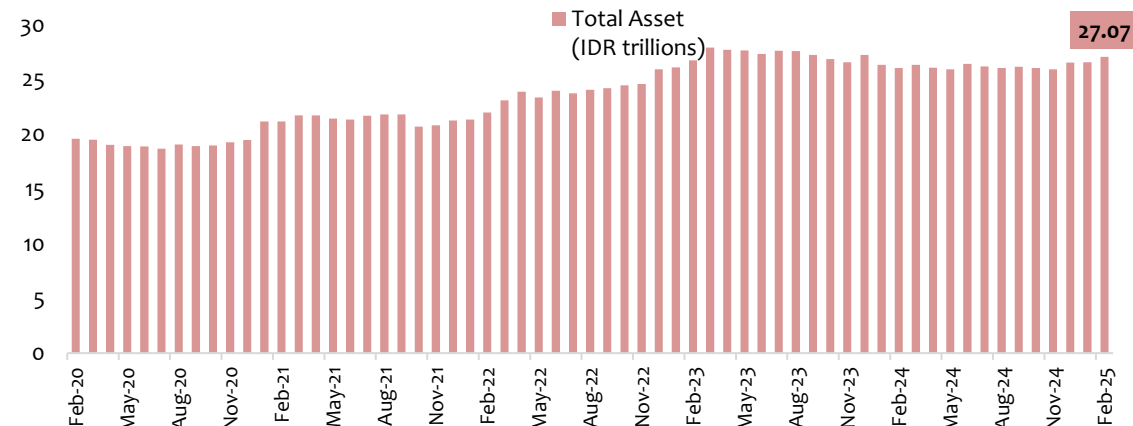
# Financing, P2P Lending, Venture Capital, Microfinance Institutions



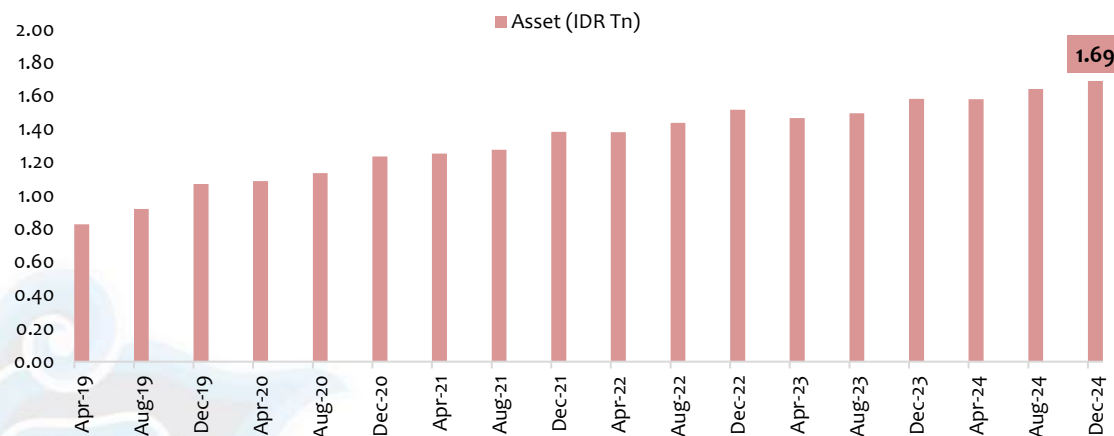
The venture capital corporation experienced stable performance, with financing reaching **IDR16.34 Tn** as of **February 2025**.



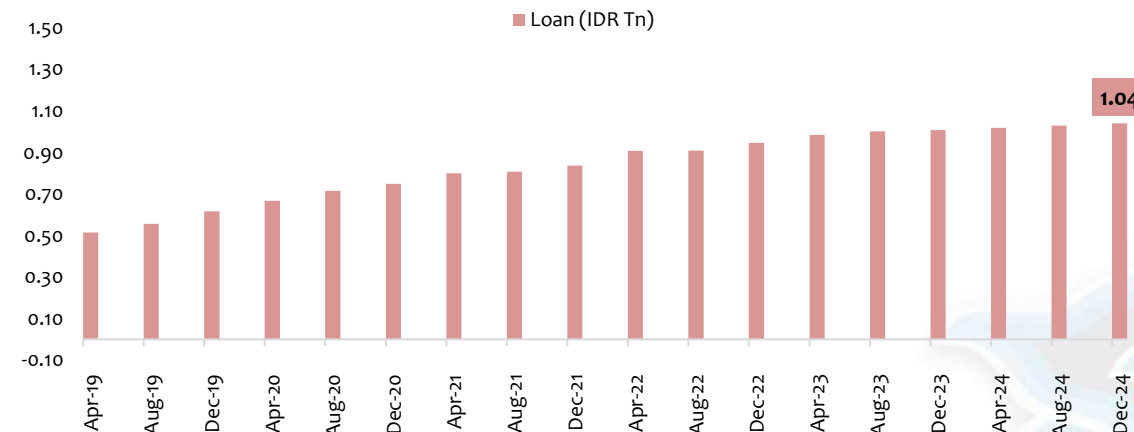
Total assets in the venture capital corporation increased at **IDR27.07 Tn** in **February 2025**, reflecting a steady position.



Microfinance assets remained stable at **IDR1.69 Tn**, with growth of **6.83% (yoy)** in **December 2024**.



Microfinance loans remain stable at **IDR1.04 Tn** in **December 2024**.







Based on OJK Regulation No. 3/2024 concerning the Regulatory Sandbox, the number of sandbox applications reached **15** (YTD), with **five** accepted participants as of **February 2025**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25	Mar-25
Number of Sandbox Applications Request	114	71	87	52	14	13	15
Number of Sandbox Participants	28	14	20	18	5	5	5

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Innovative Credit Scoring	2	4	5	7	8	10
Aggregators	4	6	9	10	13	15
Total	6	10	14	17	20	25



In **February 2025**, the crypto-assets market recorded a total transaction value of **IDR32.78 Tn**.

Crypto-assets	Dec-23	June-24	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Transactions (IDR Tn)	27.25	40.85	42.34	48.00	33.67	48.44	81.41	94.08	44.07	32.78





# Financial Literacy, Consumer Protection and Illegal Financial Activities



OJK conducted **1,394** financial education activities, reaching **5,431,225** participants nationwide as of **March 2025** (YTD).



From **1 January to 31 March 2025**, Sikapi Uangmu, published 80 financial education contents, attracting **373,193** viewers, and **1,999** users accessed the Learning Management System for Financial Education (LSMKU)

Financial Education	1,394 Activities	Sikapi Uangmu	80 Contents
	5,431,225 Participants		373,193 Viewers
Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities	Financial Education Learning Management System (LSMKU) OJK	1,999 Access
	100% District/Municipalities		755 Certificates



As of **March 2025**, OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **1,332** illegal financial entities (YTD).



From **1 January to 14 March 2025**, OJK had received **9,068** service requests through the Consumer Protection Portal Application (APPK).

Number of Illegal Investments	209
Number of Illegal Online Lending	1,123
Total Number of Illegal Financial Entities	1,332

Number of Service Requests	102,319
Number of Service Requests on Consumer Protection Portal Application (APPK)	9,068
Banking	3,383
Fintech	3,303
Financing Institutions	1941
Insurance	317
Capital Market and other NBFIs	124
Service Requests Completed	79.51%





## Section 6

# Structural Reforms

*“Consistent implementation of  
reform agenda and progressive infrastructure”*





## 1

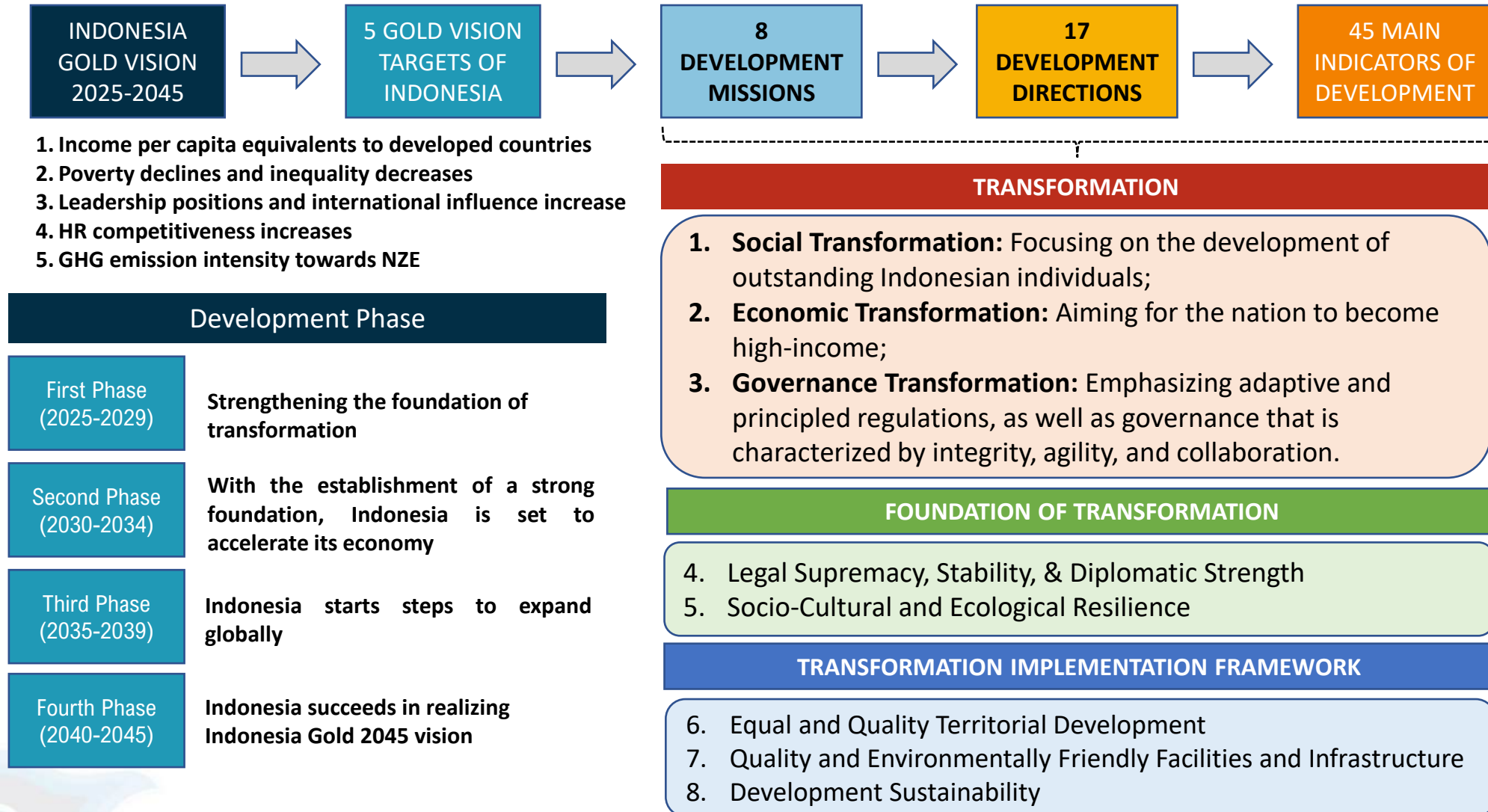
## Asta Cita: The 8 Quick Impact Programs

### 8 National Priorities 2025-2029

1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities
5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added
6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society



# Indonesia Gold Vision 2045 : Become a Sovereign, Advanced and Sustainable Country





# National Development Priorities 2025



The 2025-2045 National Long-Term Development Plan Vision: “Sovereign, Advanced, and Sustainable Archipelagic State”

The 2025-2029 National Medium-Term Development Plan Vision: “Sovereign, Advanced, and Sustainable Archipelagic State”

The 2025 Government Work Plan Theme: “Accelerating Inclusive and Sustainable Economic Growth”

## RKP 2025 Theme

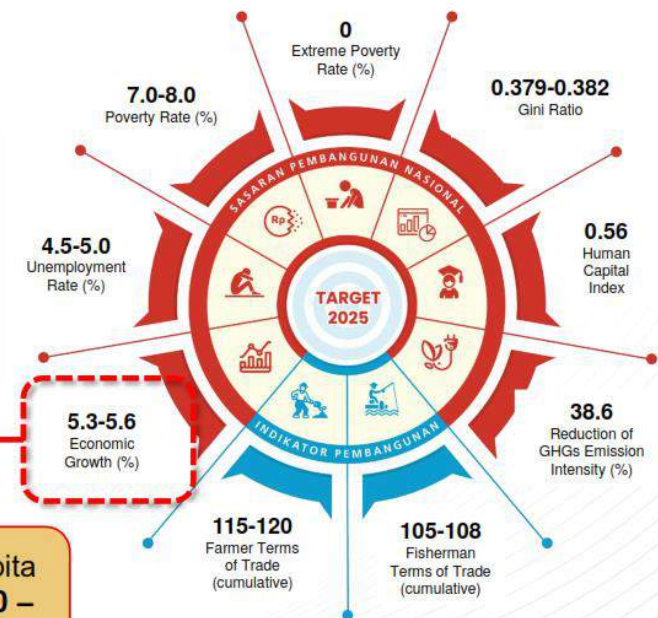
“  
**Accelerating Inclusive  
and Sustainable  
Economic Growth**  
”

Source: Final Draft of Presidential Regulation Regarding  
Government Working Plan (RKP) 2025

**Economic Growth  
Target** has become the  
foundation in  
calculating **2025 GNI  
per Capita Target** for  
which becoming initial  
foundation to gain  
Indonesia Emas 2045  
Vision.

2025 GNI per Capita  
Target: **US\$ 5.500 –  
5,520**

## 2025 DEVELOPMENT TARGETS





# GNI Per Capita Target In 2025: Us\$ 5.500-5.520, Needs High Growth From Expenditure Side



**2025 GNI per Capita is supported by  
expenditure-side economic growth**



**Household and LNPRT  
Consumption**

**5.2 – 5.3**



**Government Consumption**

**5.6 – 6.0**



**Investment/GFCF**

**6.7 – 7.8**



**Goods and Services Export**

**4.9 – 5.3**



**Goods and Services Import**

**6.7 – 7.8**



Household and LNPRT consumption consistently growth along with **nurtured societies' purchasing power and inflation.**



Government consumption sustainably grow along with **government support in development** (New Capital project and new government programs).



Increases in investment are driven by:

- **The Continuation of government's infrastructure projects.**
- **Improvement in investment climate**



Growth in export is driven by **the continuation on down-streaming** that bolster an increase in goods export value, as well as reducing dependence on global commodity prices' trend.



Import grows higher than export to bolster development program **through foundation enhancement.**



# GNI Per Capita Target In 2025: Us\$ 5.500-5.520, Needs High Growth From Production Side



**2025 GNI per Capita is supported by  
production-side economic growth**



## **Productive Services Sectors:**



## **Enhanced manufacturing sector**, driven by:

- Industrial project investment
- Domestic demand and trade partners increase
- The Continuation of Nusantara Capital project.



## **Increased construction sector**, driven by:

- Industrial sector development
- The construction of Nusantara Capital City
- The construction of connectivity infrastructure.

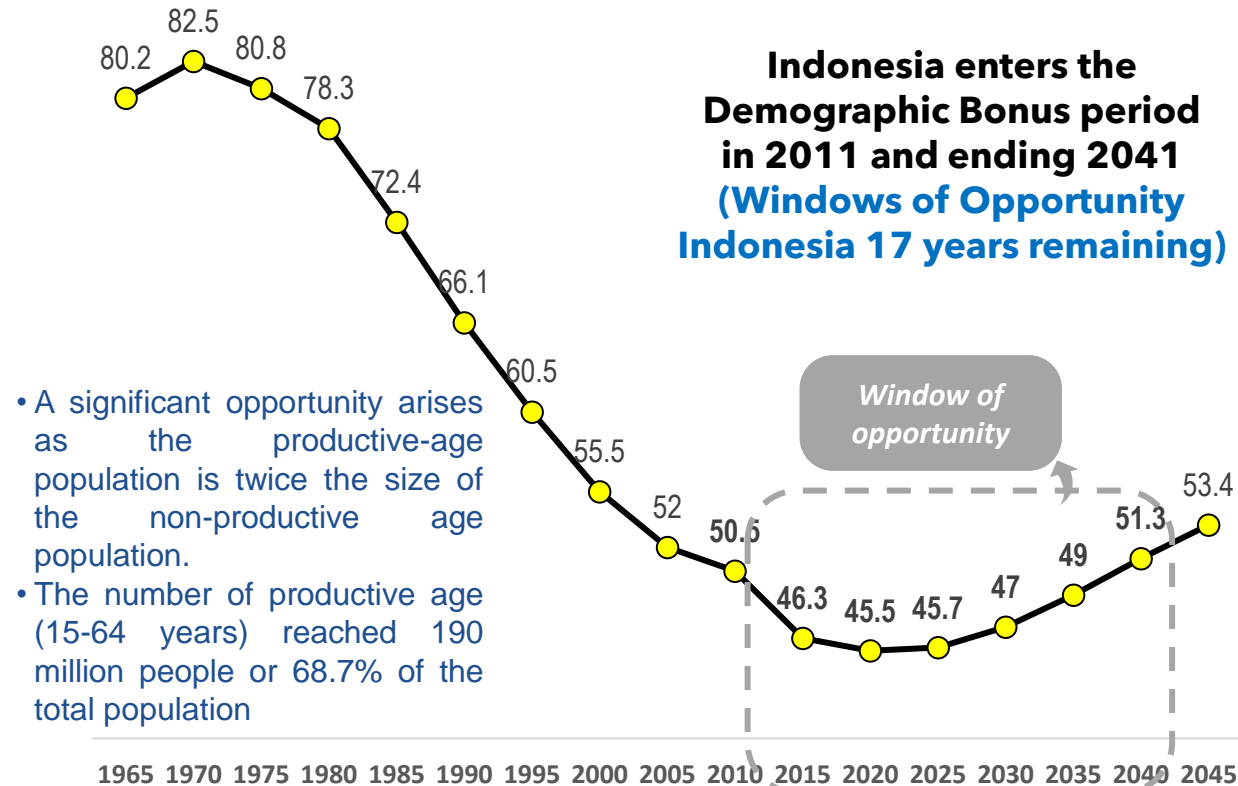


**Productive services sector** will become flourish in line with an increase in domestic demand due to government programs.





## THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



*Dependency Ratio is a comparison between the number of people aged 0-14 years plus the number of people aged 65 years and over (non-productive age population) compared to the number of people aged 15-64 years (productive age).*

Source: BPS Preparation of Indonesian Population Projections SUPAS Results 2015-2045

## SOCIAL CULTURAL CAPITAL

Harmonious and tolerant – Community Collaboration (Gotong Royong) – Deliberation to reach a consensus – Family – Social solidarity – Independent spirit – Cultural diversity

## MARITIME



16% of the world's coral reefs



25,000 species of flowering plants (10% of the world)



Capture fisheries potential 12 million tons



The largest mangrove forest 3.36 million hectares

**Geographical Location Advantages**



## NATURAL WEALTH



125.57 million hectares of forest areas



Nickel with ore reserves 5.24 billion tons



Coal reserves 36.30 billion tons



Renewable energy potential 3,716 GW

Source: Bappenas



# Main Government Policies to Promote Strong, Socially Inclusive, and Environmental-Friendly Economic Growth



This policy framework aims to ensure strong, inclusive, and sustainable economic growth by balancing conventional economic revitalization, fostering new economic engines, and enhancing human resource productivity.

## **NEW PATH OF GROWTH:** **HIGH GROWTH, INCLUSIVE, & SUSTAINABLE**

**1st ENGINE**  
Revitalizing the  
Conventional Economic  
Mechanism



**2nd ENGINE**  
Building a New Economic Engine



**3rd ENGINE AS THE  
FOUNDATION**  
Enhancing Productivity &  
Competitiveness of Human  
Resources



## **ENABLER FOR ECONOMIC GROWTH**



Macroeconomic  
Stability



Maintaining  
People's  
Purchasing  
Power



Efficiency &  
Investment  
Climate Support



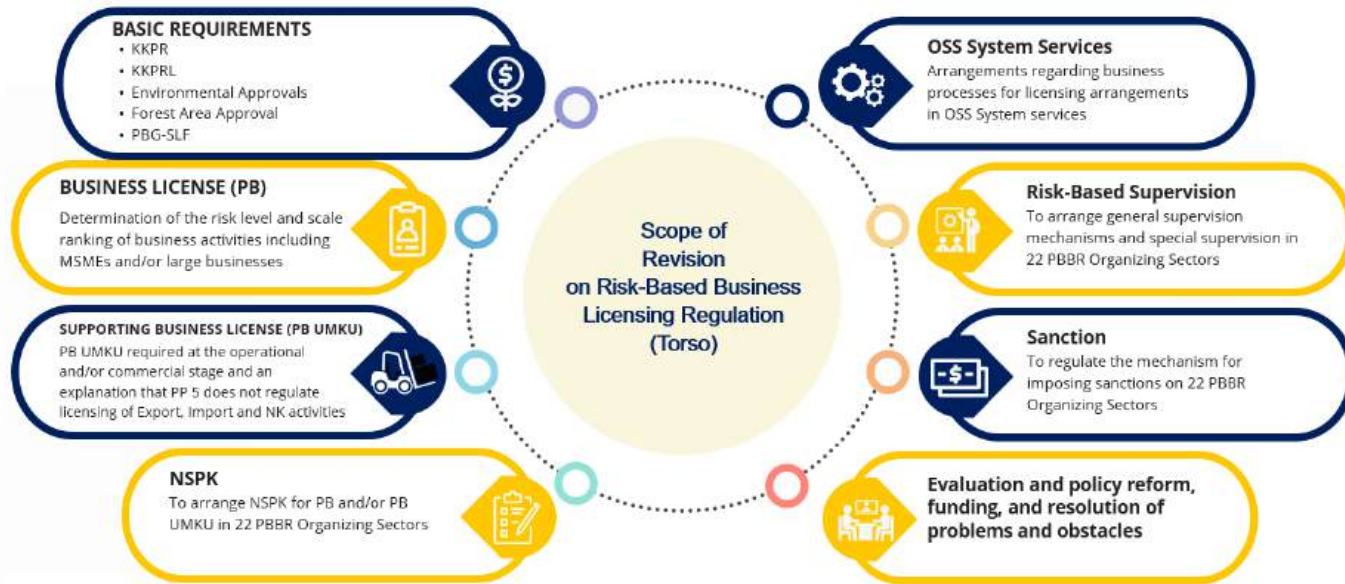
Strengthening &  
Deepening the  
Financial Sector



Enhancing Social  
Security & Social Safety  
Nets



# Improvement of Risk-based Business Licensing



The preparation of the Draft RPP for Risk-Based Business Licensing is in accordance with the President's direction regarding accelerating the ease of doing business.

"Make efforts to accelerate ease of doing business to encourage increased investment, support economic growth and provide employment opportunities."

"The revision of PP5 is carried out comprehensively and not in stages, in parallel with the revision in question, so that adjustments and improvements to the OSS system are also made."

01

Certainty in issuing business permits:

- issuance must comply with the Service Level Agreement/SLA;
- setting the period for repairs by business actors;
- inspection/assessment/verification of:
  - a. completeness of documents, by the system;
  - b. correctness of documents; And
  - c. technical/substantial

02

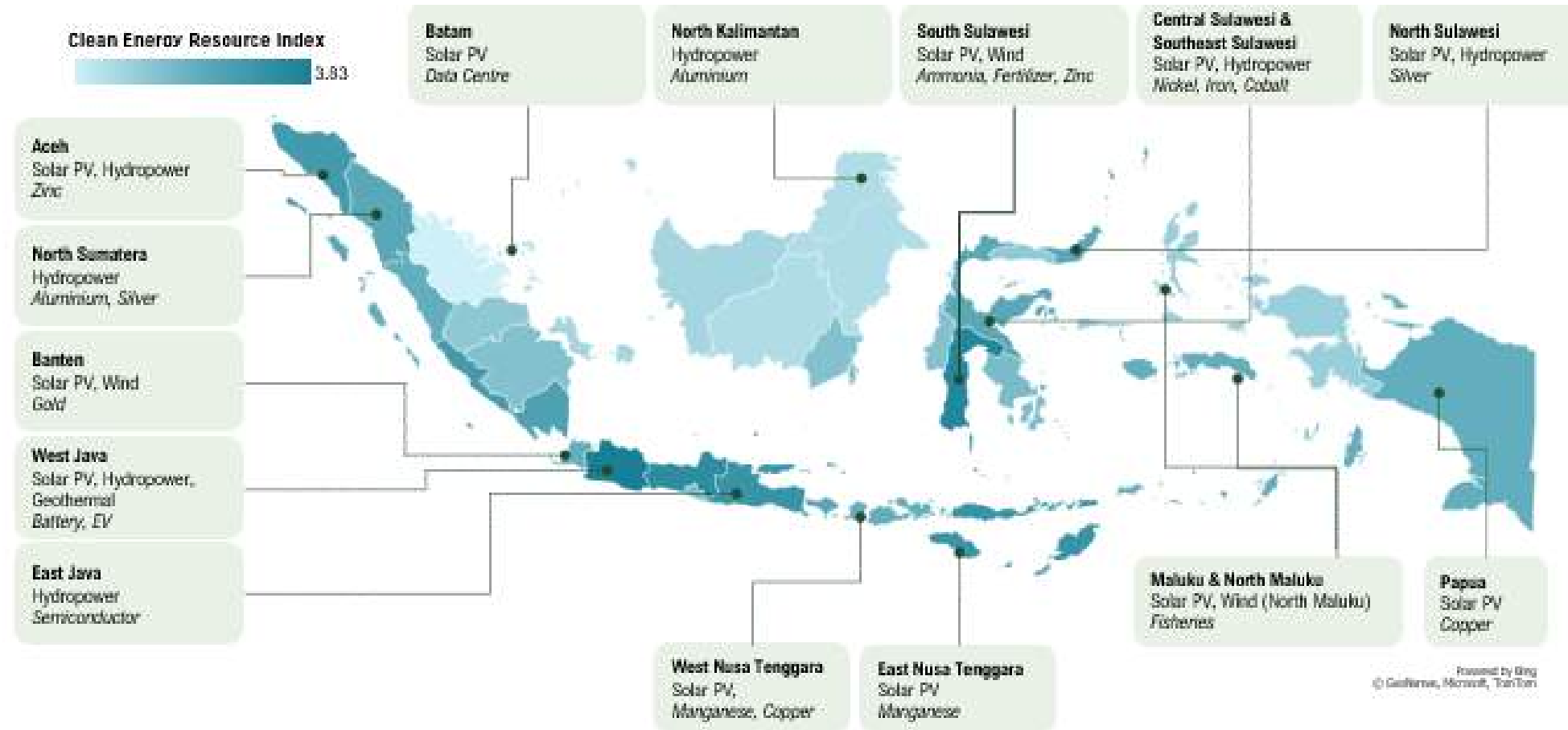
**Simplify the issuance of business permits**

03

**Special arrangements regarding PB-UMKU**



# Policy Package to Support Investment



To achieve the target of realizing quality investment, the Indonesian Government has prepared an economic package aimed at securing existing investment and attracting new investment by guaranteeing the availability of environmentally friendly energy together with the relevant Ministries/Institutions.

Indonesia has great potential in developing clean energy. Each region has clean energy sources ranging from Solar Photovoltaic, hydropower, geothermal and wind energy. This potential could be the first step to attract investors in developing a more environmentally friendly industry.





- Indonesia's accession to the OECD is a strategic measure to **ESCAPE THE “MIDDLE INCOME TRAP”** and **ACHIEVE “GOLDEN INDONESIA 2045” VISION.**
- Indonesia's Accession Roadmap's hand over at the OECD MCM in May 2024 made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN.**
- Indonesia is developing **32 CHAPTERS OF INITIAL MEMORANDUM**, containing Indonesia's self assessment on its policy, regulations, and standard alignment to **240 OECD LEGAL INSTRUMENTS.**

## Structural Reform through OECD Membership (Domestic Reform Catalyst)

### Strengthening competitiveness and economic resilience

Enhance sound and equitable **business competitiveness**, accelerate the **transformation of an inclusive digital economy**, and achieve a sustainable and equitable economy.

### Improved policy quality and institutional governance

Strengthen public policies and improve institutional **governance** according to **international standards**. This is expected to improve public services and accelerate Indonesia's transition to a developed country..

### Reform Credibility

**Demonstrates** Indonesia's **commitment to implementing best practices and following international standards**. This strengthens the reputation and credibility of Indonesia's economic reforms and ensures domestic policies remain relevant in the face of global dynamics.

### Signaling Indonesia's readiness as a global player

Accession and membership of the OECD shows Indonesia's **readiness to stand alongside other global players** and commitment to the principles of democracy, rule of law, and market openness and transparency.

- Stronger **anti-corruption policy** instruments with the ratification of **OECD Anti-Bribery Convention**.
- **Transparency of the Tax Sector.** Increased funding for development. Tax optimization of multinational companies operating in Indonesia.
- **Public sector procurement becomes more transparent** so the state budget is more efficient.
- **Better corporate governance and SOEs** so that SOEs can contribute more to the national economy.

### Best Practices from Recently Joined Countries

#### Costa Rica



The 2021 budget deficit fell to 5% of GDP thanks to the implementation of OECD standard fiscal rules.

#### Colombia



Reduce bribery practices abroad with the implementation of the OECD Anti-Bribery Convention. SOE reform: increasing the independence of the board of directors, transparency, and accountability.

#### Chile



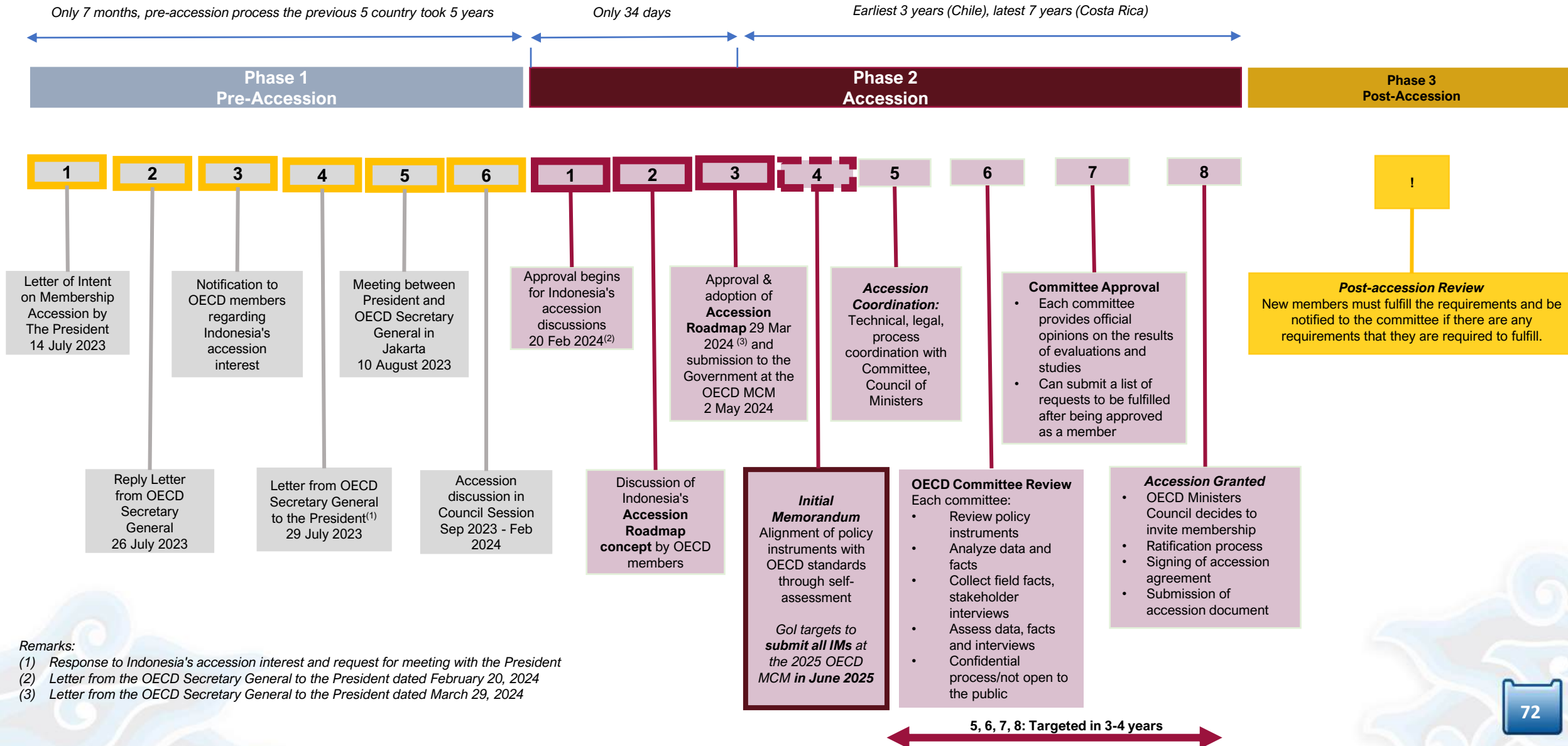
After joining the OECD in 2010, there was an increase in the value of GDP and FDI to Chile.



# Indonesia is Optimist to Complete OECD Accession within the Next 3-4 Years



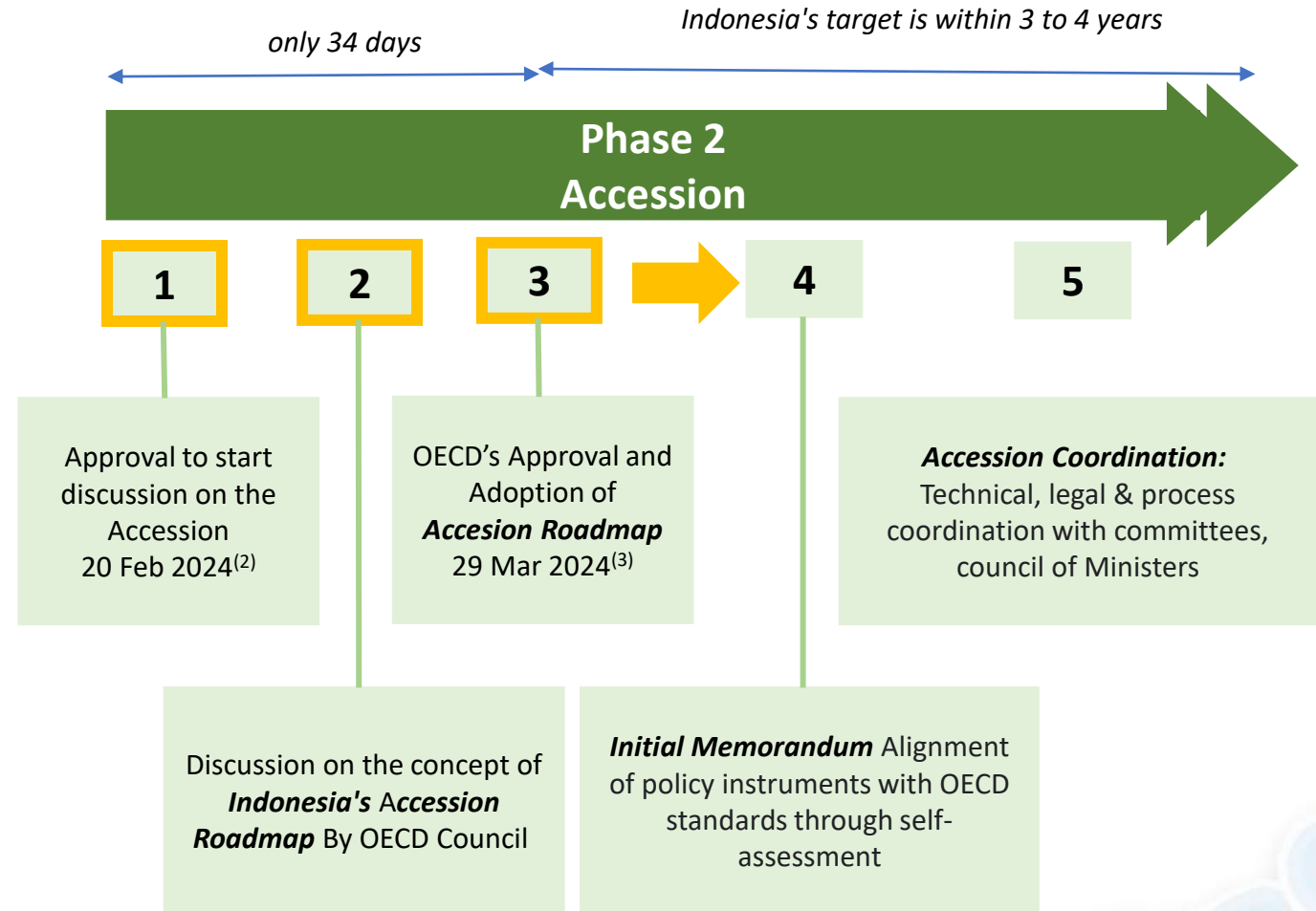
## Indonesia's OECD Accession





## Indonesia's OECD Accession

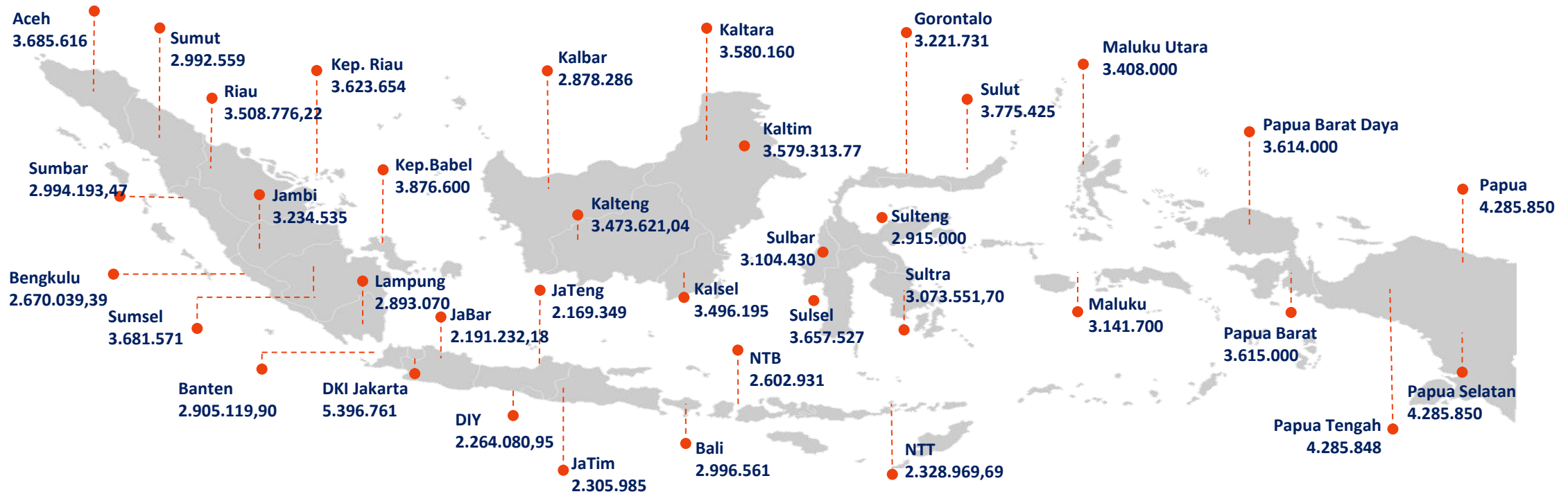
- By March 29, 2024: OECD's letter on the approval of the Accession Roadmap of Indonesia.
- Indonesia is establishing **the PMO for OECD Accession**. We are asking for the Bank support on the Indonesia's OECD accession and the PMO works e.g.
  - Preparation on **Initial Memorandum and technical study on the Accession Roadmap**.
  - **Gap analysis** on Indonesia's existing condition and the regulation, standard, and OECD Best Practice.
  - PMO organizational structure and workflows.



The OECD Secretary-General Cormann visited Indonesia on **November 25-26, 2024** (previous visits took place in **August 2023** and **May 2024**). The main agenda of the visit includes a meeting with the **2024-2029 President** and the launch of the **Indonesia Economic Survey**.



# The 2025 Provincial Minimum Wage (in Rupiah)



- The 2025 Minimum Wage Policy, regulated in Minister of Manpower Regulation Number 16 of 2024 takes into account economic growth, inflation and certain indices as stated in Constitutional Court Decision Number 168/PUU-XXI/2023.
- The 2025 Provincial Minimum Wage (UMP) / City or Regency Minimum Wage (UMK) is set at 6.5% higher than the 2024 UMP/UMK. All provinces have set the UMP with a 6.5% increase, some of which use rounded figures
- Under the Minimum Wage policy, the Governor is required to determine the Provincial Minimum Wage (UMP) and Provincial Sectoral Minimum Wage (UMSP), and may also determine the Regency/City Minimum Wage (UMK) and Regency/City Sectoral Minimum Wage (UMSK)



# Policy Support in the Field of Manpower



One of the policy packages related to economic stimulus in order to maintain business continuity and provide protection for workers from the risk of layoffs is the policy of providing a reduction in Jaminan Kecelakaan Kerja (JKK)/Work Accident Insurance contributions, and protection for laid-off workers through the enhancement benefit of Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program.

## Government Policies

### Enhancement Benefits of the JKP Program

- Cash benefits increased to 60% of flat wages for 6 months
- Job training benefits increased to IDR 2.4 million
- Ease of participation requirements and benefit claims
- Benefits of access to job market information and job guidance
- Protection for workers affected by layoffs due to company closure/bankruptcy
- JKP contributions are partly covered by the Central Government

### Fifty Percent (50%) reduction in JKK contributions

- JKK contribution relaxation policy in the form of a 50% discount from January to June 2025 (6 months)
- The discount is given to certain labor-intensive industrial companies with a minimum workforce of 50 people, including:
  - food, beverage, and tobacco industry;
  - textile and apparel industry;
  - leather and leather goods industry;
  - footwear industry;
  - children's toy industry; and
  - furniture industry.
- The reduction in contributions does not reduce the JKK benefits received

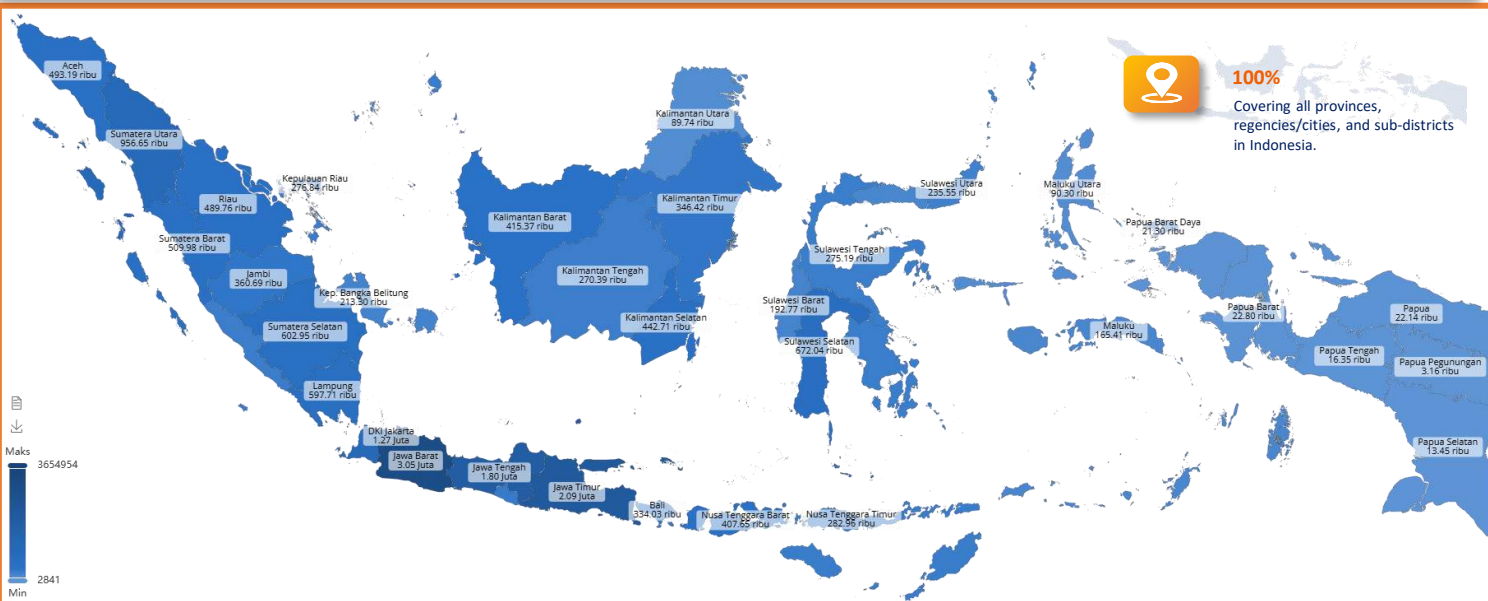
This employment policy will be effective as of January 2025 based on: (i) the Draft Government Regulation on Amendments to Government Regulation No. 37 of 2021 concerning the Implementation of the Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program, and (ii) the Draft Government Regulation on Adjustment of Jaminan Kecelakaan Kerja (JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies in 2025, where currently the Draft Government Regulation is still awaiting the President's assignment.



# Large-Scale and Inclusive Skilling, Reskilling and Upskilling Program through Kartu Prakerja



## Distribution of Prakerja Recipients (2020- Des 2024)



## Total Demographic Recipients (2020- Des 2024)

>57 millions

Verified Applicant

19,867,589

Total Recipients

18,987,641

Effective Recipients

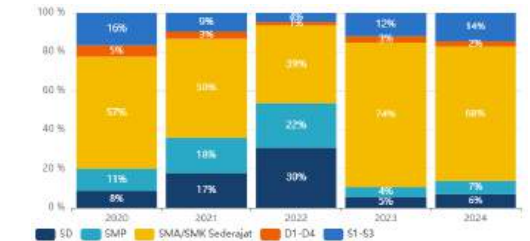
57% Teenager (18-35 Years Old)

2% In underdeveloped regions

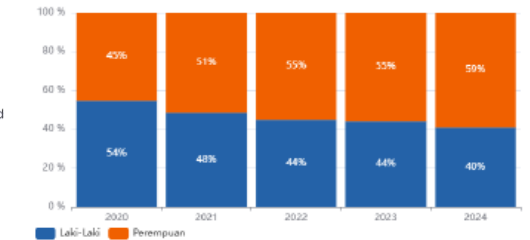
51% Female

3% Disabled

### Recipients According To Last Education



### Recipients by Gender



## Implementation in 2024 (Normal Scheme)

Recipients

1,232,339

Effective recipients of Normal Scheme Prakerja (Batch 63-69)\*

971,123

Completed Courses\*

911,176

Receive Incentives\*

Rp579 Billion

Incentives Distributed\*

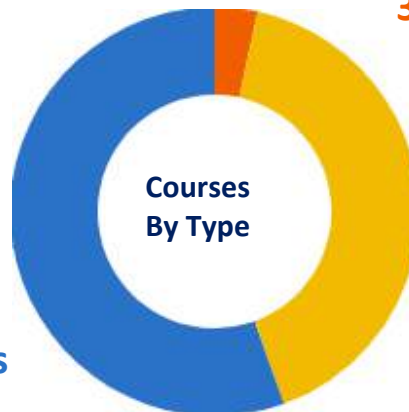
## Courses Progress 2024

Webinar

55.53%



3,636 Courses



Online System

3.39%



Self Learning Sys

41.08%



2,690 Courses

With

347



Active Training Institution



1,049

New Courses in 2024

## Positive Impact

Financial Inclusion

Work Competency

Employment/Entrepreneurship

Life Long Learning

Effective Social Protection

## Collaborative Ecosystem

Public Private Partnership

100% End to End Digital

Integrated Data, Transparent, Without Bureaucracy

\*Data until 1<sup>st</sup> Semester 2024

Source: Manajemen Pelaksana per 25 Januari 2025

<https://statistik.prakerja.go.id/>



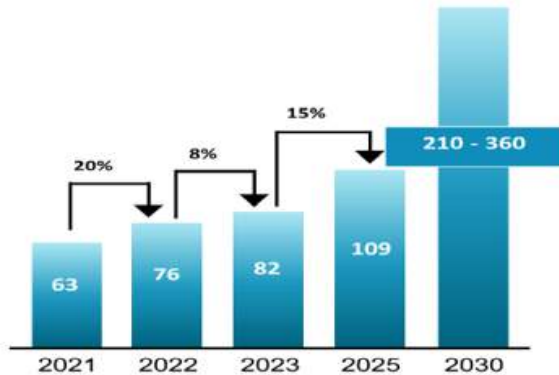
# Digital Economy as a New Growth Engine



## Indonesia Digital Economy

GMV (\$B)

CAGR



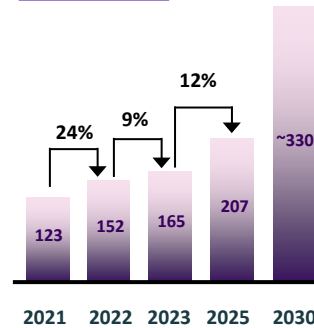
In 2023, around 37 – 40% of the ASEAN internet economy market share will be in Indonesia

In 2030, Indonesia's internet economy is predicted to reach 360 billion (GMV)<sup>1</sup>

## Digital Financial Services as a Prospective Sector of the Digital Economy in Indonesia<sup>1</sup>

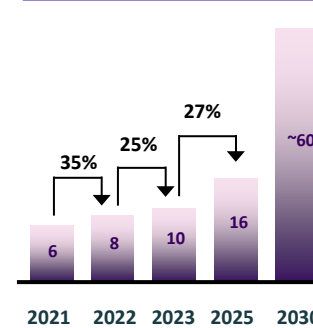
### Digital Payments

GMV<sup>1</sup> (\$B)



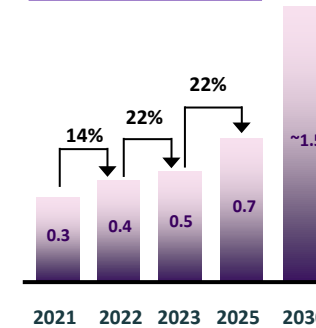
### Digital Lending

Loan Book Balance<sup>2</sup> (\$B)



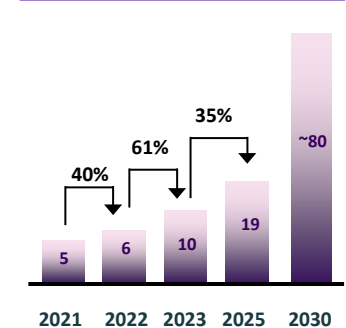
### Digital Insurance

APE & GWP<sup>3</sup> (\$B)



### Digital Wealth

AUM<sup>4</sup> (\$B)



## The enablers of Digital Economy Development in Indonesia

**276.4 million**

Total Population in Indonesia<sup>2</sup>

**212.9 million**

Internet Users<sup>2</sup>

**77%**

Internet penetration<sup>2</sup>

**353.8 million**

Cellular Connection Users<sup>3</sup>

**2,537**

Total Start-Up in Indonesia (Ranked 6<sup>th</sup> in the world)<sup>4</sup>

**USD1.1 billion**

Projected Total Capital Raised in Venture Capital Market in 2023

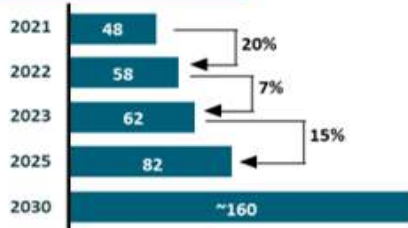
**11 Unicorns**

In Indonesia as of 2023<sup>6</sup>

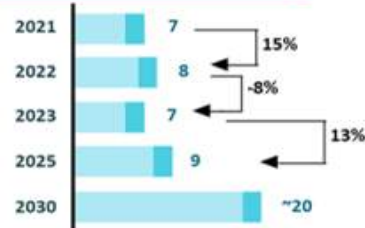
**22.68 million**

MSMEs digital onboarding until 2023<sup>7</sup>

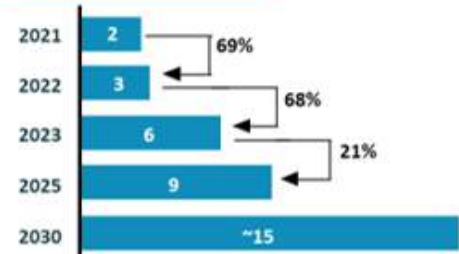
### E-commerce



### Transport & Food



### Online Travel



### Online Media





## DOMESTIC

- Coordinating Ministry for Economic Affairs has launched the White Paper on the National's Digital Economy Development Strategy on December 6, 2023.
- The white paper aims to serve as guide for related stakeholders in developing the digital economy with a timeline until 2030 and is intended to be a living document.
- It outlines six main pillars for the development of the digital economy, which are: (1) Infrastructure; (2) Human Resources; (3) Business Climate and Cybersecurity; (4) Research, Innovation, and Business Development; (5) Funding and Investment; and (6) Policies and Regulations



**60+** INITIATIVES WITH MILESTONES, JOINTLY LED BY GOVERNMENT AND BUSINESS

**30** new gov't-led initiatives across ministries

**8** new business-led initiatives

**24** current gov't-led initiatives across ministries

**6** current business-led initiatives

## REGIONAL

- The White Paper on the National's Digital Economy Development Strategy has a central role as a guide for determining Indonesia's position in international forums, such as the ASEAN Digital Economy Framework Agreement (DEFA) and the Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

### ASEAN Digital Economy Framework Agreement

9 Core DEFA Provisions	
<b>Digital Trade</b> Paperless trade, interoperable single windows, electronic transferrable records, electronic invoice	<b>Cooperation on emerging topics</b> Regulating emerging technology (e.g., AI, blockchain)
<b>Cross-border E commerce</b> Fair treatment of digital goods and services, facilitation for cross-border small shipments	<b>Competition policy</b> Cooperation on competition policy to ensure fair playing field
<b>Payments</b> Interoperable payment systems, comparable regulatory requirements & barriers	<b>Cross-border data flows and data protections</b> Personal data protections, common data classifications, source code, cross-border data flows
<b>Digital ID and authentication</b> Technical interoperability, mutual recognition & legal standing	<b>Online safety and cybersecurity</b> Online consumer protection, fraud protection, online dispute resolution, alignment on cybersecurity standards and protections, cross-border cooperation
<b>Talent mobility and cooperation</b> Labor mobility for digital talent & entrepreneurs, accreditations, cooperation on technical skills	

### Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

- The United States initiative launched by President Biden on May 23, 2022
- There are 14 participating countries: US, Australia, Brunei Darussalam, Fiji, Philippines, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Singapore, Thailand, and Vietnam.

#### 4 Pillar IPEF

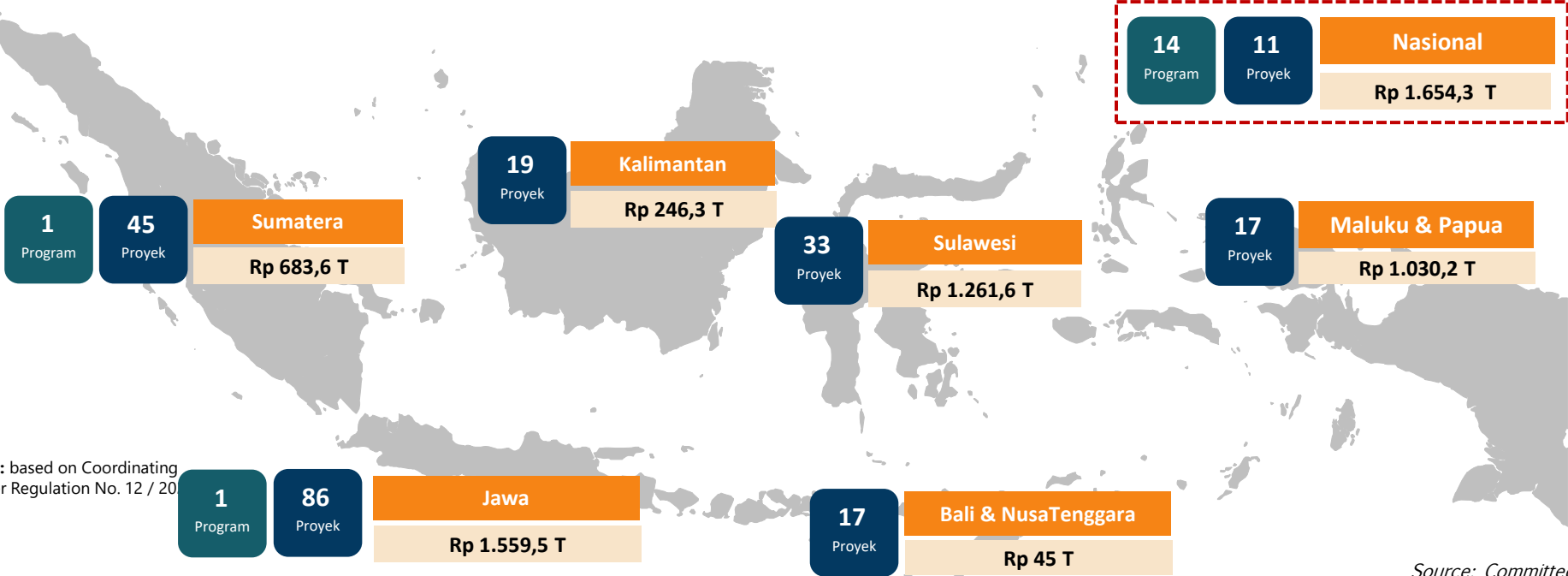




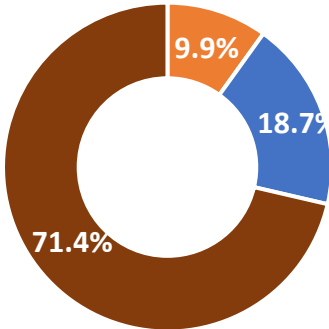
# The National Strategic Project (PSN)



Based on Coordinating Minister Regulation Number 12 of 2024, there are **228 Projects** and **16 Programs** as PSN with an estimated total investment value (CapEx) of **IDR 6.480,5 trillion**



Est. Total Investment Value (Construction)



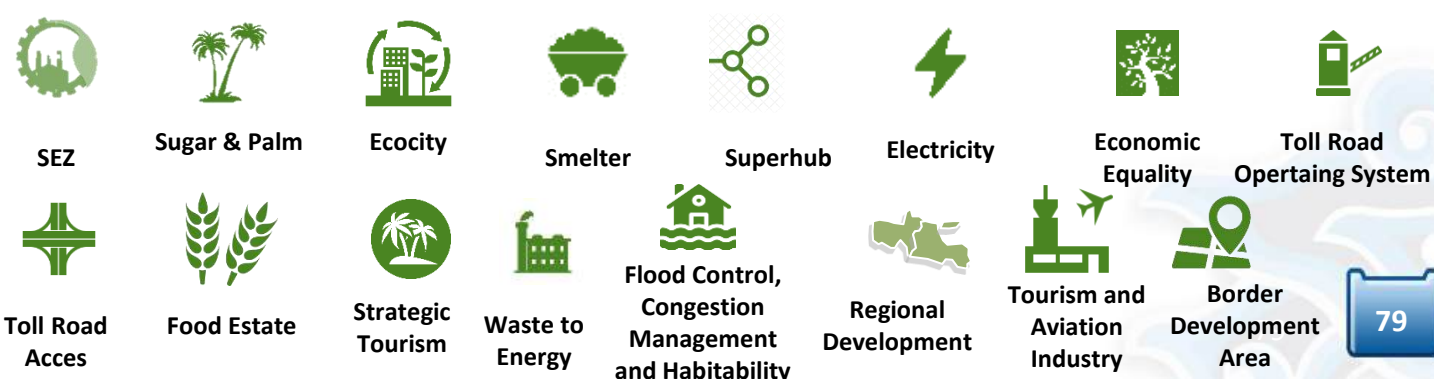
State Budget SOE Budget Private

Source: Committee for Acceleration of Priority Infrastructure Delivery (KPIP)

## 14 Sectors of PSN



## 16 Programs



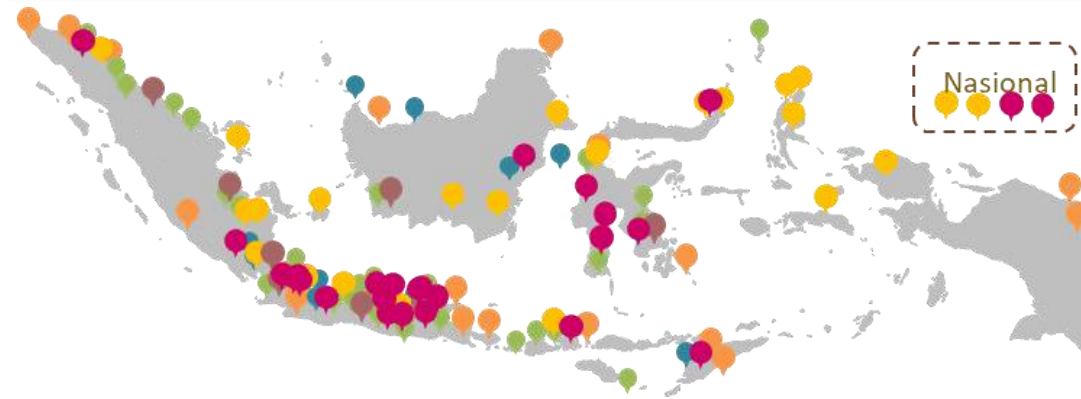


# National Strategic Project Achievements until 2024



During the 9 years of PSN implementation, 229 projects have been built evenly across all islands in Indonesia in line with the National Development theme (*Indonesia Centris*).

## PSN Development Achievements



**IDR3.344 Trillion**

Economic Income Output\*



The national economy is based on a review of 190 projects that are already operating.



**2,71 Mio Peoples**

Labor Absorptions\*



Direct labor absorption nationally

\*Based on LPEM FEB UI Studies, Desember 2023



**Investment  
Realization**



**IDR1.993 trillion**  
Of 229 Completed PSN (Per  
December 2024)

### Connectivity Supporting Infrastructure



- Operation of **11 new seaports**
- **20 Airports** in Operation
- Operation of **7 railway projects**
- Construction of **2,920.7 km of new toll roads**

### Food Sovereignty Infrastructure & Disaster Mitigation



- Operation of **48 Dams**
- **The Food Estate program** has been established
- Construction of an **irrigation network for irrigating 31,444 hectares** of rice fields

### Energy Resilience Infrastructure



- Operation of **21.7 GW of new power plants** throughout Indonesia
- Increased **Natural Gas Production** Potential by 23.3 MTPA or 3.3 BCFD



- Operation of **24 SEZs**, investment realization of **IDR 242.5 T** and **absorption of 151,260 workers**
- Operation of **8 Smelters** to increase the added value of nickel, bauxite and copper

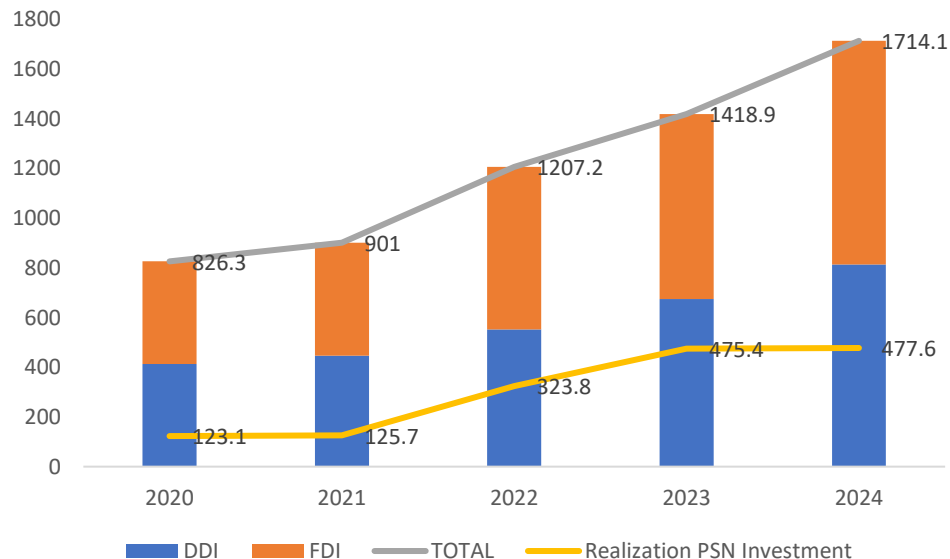


# Accelerating Investment Target by the Development of the New Capital City and National Strategic Infrastructure Projects



## Indonesian Investment Realization (in Trillion IDR)

Investment realization in 2024 was increased by 20,8% compared to 2023.



Source: Ministry of Investment, KPPIP

1

## Indonesia's National Strategic Projects (PSN)



- Based on CMEA Regulation Number 12 of 2024, there are 228 Projects and 16 Programs as PSN with an estimated total investment value (CapEx) of IDR 6.480,5 trillion.
- Since 2016 until 2024, cumulatively **229 PSN have been expedited towards completion with investment value of USD120,6 Billion\*** and most of the projects have passed preparation stage.

2

## New Capital City (Ibu Kota Nusantara)



**Location:** East Kalimantan, Indonesia  
**Population:** ~4 Million  
**Area:** 256,142 hectare divided into 3 zones.

**Est. Total Investment needs: ~Rp467 trillion.**

For Infrastructure and support economic growth (Technology, Renewable energy, Industry, etc)



20% by Stated Budget



80% by Private Participation  
(Public-Private Partnerships (56%) and Private Investment (24%))

12

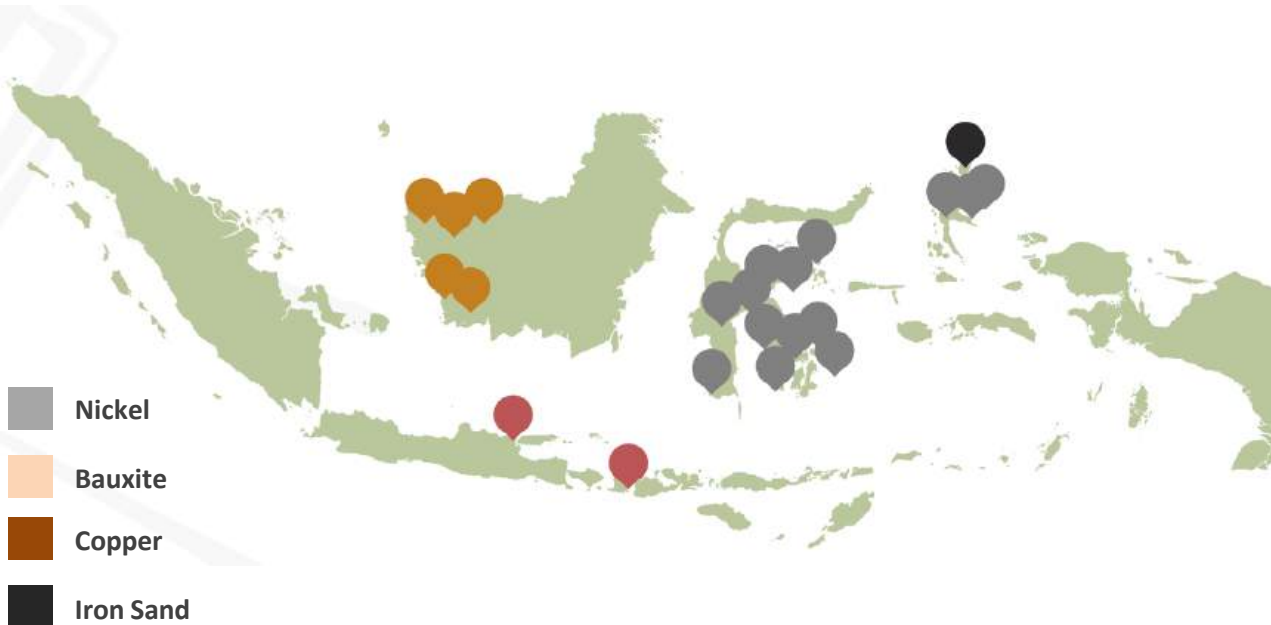
Fundamental sectors:

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Renewable Energy           | 7. Technology Infrastructure     |
| 2. Telecommunications Network | 8. Commercial Infrastructure     |
| 3. transportation             | 9. Medical Facilities            |
| 4. Housing                    | 10. Social and Public Facilities |
| 5. Water Treatment            | 11. Education                    |
| 6. Waste Management           | 12. Green Industrial Zone        |

\*exchange rate 1 USD= IDR 16.500 Source: Committee for Acceleration of Priority Infrastructure Delivery (KPPIP)



# "National Strategic Project Related To The Processing Of Critical Minerals"



On the National Strategic Projects (PSN) list, there are **16 Mineral Smelters** with an estimated investment value reaching IDR 248.75 Trillion, and the total output is as follows:

THE SMELTER PRODUCT OUTPUTS	
NICKEL	2.570.630 FeNi
BAUXITE	3.000.000 SGA
COPPER	680.000 Chatode
IRON SAND	1.600.000 Iron Pig

## Target Operasional Smelter

### ALREADY OPERATIONAL

1 Smelter (Rp30,3 T)  
PT Virtue Dragon Nickel Industry (2018)

1 Smelter (Rp5,79 T)  
PT Well Harvest Winning Alumina Refinery (Expansion)

2024

**1 Smelter (Rp 38,35 T)**  
• PT Freeport Indonesia  
• PT Aneka Tambang P3FH

2025

**1 Smelter (Rp 4,0 T)**  
• PT. Alchemist Metal Industry  
**1 Smelter (Rp 15 T)**  
• PT Amman Mineral Nusa Tenggara  
**1 Smelter (Rp 17,4 T)**  
• PT Dinamika Sejahtera Mandiri

> 2025

**4 Smelter (Rp 35 T)**  
• PT Ceria Nugraha Indotama  
• PT Wanxiang Nickel Indonesia  
• PT Artabumi Sentra Industri  
• PT Artha Mining Industry

**3 Smelter (Rp 95,29 T)**  
• PT. Bahodopi Nickel Smelting Indonesia and Tambang PT Vale Indonesia Blok Bahodopi  
• PT. Kolaka Nikel Indonesia dan Tambang PT. Vale Indonesia Blok Pomalaa  
• Construction of Integrated Nickel Processing and Refining Facilities

Source: Committee for Acceleration of Priority Infrastructure Delivery (KPPIP)



# Stages of Development of the National Capital City (IKN)



## I. 2020-2024

### Initial transfer to IKN

- Critical basic infrastructure is completed and operational (e.g. water, energy, rail) for residents in the initial stages
- Build central infrastructure (e.g. Presidential Palace, MPR/DPR Building) and housing in the Main IKN area
- Transfer of early-stage civil servant
- Initiation of priority economic sectors

## II. 2025-2029

### Building IKN as a Resilient Area

- Public transportation facilities, both primary and secondary, can be used
- Expansion of residential areas for civil servants as well as central government offices
- The civil servant transfer process is expected to be completed
- Research and talent development as well as distinguished university
- Continuing development and maintenance of basic infrastructure

## III. 2030-2034

### Continuing IKN Development More Progressively

- Develop integrated utilities and rail access to Balikpapan Airport – KIPP
- Continued transfer for National Army members
- Develop industrial areas and other sectors in the superhub economic cluster
- Strengthening smart cities, digital centers, and 21st century education
- Increasing investment and production capacity

## IV. 2035-2039

### Building the Entire Infrastructure and Ecosystem of 3 Cities to Accelerate the Development of East Kalimantan

- Rapid developments in the education and health sectors as economic drivers
- Strengthening the socio-cultural resilience of society and increasing the capacity of education and research institutions
- Increasing basic infrastructure capacity due to the increasing of population
- Increasing capacity and diversifying economic clusters and infrastructure in partner areas

## I. 2040-2045

### Strengthening reputation as a “World City for All”

- Developig road-based public transportation from the IKN railway and surrounding areas
- Strengthening integrated infrastructure and utilities
- Growth stability in IKN population
- Achieving net zero-carbon emissions and 100% renewable energy
- Sustainable industrial development
- Become the leading city in the world in terms of competitiveness



Currently, there are 12 investment sectors with 6 top priorities of development

## Top priority sectors (short-term focus)



Renewable Energy



Telecommunications



Transportation



Residential



Water Treatment



Waste  
Management

## High priority sectors (long-term focus)



Region



Technology



Healthcare  
Facilities



Commercial  
Infrastructure



Education



Industrial Estate



# Through Direct Investment, Nusantara has Raised IDR58.41 Tn from 8 Ground Breakings (until Des 2024)



GB 1

Investment: 22.9 Tn IDR

Konsorsium Nusantara – Mixed Use



GB 3

Investment: 4.78 Tn IDR



GB5

Investment: 2.1 Tn IDR

Pusat Layanan Perbankan KIPP 1B



GB 7

Investment: 5.35 Tn IDR



GB 2

Investment: 15.57 Tn IDR



GB 4

Investment: 4.26 Tn IDR



GB6

Investment: 1.8 Tn IDR

Universitas, Sekolah & Pusat Riset



GB 8

Investment: 1.57 Tn IDR

Mall Nusantara



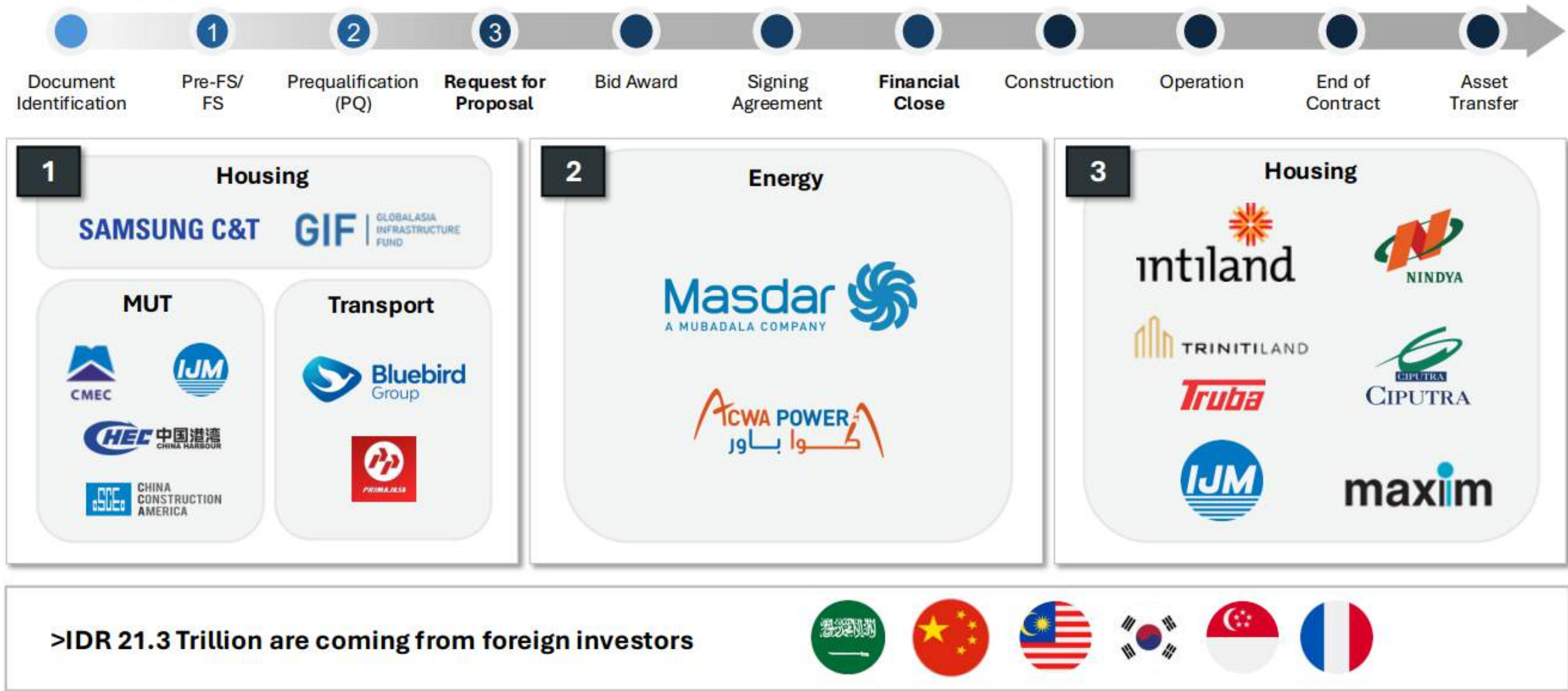
Source: Otorita Ibu Kota Nusantara, 2025



And, PPP, there are 39 LOIs from domestic and foreign investors with a total indicative investment commitment of >IDR 27.9 Tn



**Illustrative – Solicited PPP**



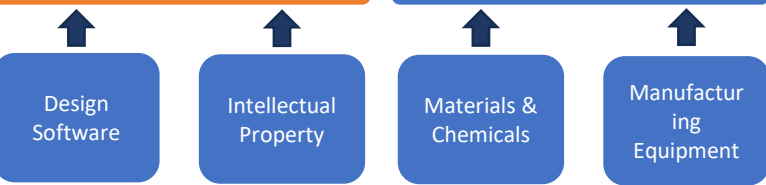




# Indonesia's Increasing Role in the Global Semiconductor Supply Chain

## DOMESTIC SEMICONDUCTOR PRODUCT INDUSTRY ECOSYSTEM

### Semiconductor Products Industry Supply Chain



**Orange box:** The industry already exists in Indonesia

**Blue box:** The industry does not yet exist in Indonesia

Currently, Indonesia only has 3 industries that play a role in the semiconductor supply chain, namely in the design and assembly and test sectors

Integrated Circuit (IC) Design House



PT. Tata Sarana Mandiri



PT. Xirka Darma Persada

Semiconductor Assembly & Test



PT. Infineon Technologies Batam - Export Orientation  
Production capacity 22 million units/week and plans to increase to 150 million units/week in 2030)



## International Technology Security and Innovation (ITSI) Fund – DOS Amerika Serikat

- The United States offered Indonesia to join as one of the partners (offers were given to 7 partner countries) in the International Technology Security and Innovation (ITSI) Fund to strengthen semiconductor supply chains during the Indonesian Ambassador's meeting in Washington D.C with the US Department of State (US DOS) on June 8, 2023. Total funding from US DOS is USD500 million or with an allocation of USD100 million per year for five years.
- In the initial stage, US DOS cooperated with the OECD to conduct a semiconductor ecosystem review which is an evaluation of the feasibility of the ATP downstream ecosystem (Assembling, Testing, and Packaging) of the semiconductor industry.

## DOMESTIC INDUSTRY DEMAND FOR SEMICONDUCTORS

### Mobile Phones and Laptop Production 2022



Mobile Phones: 40.2 million units



Laptop: 4 juta unit

### Solar Capacity Target



Solar capacity target 2030: 4680 MWP

*Semiconductors act one of them as a constituent component in the inverter in the solar panel unit.*

### Produksi Home Appliances 2022



Total production realization: 125.03 million units.

### KBL BB Production Target



KBL BB 4 wheels and more in 2035 target: 1 million units



Two and three wheeled KBL BB target by 2035: 12 million units

## INCENTIVES AND FACILITIES

### Tax Holiday



Through Perka BKPM No.7 of 2020, the semiconductor manufacturing industry (KBLI 26120) can receive a tax holiday

### Tax Allowance



Perka BKPM No.7 of 2020, The semiconductor manufacturing industry (KBLI 26120) can receive tax allowances.

### Super Deduction



RnD activities to focus on research on electronics, laptop computers, ICT, smart cards, electronic components and ICT components and vocational activities

### Special Economic Zones

Nongsa SEZ in Batam; Gresik SEZ in East Java, and Kendal SEZ in Central Java.

## OPPORTUNITIES AND DIRECTIONS OF SEMICONDUCTOR ECOSYSTEM DEVELOPMENT

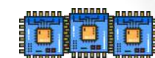
**Strengthening and establishing fables start-ups in 2024** in accordance with the use case specific needs of the industry in Indonesia.



Human Resource development partnerships **supporting fables, front-end and back-end industries from 2024.**

Inviting the United States semiconductor industry to invest in Indonesia (Batam) starting from **the back-end industry to build demand and ecosystem by 2024**, according to the specificity of their respective businesses

The creation of a semiconductor ecosystem that supports **investment in the front-end industry (wafer fabrication) is expected to be established by 2026**



Description: The front-end industry includes foundry (wafer fabrication) while the back-end industry includes the OSAT industry (Assembly and packaging, and Testing & Measurement).

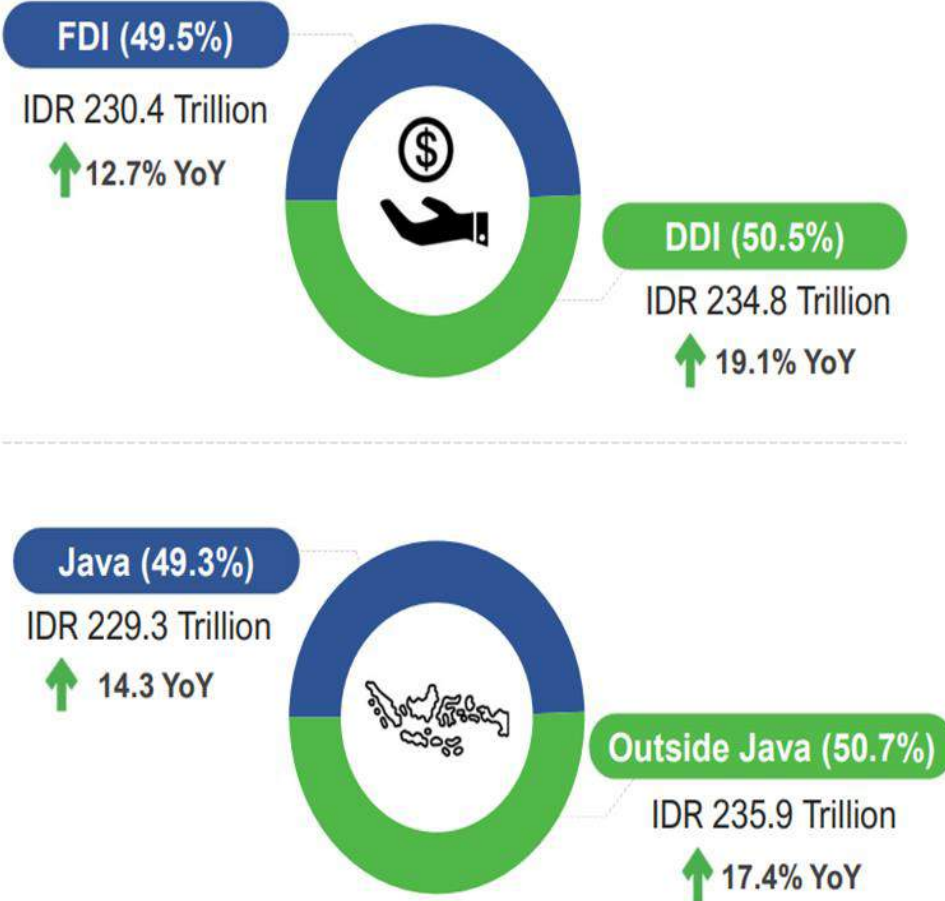
Semiconductor Product HS Code (BTKI 2017 and 2022): 85414010; 85414021; 85414022; 85414029; 85414090; 85415000; 85419000; 85429000; 85414100; 85414200; 85414300; 85414900; 85415100; 85415900



# Investment Realization Q1 2025

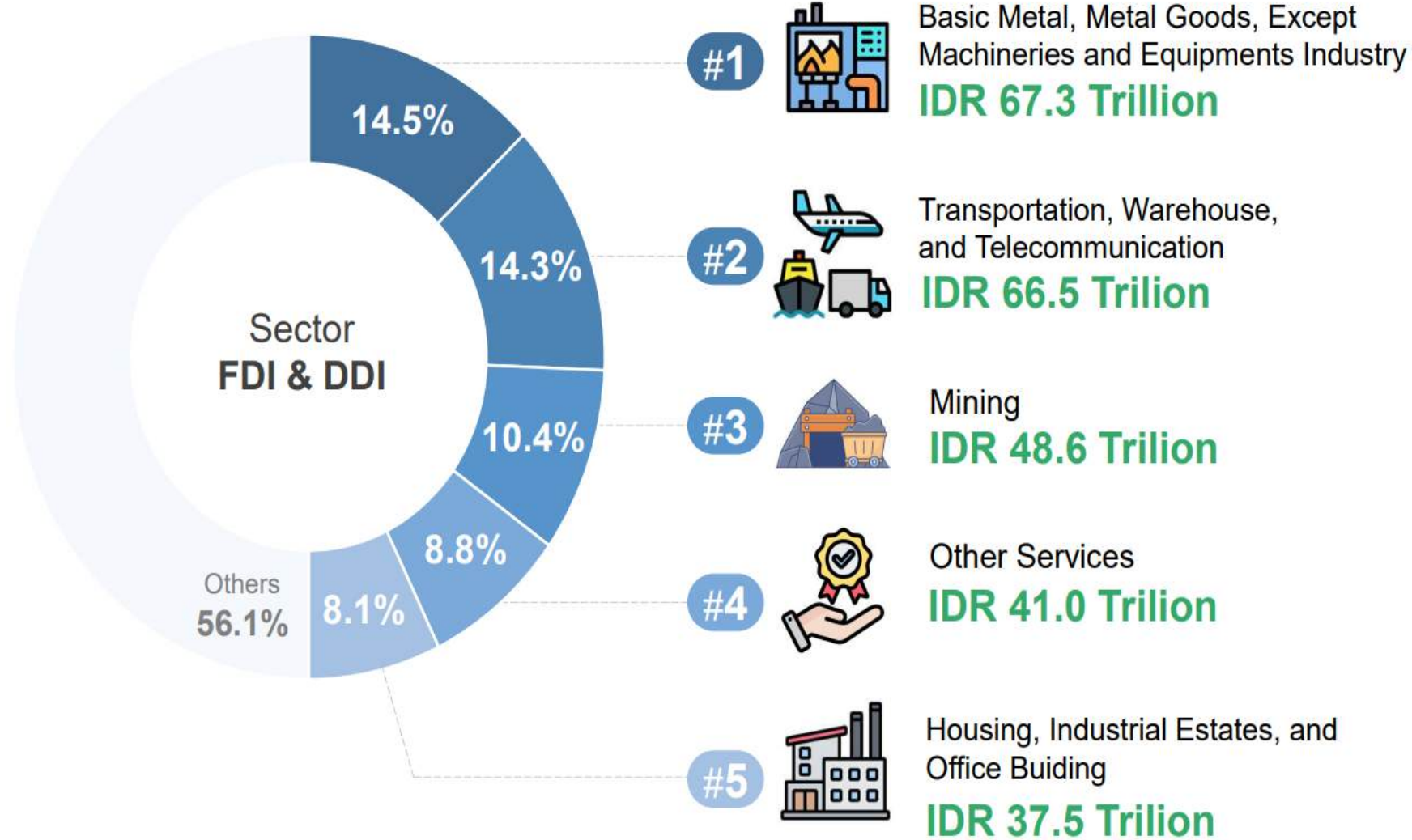


(Excluding upstream oil and gas and financial services sectors)



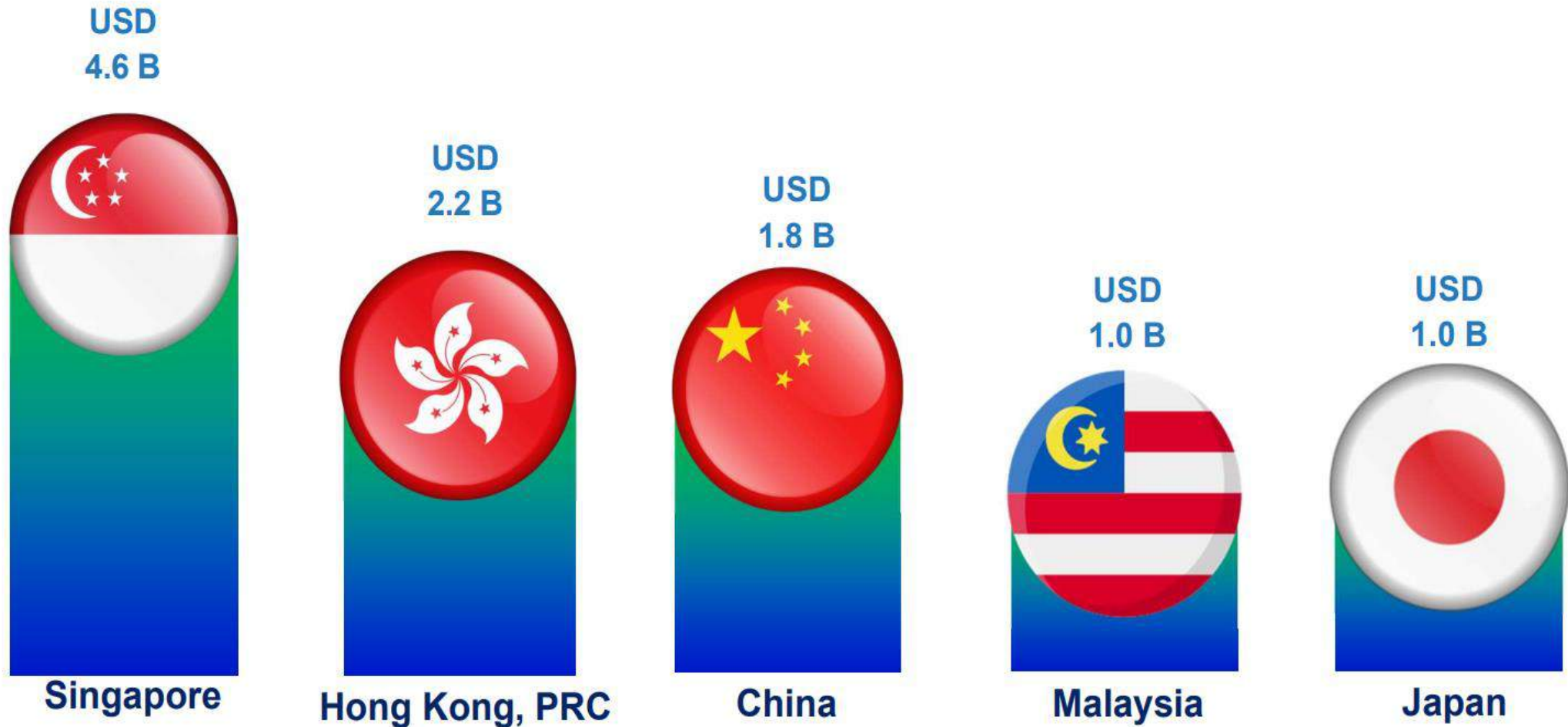


# Investment Realization in Q1 2025: Top 5 Subsectors (FDI + DDI combined)





# Investment Realization in Q1 2025: Top 5 FDI Countries







THANK YOU