

Presentation Book Investor Relation Unit Republic of Indonesia

*“Navigating Global Dynamics through Policy Synergy to Maintain
Stability and Strengthen Economic Growth”*



July 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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Table of Contents



Section 1: General Summary

...page 4-9

Executive Summary
Conducive environment
Rating Histories
Competitiveness Ranking
Governance Indicators



Section 2: Macroeconomic ... page 10-20

Recent Macroeconomic Indicators
GDP
Inflation
Economic Prospect



Section 3: External Sectors ...page 21-25

BOP Indicators
Exchange Rate Movement
Line of Defense Against External Shocks
External Debt Profile
Private External Debt Risk Management



Section 4: Fiscal ...page 26-48

Fiscal Budget & Performance 2024
Fiscal Policy 2024
Financing Strategy 2024
Budget Posture 2025



Section 5: Monetary & Financial Sector ...page 49-66

Policy Mix	Multifinance indicators
Monetary indicators	Insurance & Pension Funds
Banking indicators	Capital Markets
Banking Risk Profile	Financial Technology



Section 6: Structural Reforms ...page 67-98

Economic Transformation Policy
National Strategic Project
Energy Transition
Investment Realization



Section 1


General Summary

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

Executive Summary




Preserved Economic Resilience Amidst Global Uncertainty




Solid economic growth and outlook supported by domestic demand.




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



Resilient external sector supported by high reserves, sound BOP, and prudent external debt management



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



Continuous structural reform and infrastructure development

Economic growth in Indonesia must be strengthened constantly against a backdrop of global economic moderation. The Consumer Price Index (CPI) inflation in July 2025 recorded 2.37% (yoy) inflation annually, which remains under control within the target corridor of $2.5\% \pm 1\%$. **Indonesia's Balance of Payments (BOP) in the first quarter of 2025 was maintained**, with the current account posted a narrower deficit (USD 0.2 billion) remained low despite global economic moderation. 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. Meanwhile, **Fiscal prudence is expected to continue in 2025, with the fiscal deficit projected at 2.53% of GDP. Monetary policy focuses on maintaining stability and strengthening economic growth.** Bank Indonesia will continue orienting monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to nurture economic growth based on global and domestic economic dynamics. **The financial system remains stable**, underpinned by ample liquidity, high capital, low credit risk, and solid banking industry resilience stress test results. To promote strong, inclusive, and environmentally sustainable economic growth, the government is consistently implementing structural reforms, including infrastructure development and efforts to improve the investment climate.

Rating Update 2024-2025

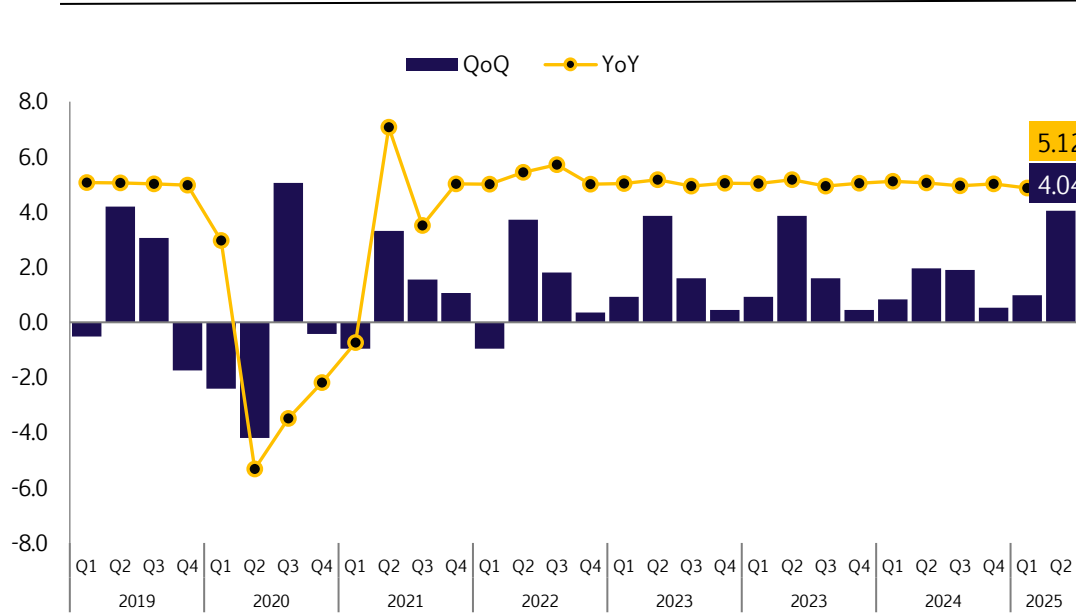
	BBB (Stable)	March 2025
	Baa2 (Stable)	April 2024
	BBB (Stable)	July 2025
	BBB+ (Positive)	September 2024
	BBB+ (Stable)	March 2024

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 Growth¹

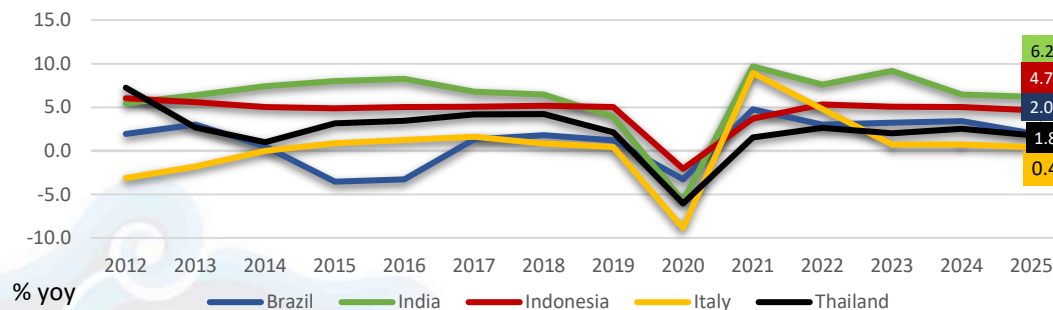


Economic growth in Indonesia must be strengthened constantly to overcome the deleterious impact of global uncertainty caused by the reciprocal tariffs introduced by the US. Domestic economic growth in the second quarter of 2025 was recorded at 5.12% (yoy), accelerating from 4.87% (yoy) in the previous period. Spatially, the structure of the Indonesian economy in the second quarter of 2025 accelerated in all regions compared with conditions in the previous period, led by Java, followed by Sulawesi-Maluku-Papua (Sulampua), Sumatra, Kalimantan and Bali-Nusa Tenggara (Balinusra). In 2025, economic growth is projected to remain solid, supported by government consumption given greater spending towards the end of the year. Moving forward, national economic growth in Indonesia is projected to improve in the third semester of 2025, and overall, with Bank Indonesia projects economic growth overall in 2025 within the 4.6-5.4% range.

2025 Growth Projection

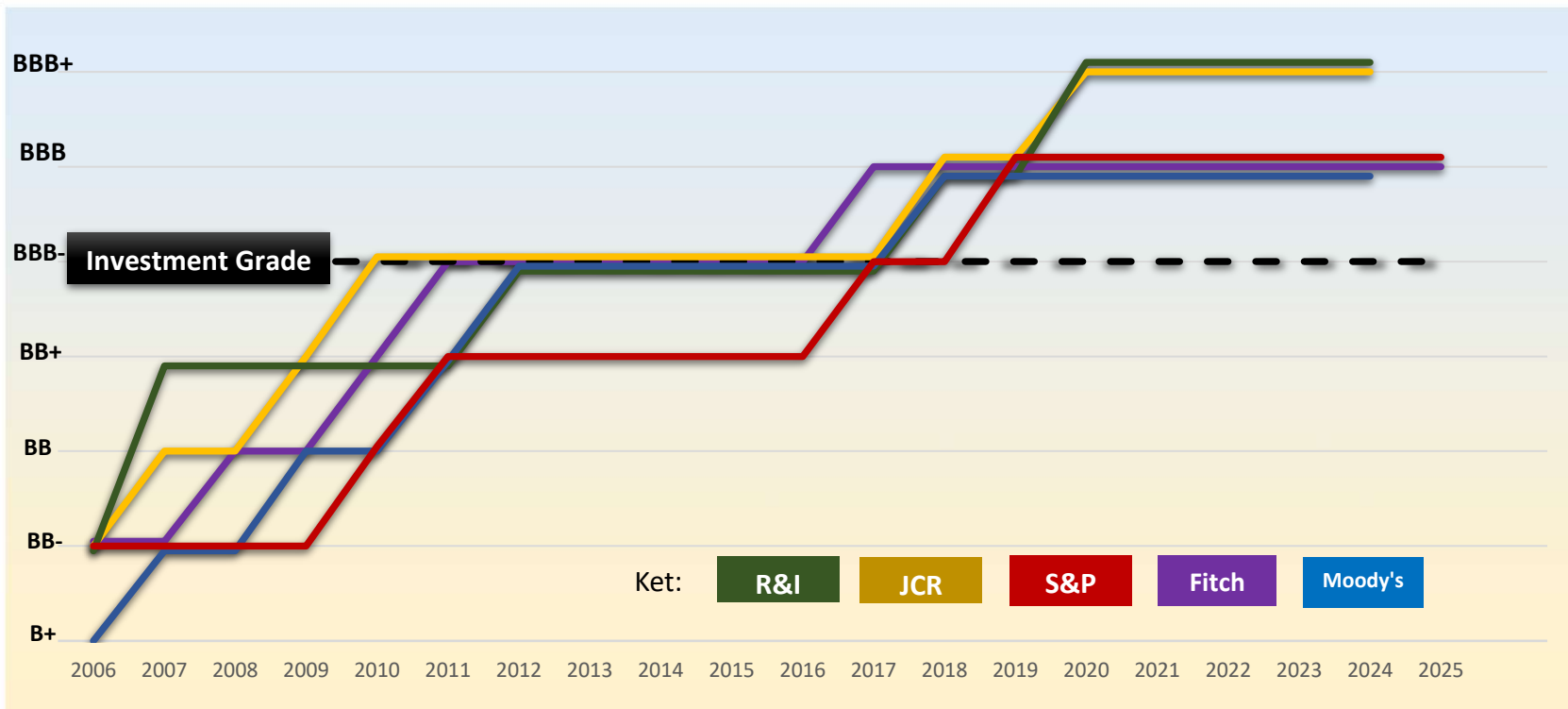
Institutions	GDP growth
2025 Budget	5.2
Bank Indonesia	4.6-5.4
Consensus Forecast (July 2025)	4.8
IMF (April 2025)	4.7
ADB (April 2025)	5.0

Favourable GDP Growth Compared to Peers²



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

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 2025, Rating Affirmed at BBB/Stable

"Indonesia's BBB rating reflects the country's robust economic growth prospects, prudent policy settings, and relatively low net external and government debt burdens. Meanwhile, the stable outlook is supported by the government's commitment to maintaining the 3% annual fiscal deficit ceiling as a policy anchor."

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).

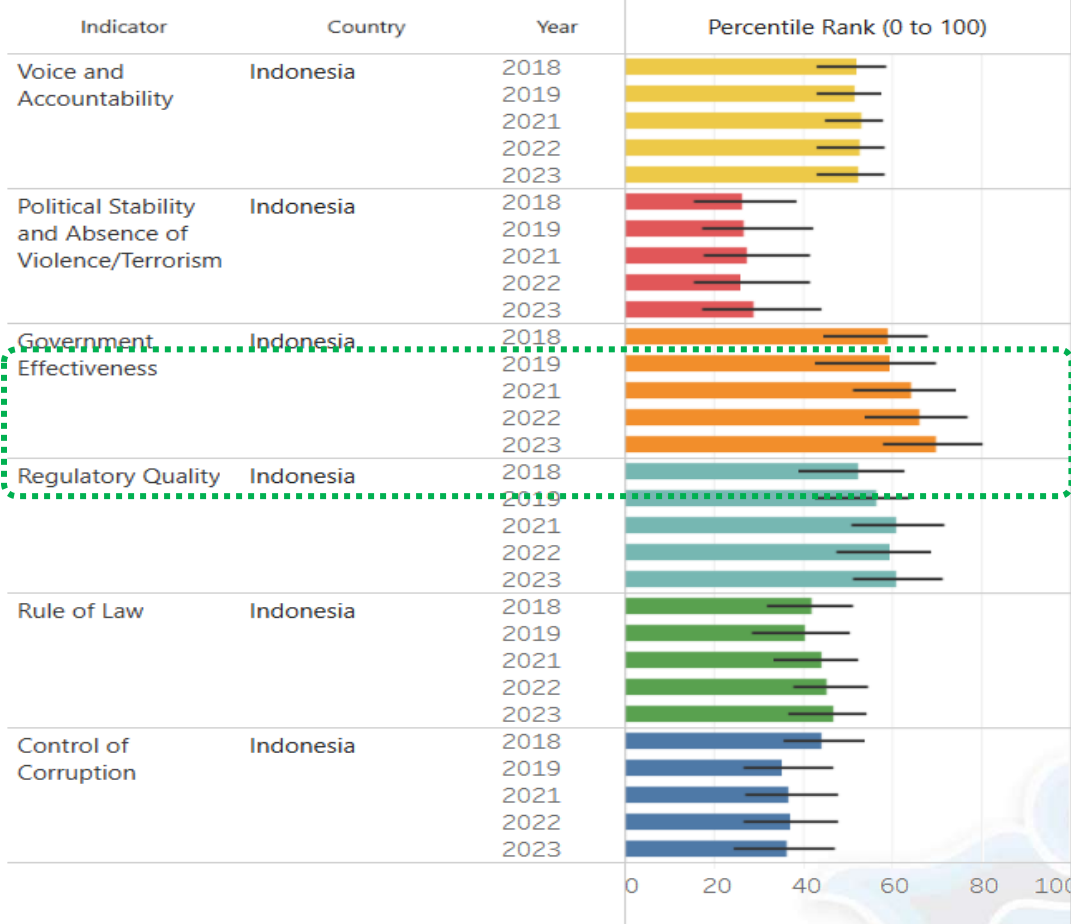
IMD World Competitiveness Index 2015-2024



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



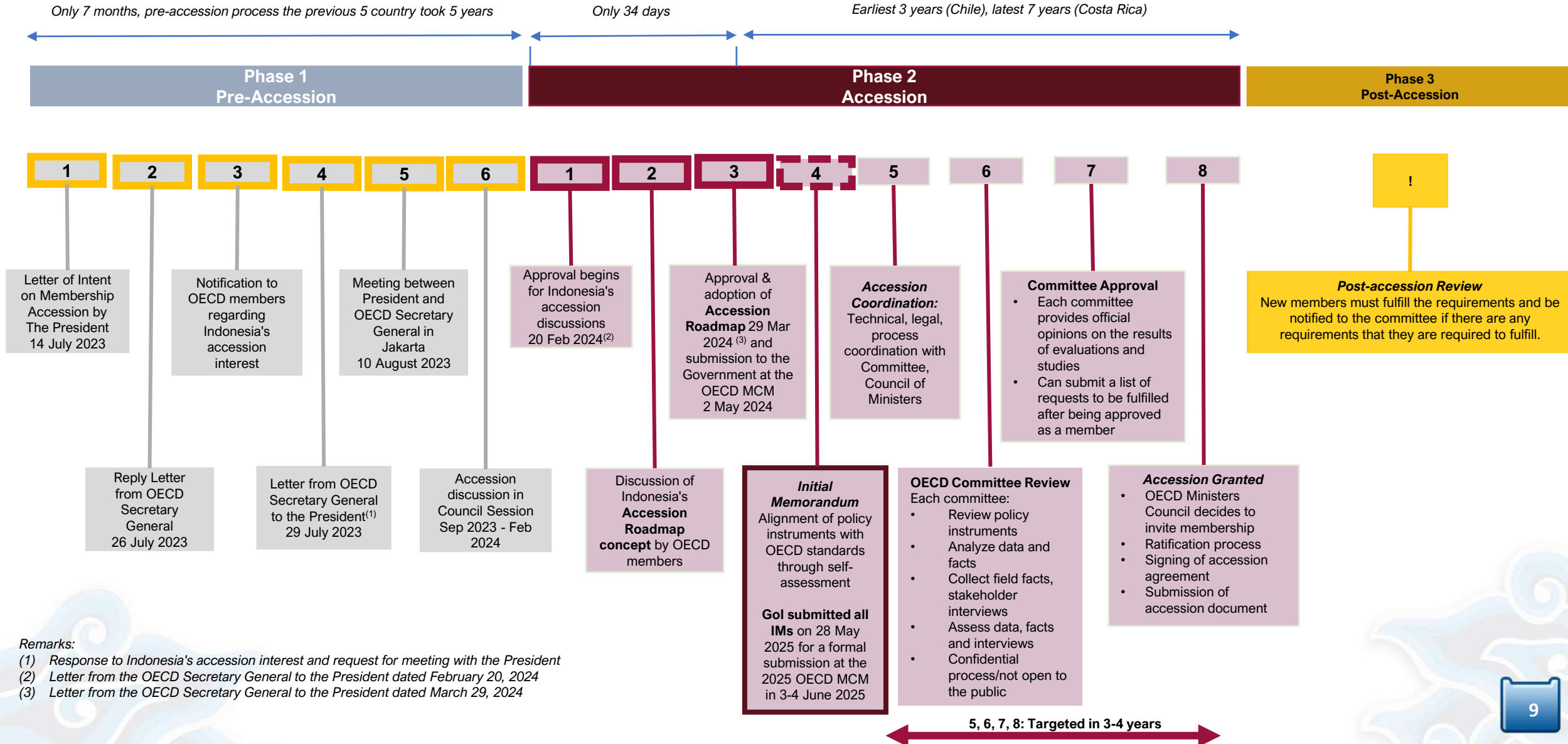
Note: Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: Worldwide Governance Indicators, 2024 Update (www.govindicators.org)

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



Indonesia's OECD Accession





Section 2

Macroeconomic

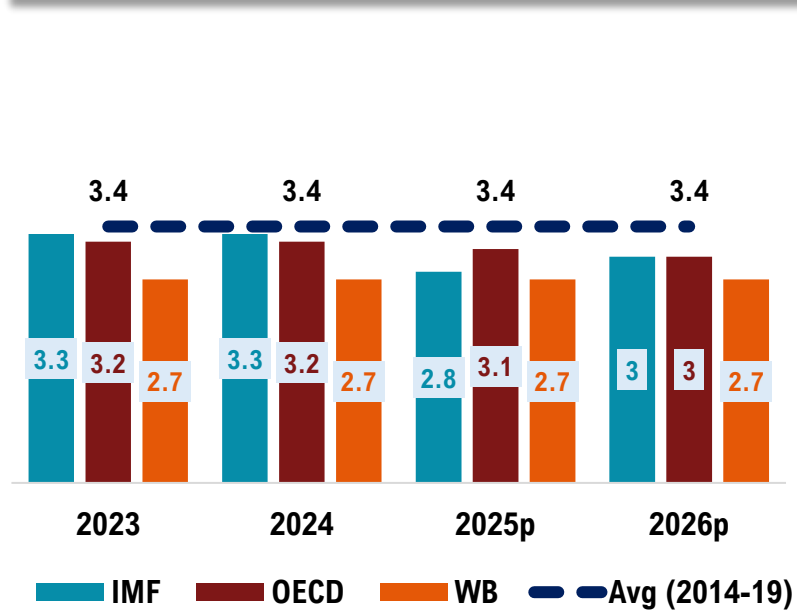
*“Promising Growth Prospects
Supported by Continued Economic
Recovery Momentum”*

Global Conditions still Face a Number of Challenges Ahead



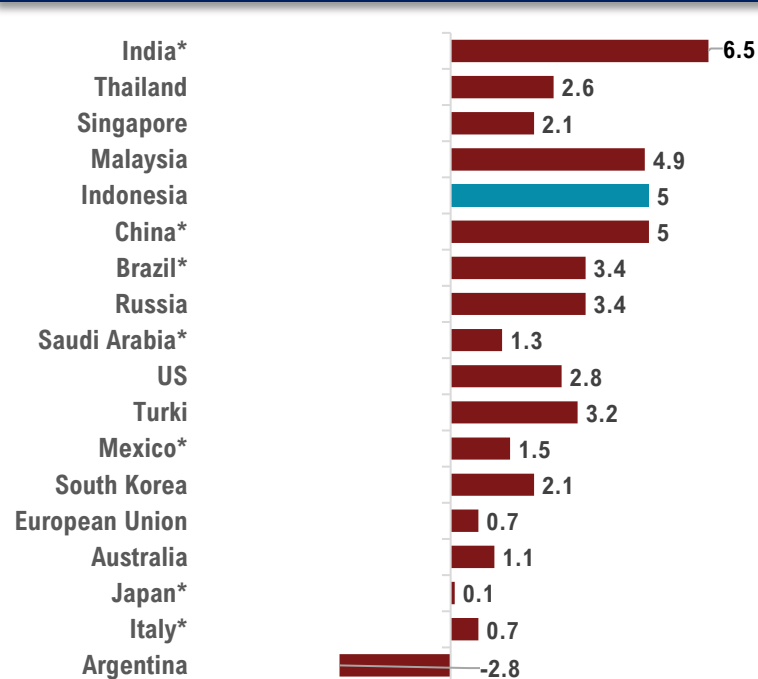
The global growth projection for 2025 is expected to be slightly weaker compared to 2024, with inflation starting to moderate. Although global risks causing uncertainty remain high, Indonesia remains optimistic due to strong and relatively higher growth than other economies.

Global GDP Growth Projection (% YoY)



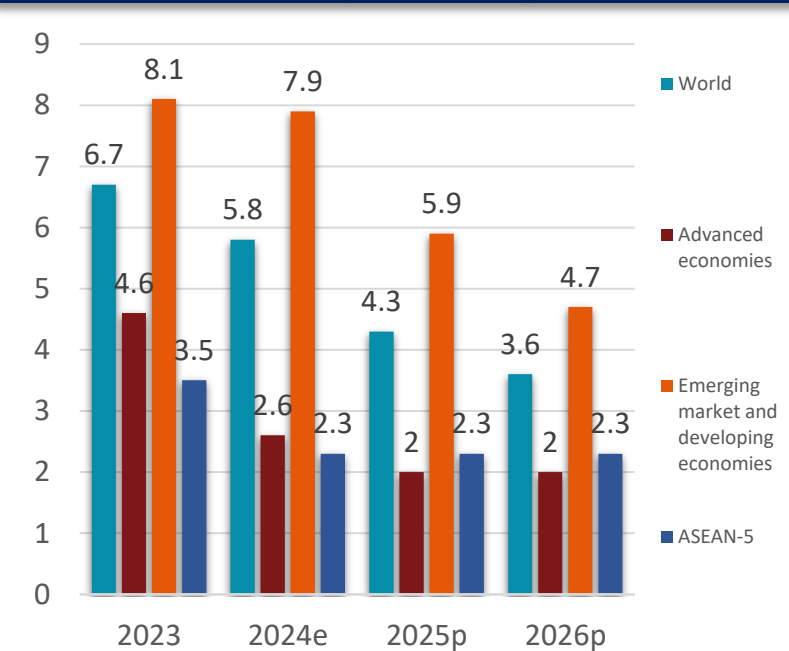
Source: WEO IMF Apr 25, GEP WB Jan 25, and OECD Int Report Mar 25

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

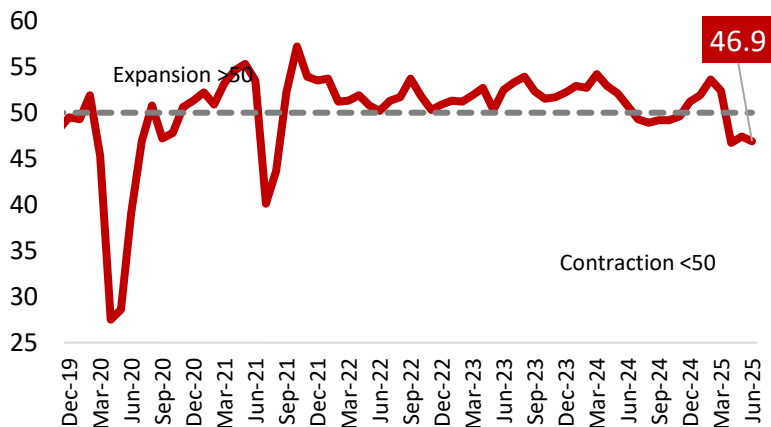
6

America's Protectionist Policy: Ratcheting up a trade war

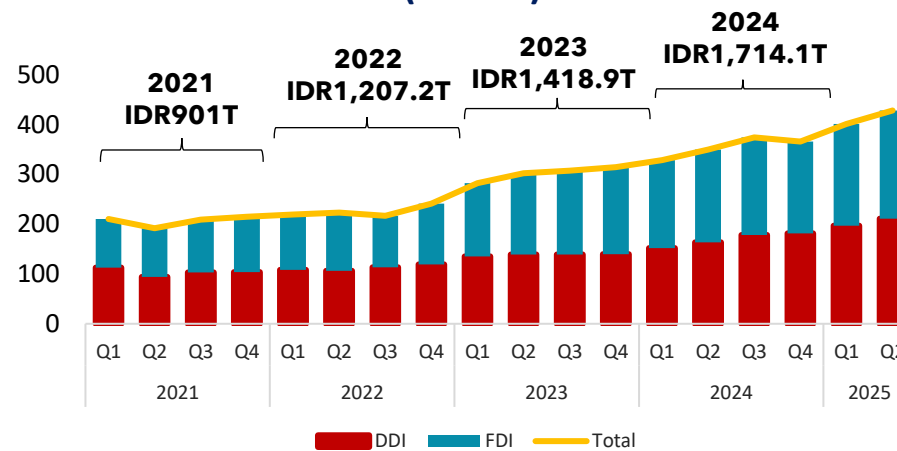
Indonesia's Leading Indicators Exhibit Favorable Outlooks



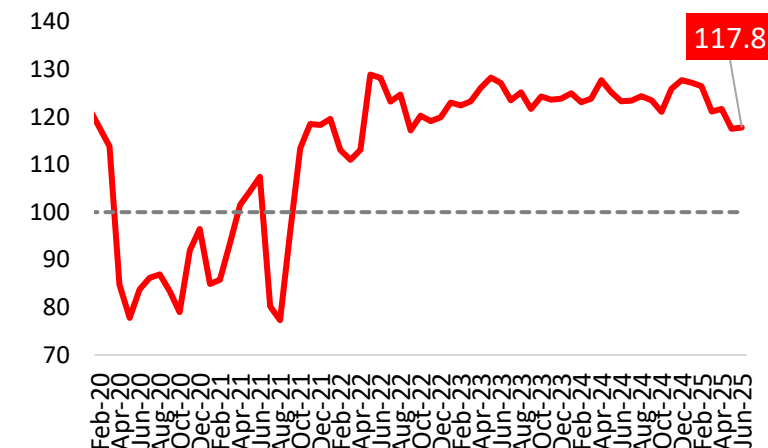
Manufacturing PMI



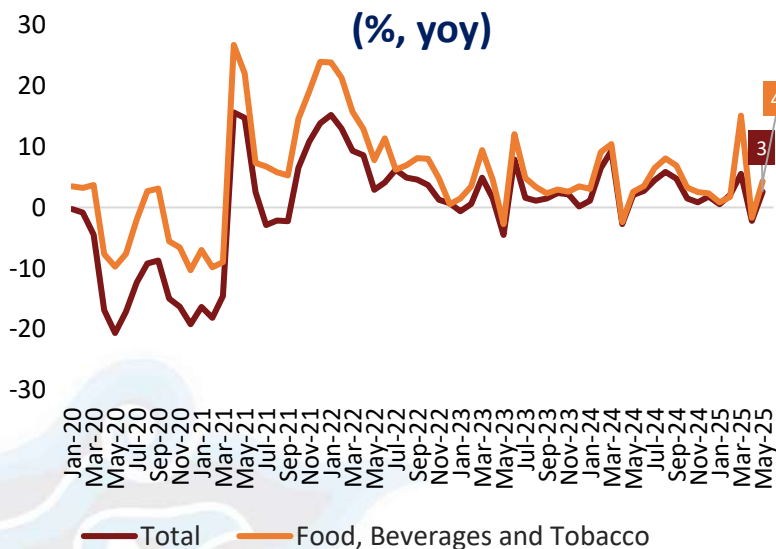
Total Investment (IDR Tn)



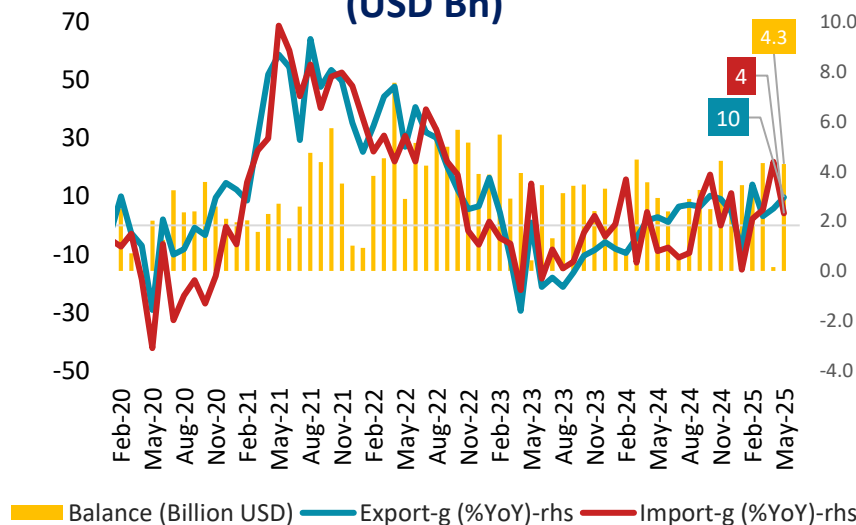
Consumer Confidence Index



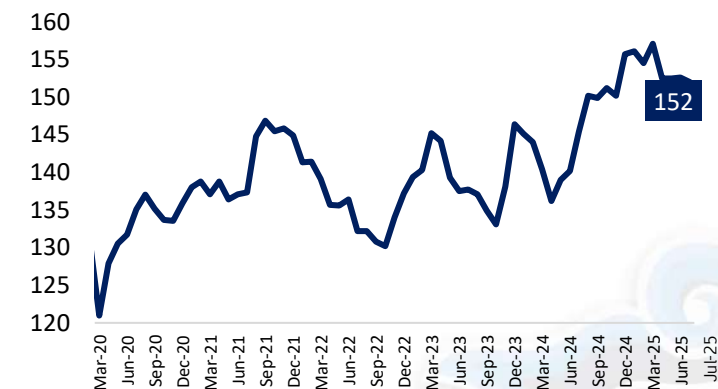
Retail Sales (% yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)



Economic Performance Remains Solid in 2024



GDP Growth Based on Expenditure (% , YoY)

By Expenditure	2020					2021					2022					2023*					2024**					2025***	
	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2
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	4.95	4.97
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	7.82
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	-1.37	-0.33
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	6.99
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	6.46	10.67
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	4.17	11.65
Gross Domestic Product	2.97	-5.32	-3.49	-2.17	-2.07	-0.69	7.08	3.53	5.03	3.70	5.02	5.46	5.73	5.01	5.31	5.05	5.11	5.05	4.95	5.05	5.11	5.05	4.95	5.02	5.03	4.87	5.12

GDP Growth Based on Sector (% , YoY)

SECTOR	2020					2021					2022					2023*					2024**					2025***	
	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2
Agriculture, Forestry, and Fishing	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	1.65
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	2.03
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	5.68
Electricity and Gas	3.85	-5.46	-2.44	-5.01	-2.34	1.68	9.09	3.85	7.81	5.55	7.04	9.33	8.05	2.31	6.61	2.67	3.15	5.06	8.68	4.91	5.35	5.39	5.02	3.42	4.77	5.11	0.90
Water Supply; Sewerage, Construction	4.38	4.44	5.94	4.98	4.94	5.46	5.78	4.56	4.14	4.97	1.35	4.46	4.26	2.84	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.84	0.03	1.06	1.56	0.18	0.82
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	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	4.98
Transportation and Storage	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	5.37
Accommodation and Food Service Activities	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	8.52
Information and Communication	1.92	-22.01	-11.86	-8.91	-10.26	-7.28	21.54	-0.14	4.97	3.88	6.57	9.79	17.79	13.77	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.15	8.32	6.61	8.56	5.75	8.04
Financial and Insurance Activities	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	7.92
Real Estate Activities	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	3.20
Business Activities	3.81	2.31	1.96	1.25	2.32	0.94	2.82	3.42	3.94	2.78	3.78	2.16	0.63	0.39	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32	2.97	2.50	2.94	3.71
Public Administration	5.39	-12.09	-7.61	-7.02	-5.44	-6.10	9.94	-0.59	0.89	0.73	5.96	7.92	10.79	10.42	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08	8.38	9.27	9.31
Education	3.16	-3.21	1.82	-1.56	-0.03	-2.24	9.94	-9.95	0.99	-0.33	-1.29	-1.52	12.48	1.77	2.52	2.13	8.18	-6.24	1.63	1.51	18.89	2.81	3.94	1.16	6.40	4.79	4.69
Human Health and Social Work Activities	5.86	1.18	2.39	1.33	2.61	-1.54	5.89	-4.43	0.71	0.11	-1.44	-1.11	4.42	0.38	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.44	2.56	2.95	3.75	5.04	1.40
Other Services Activities	10.33	3.67	15.26	16.53	11.56	3.38	11.68	14.04	12.16	10.45	4.53	6.51	-1.70	2.49	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.57	7.65	5.20	8.11	5.78	3.80
Gross Domestic Product	2.97	-5.32	-3.49	-2.17	-2.07	-0.69	7.08	3.53	5.03	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02	5.03	4.87	5.12

Short-Term Mitigations and Policy Responses Amidst Weakening Global Economic Prospects

Q1 2025 Economic Stimulus

Incentive Type

Details

Electric Discounts (Jan – Feb)	50% electricity discount for two months for households with installed power between 450 VA and 2200 VA
Automotive Incentive	<ul style="list-style-type: none"> ➤ Battery-Based Electric Vehicles (KBLBB): <ul style="list-style-type: none"> • 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.
Property Incentive (Jan – July 2025)	For residential properties valued up to IDR 5 billion , a 100% VAT discount applies to the first IDR 2 billion.
MSME Incentive	Extension of the validity period of the 0.5% final corporate tax exemption for MSMEs with a monthly turnover of less than IDR 500 million
Incentive for Intensive Sector Workers Industry	<ol style="list-style-type: none"> 1. Government-borne Income Tax (PPH21) incentives for labor-intensive sector workers earning up to IDR 10 million per month. 2. Financing facilities for machine revitalization to boost productivity with a 5% interest subsidy. 3. Extension of 50% Discount on Work Accident Insurance is reinstated for 6 months (Aug' 25- Jan '26) for Labor Intensive Sector Workers

Q2 2025 Economic Stimulus

Incentive Type

Details

Transportation Discounts (5 June – 31 July)	<ol style="list-style-type: none"> 1. Train Ticket Discount (30%) 2. Plane Ticket (PPN DTP 6%) 3. Sea Transportation Discount (50%) <p>Budget Allocation Rp0,94 Tn</p>
Toll Tariffs Discounts (5 June – 31 July)	<p>20% toll tariff discount with estimated beneficiaries for 110 million vehicle.</p> <p>Budget Allocation IDR 0,65 Tn (Non-APBN)</p>
Intensification of Social Assistance and Food Aid (June – July)	<ol style="list-style-type: none"> 1. Additional food card program of Rp200k/month 2. Food assistance of 10 kg/month <p>Est. beneficiaries for 18.3 million households.</p> <p>Budget Allocation IDR 11,93 Tn</p>
Wage Subsidy Assistance (June – July)	<ol style="list-style-type: none"> 1. Rp300rb for 17,3 million workers 2. 288k teachers from Kemendikdasmen 3. 277k teachers from Religion Ministry <p>Budget Allocation IDR 10,72 Tn</p>
Extension of Discount on Work Accident Insurance Contributions (Feb – May)	<p>Extension of 50% Discount on Work Accident Insurance is reinstated for 6 months for Labor Intensive Sector Workers</p> <p>Budget Allocation IDR 0,2 Tn (Non-APBN)</p>

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.

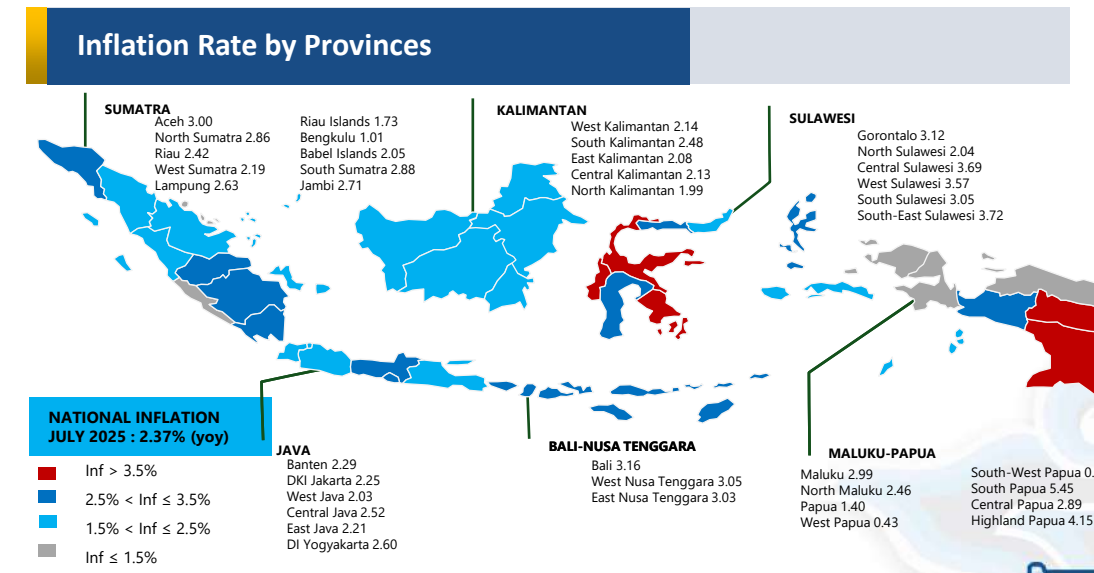
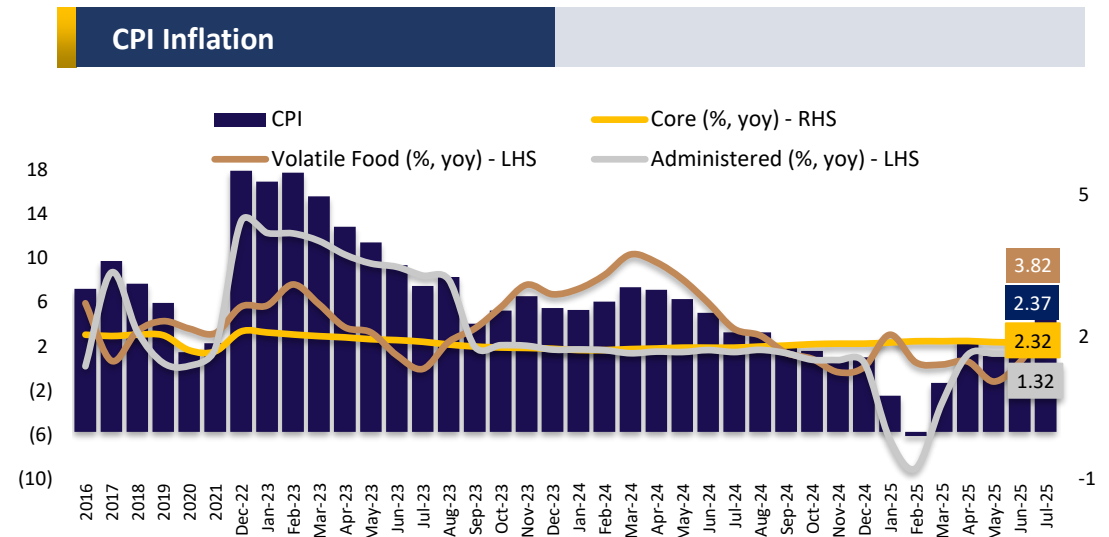
Inflation Was Maintained Within The Target Corridor



- Consumer Price Index (CPI) in July 2025 was maintained within the $2.5\pm 1\%$ target corridor, recorded at 2.37% (yoy), a slight increase from 1.87% (yoy) the month earlier.
 - Core inflation relatively stable and recorded at 2.32% (yoy), slightly decreased from 2.37% (yoy) the previous month.
 - Meanwhile, the volatile food (VF) recorded inflation of 3.82% (yoy).
 - Administered prices (AP) inflation recorded 1.32% (yoy), slightly decreased from 1.34% (yoy) in May 2025
- Inflation will remain manageable within the $2.5\pm 1\%$ target corridor in 2025 and 2026 due to monetary policy consistency and close inflation control synergy between Bank Indonesia and the (central and regional) Government within the Central and Regional Government Inflation Control Teams (TPIP and TPID) through the National Movement for Food Inflation Control (GNPIP) in various regions.

2025 Inflation Projection

Institutions	Inflation (% yoy)
2025 Budget	2.5
Bank Indonesia	$2.5\pm 1\%$
Consensus Forecast (July 2025) – average	1.8
IMF (April 2025) – end of period	1.7
ADB (April 2025)	1.8



Synchronized Policies to Strengthen Inflation Controlling Efforts



MONETARY POLICY

Support for pro-stability and pro-growth monetary policy

- Orienting monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to nurture economic growth based on global and domestic economic dynamics



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.



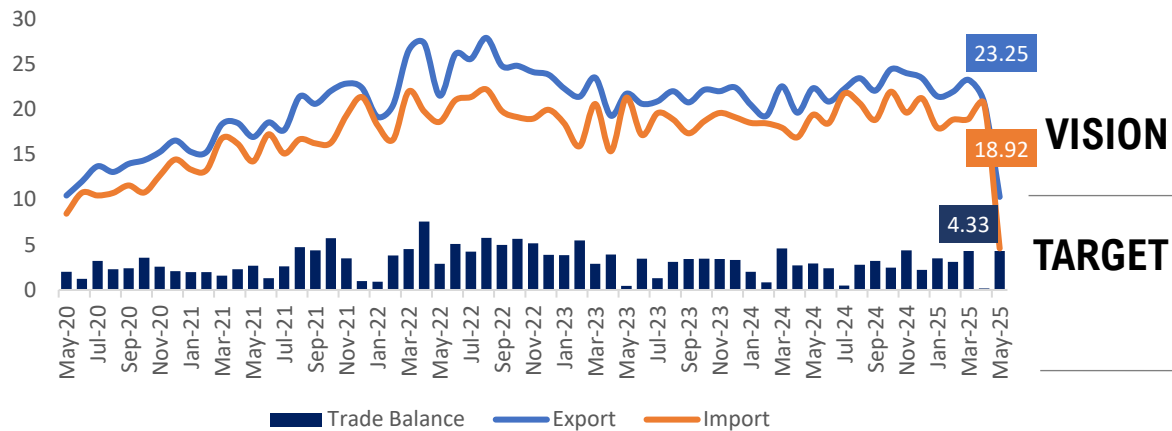
CPI INFLATION
2.5±1%

INFLATION 2025
MAINTAIN WITHIN THE
TARGET



Task Force for Increasing National Exports to Strengthen Trade Balance

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

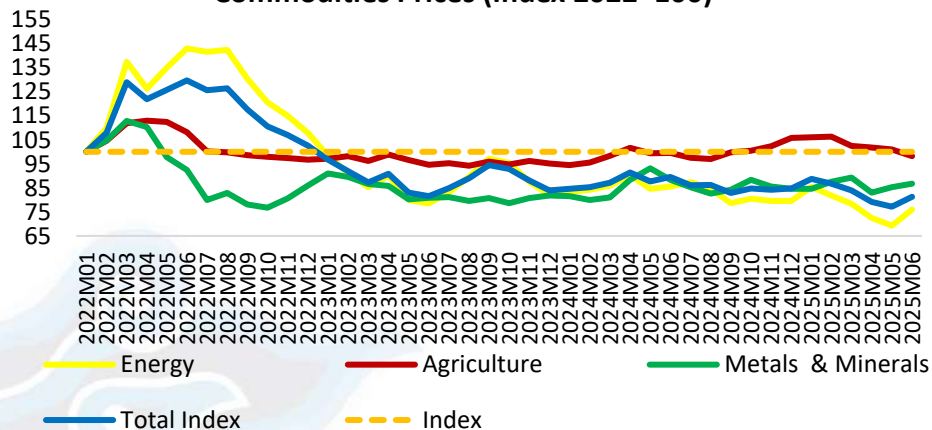


Source: BPS

WORKING GROUP

Commodities Prices Volatility

Commodities Prices (Index 2022=100)



Source: World Bank

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 Bussiness	Current Account, Capital Account, and Financial Account
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

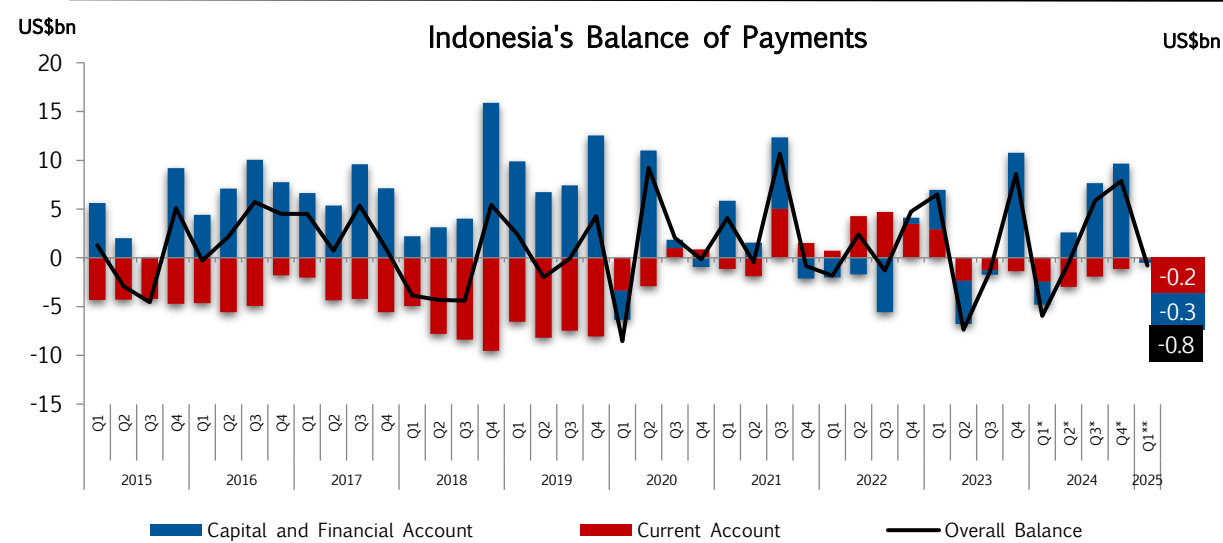
*“Strong External Resilience Supported by High
Reserves and Sound Balance of Payments”*

External Sector Remains Resilient

... Supported by High Foreign Reserves and Sound Balance of Payments

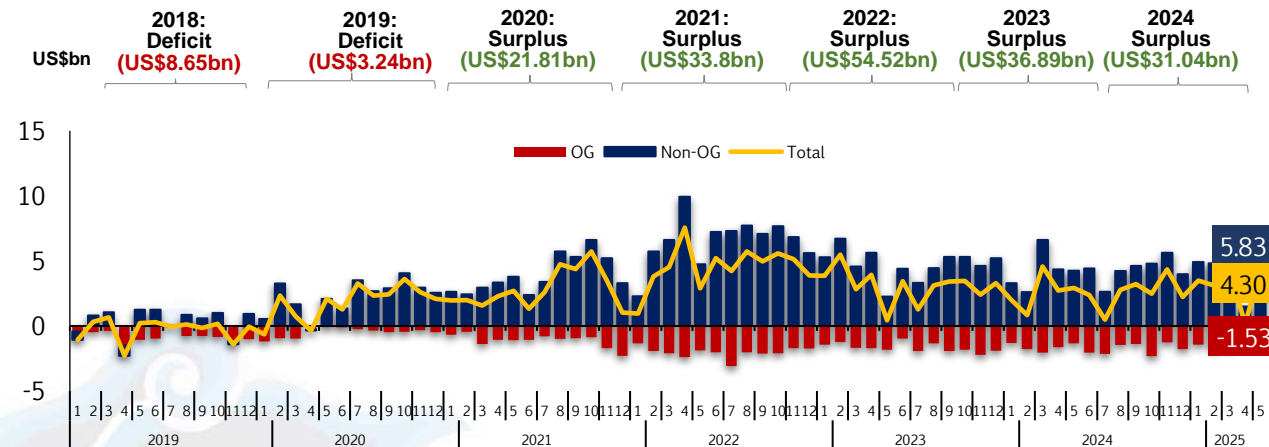


Balance Of Payment Remains Solid



Source: Bank Indonesia

Trade Balance Surplus Continues

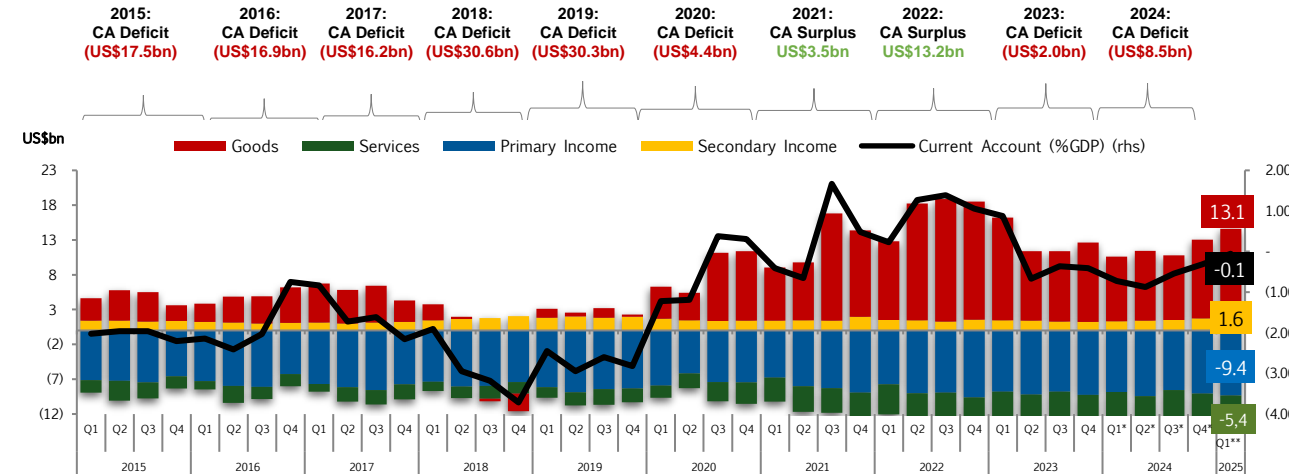


Source Central Bureau of Statistics of Indonesia

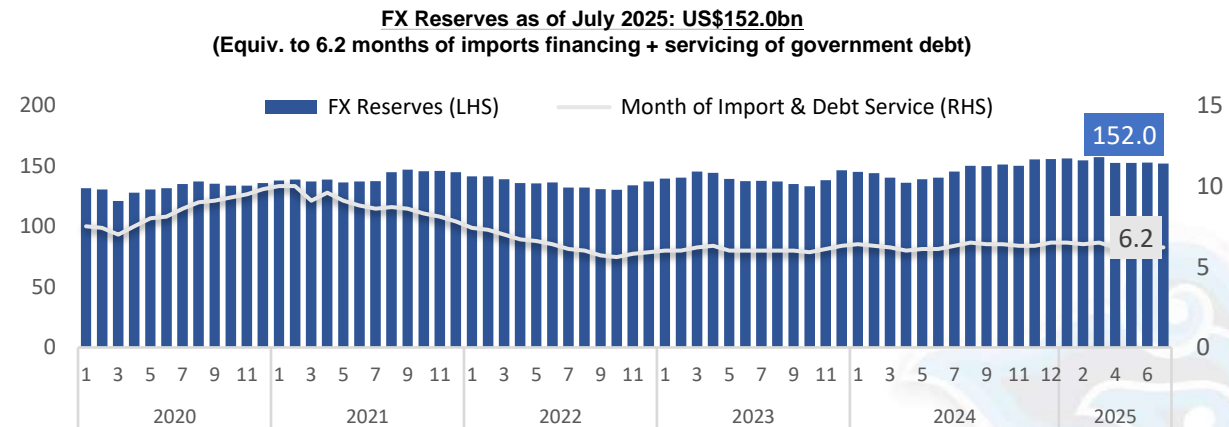
* Preliminary Figure

** Very Preliminary Figure

Current Account Recorded Low Deficit



Official Reserve Assets Increased to Reinforce External Sector Resilience



Source: Bank Indonesia

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 July 2025: **US\$152.0 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

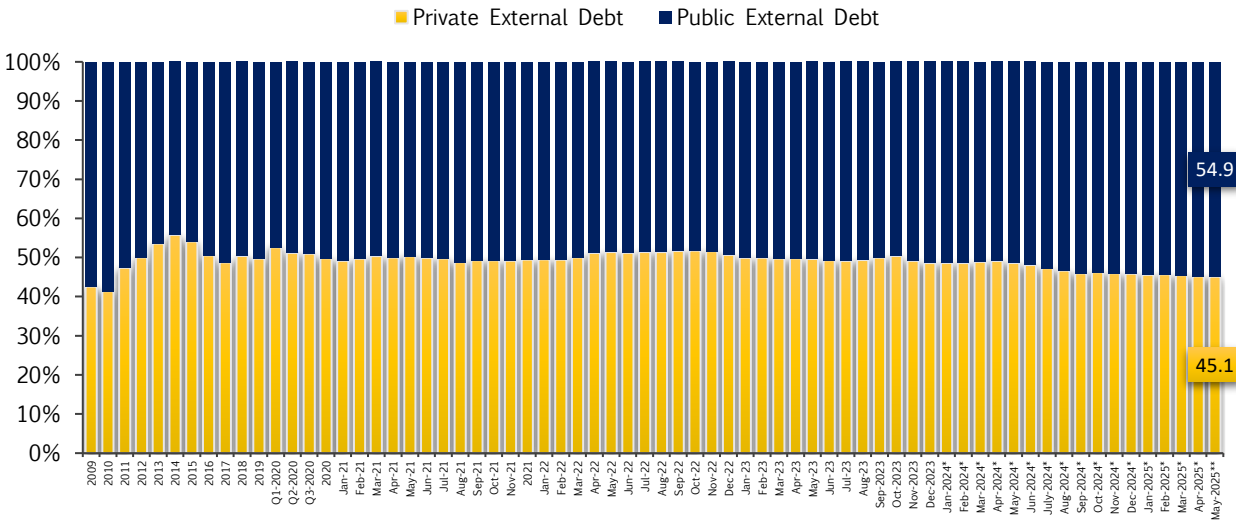
IMF Global Financial Safety Net - GSFN

- 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)

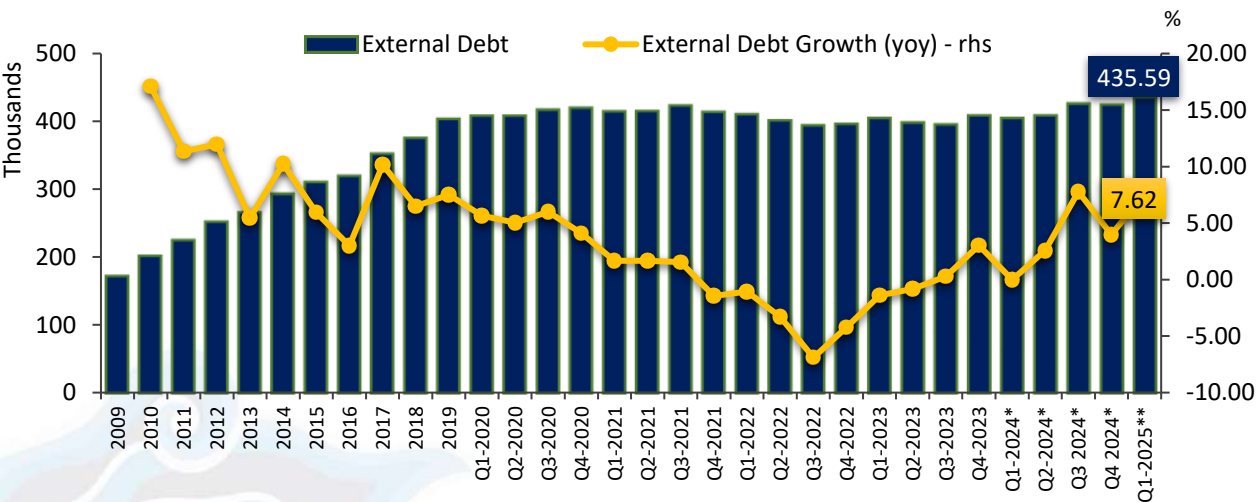
Healthy External Debt Profile



External Debt Structure

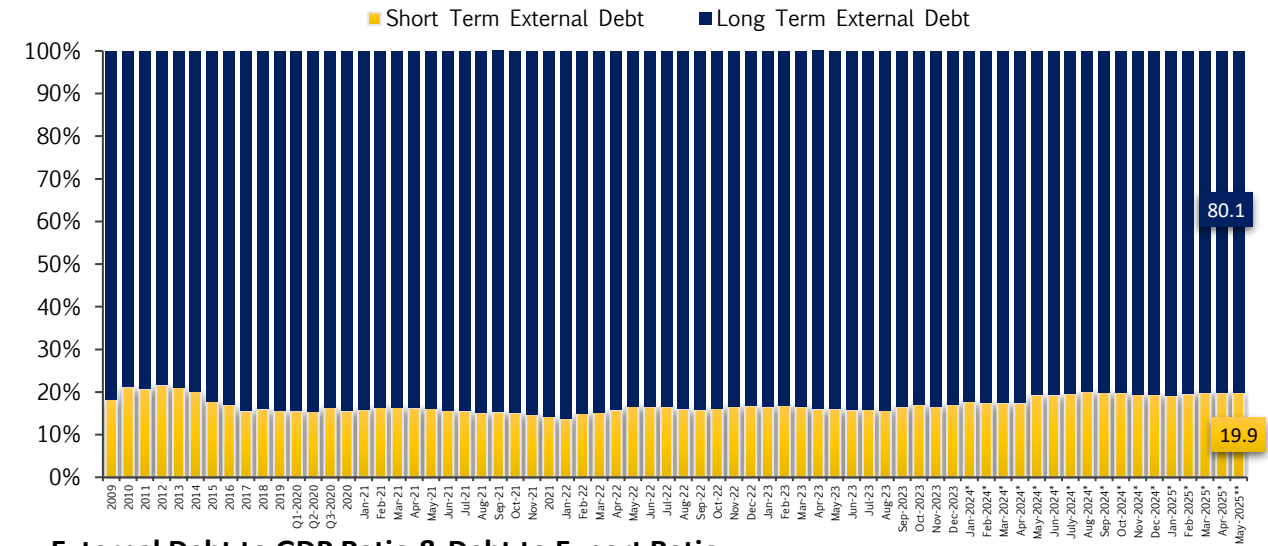


External Debt Remains Manageable

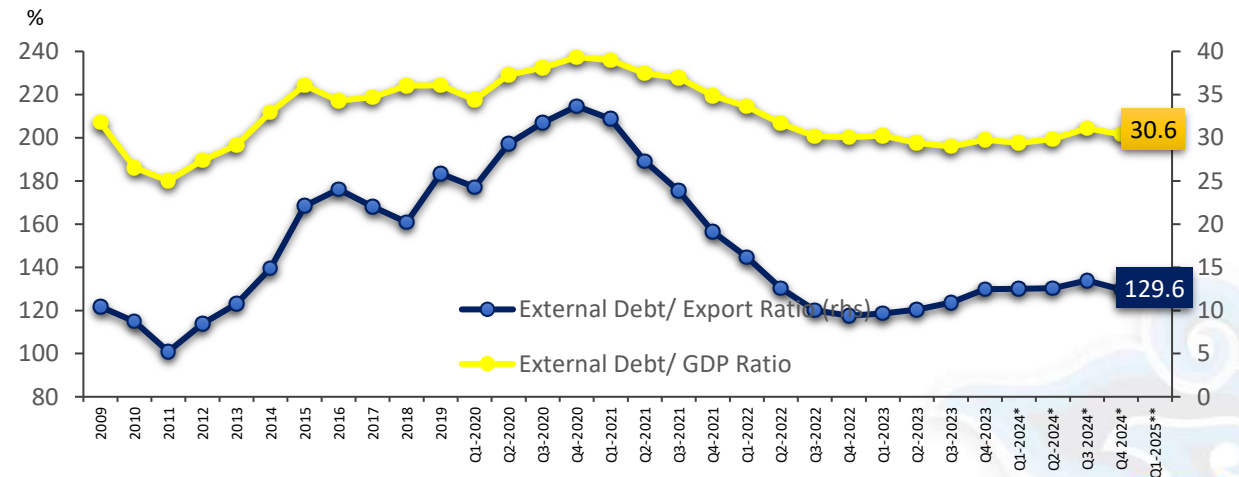


Source: Bank Indonesia, External Debt Statistics of Indonesia

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



External Debt to GDP Ratio & Debt to Export Ratio



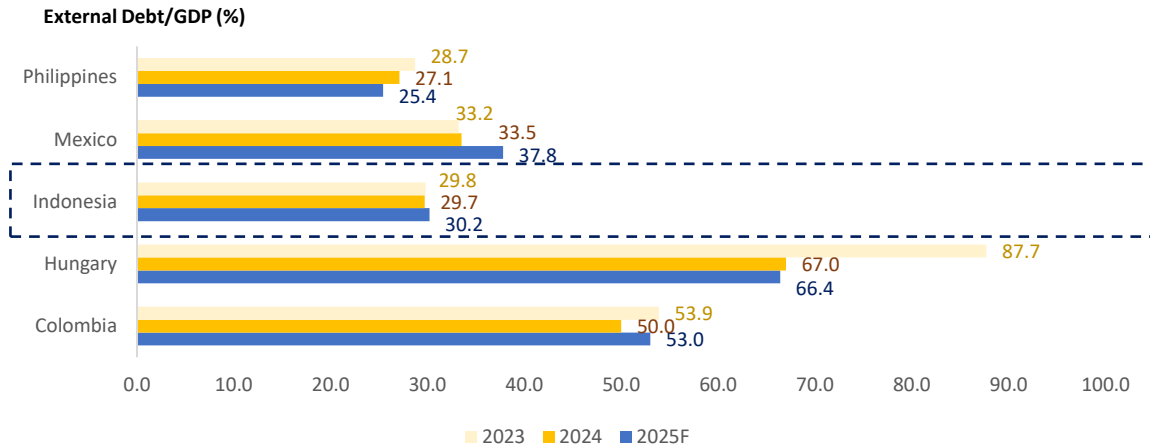
*Provisional Figures

**Very Provisional Figures

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

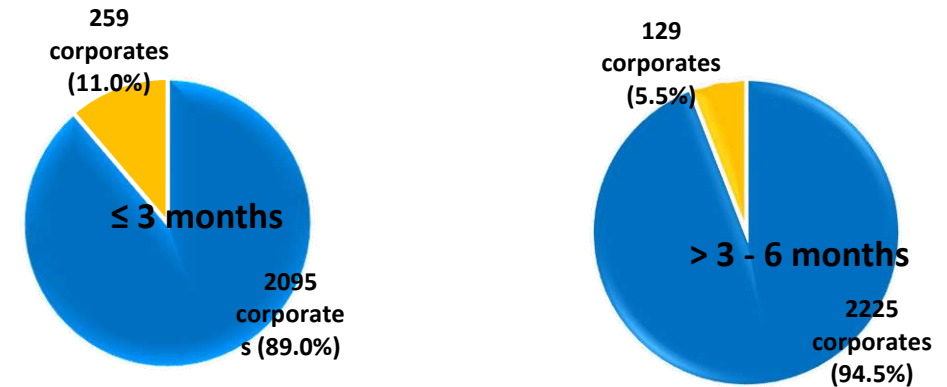
Regulation on Prudential Principle in Managing External Debt

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

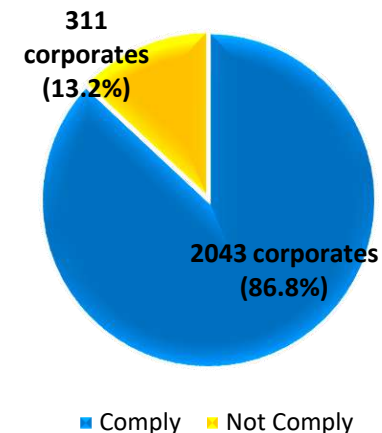
Source: Bank Indonesia

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio

Hedging Ratio*



Liquidity Ratio*



*Data as of Q4-2024, with total population 2,365 corporates

Source: Bank Indonesia



Section 4

Fiscal

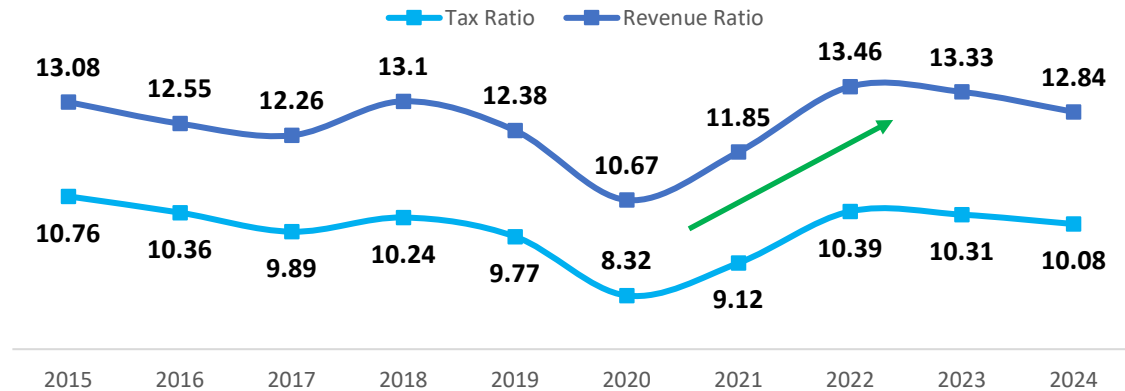
*“Solid Budget Performance with Strong
Commitment to Maintain Fiscal
Credibility”*

Fiscal Discipline Continues to be Maintained

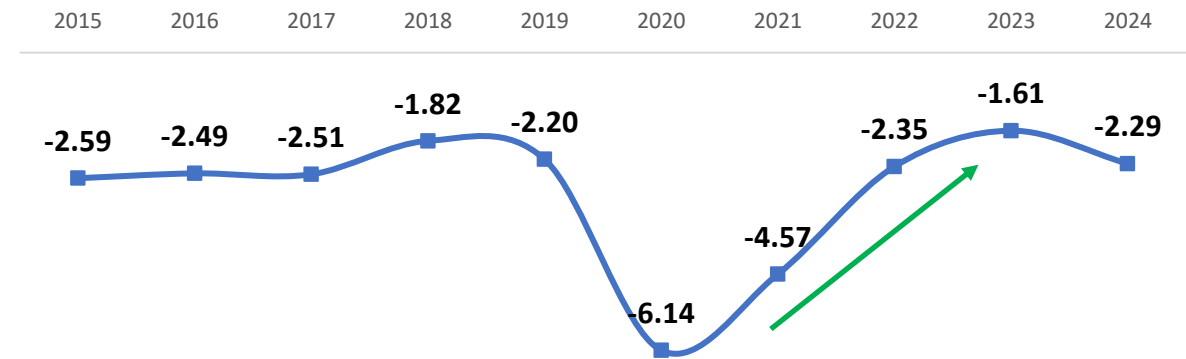
Continue robust economy growth and tax reform has been able to offset the adverse impact of the moderating commodity prices



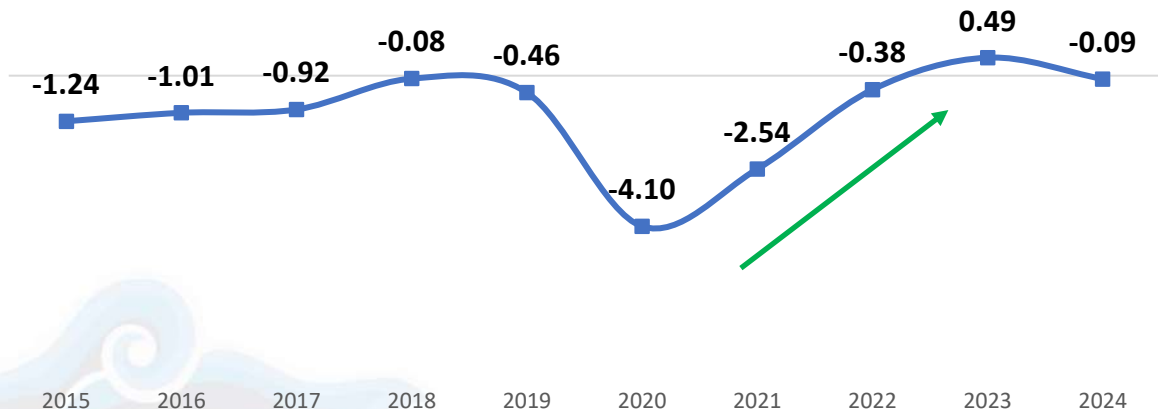
Revenue and Tax ratio increases in line with stronger recovery (% GDP)



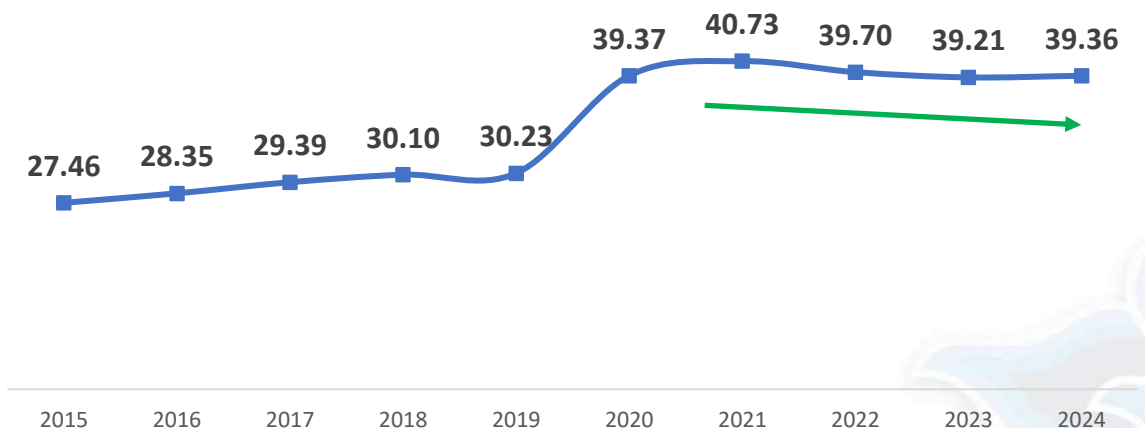
Overall budget position improved significantly (% GDP)



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

The 2025 Budget Posture

	Budget	% GDP
A. Revenue	3,005.1	12.36
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. Expenditure	3,621.3	14.89
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
C. Primary Balance	(63.3)	(0.26)
D. Surplus/(Deficit)	(616.2)	(2.53)
E. Financing	616.2	2.53

Developments In Basic Macroeconomic Assumptions



Indicator	2024		2025	
	Budget	Realization	Budget	June Realization
 Economic Growth ⁽¹⁾ (%)	5.2	2024: 5,03%	5.2	4,87 (yoy)
 Inflation ⁽²⁾ (%, yoy)	2.8	1.57	2.5	1,9 (yoy) -0.37 (mtm)
 10Y T-Bonds Rate ⁽³⁾ (%, average)	6.7	7.0 (eop) 6.8 (ytd)	7.0	6,93 (eop) 6,56 (ytd)
 Exchange rate ⁽⁴⁾ (IDR/USD average)	15.000	16.162 (eop) 15.847 (ytd)	16.000	16.428 (eop) 16.304 (ytd)
 ICP Indonesia ⁽⁵⁾ (USD/barel, average)	82	71.6 (eop) 78.1 (ytd)	82	70,05 (eop) 69,33 (ytd)
 Oil Lifting ⁽⁵⁾ (tbpd)	635	579.7	605	567.9
 Gas Lifting ⁽⁵⁾ (tboepd)	1.033	978.8	1.005	985,7

Note: ¹⁾ As of 31 Mar 2025

²⁾ As of June 2025

³⁾ As of 18 July 2025

⁴⁾ As of 18 July 2025

⁵⁾ As of June 2025

Economic Growth

Domestic demand continues to support the national economy; however, various global risks are being closely monitored and anticipated through well-targeted government policy responses

Inflation Rate

The risk of food inflation due to extreme weather conditions must be anticipated, and inflation control coordination needs to be strengthened

Rupiah exchange rate and SBN Yield

Developments in the economy, financial markets, and global geopolitics—particularly the policy stance of major central banks, especially the Federal Reserve—continue to influence the outlook.

Indonesia Crude Oil Price (ICP)

Oil price movements are affected by geopolitical factors that constrain demand and distribution, amidst OPEC+ policies to increase production..

Oil and Gas Lifting

Optimization of existing wells is pursued through increased drilling activity and enhanced facility maintenance.

The First Semester performance of the 2025 State Budget is on Track

State Budget posted a IDR204.2T Deficit



Account (IDR trillion)	2025			
	Budget	Real. as of May 31	Real. as of June 30	% of Budget
Revenue	3,005.1	995.3	1,201.8	40.0
Tax Revenue	2,490.9	806.2	978.3	39.3
1. Tax	2,189.3	683.3	831.1	38.0
2. Costume and Excise	301.6	122.9	147.0	48.7
Non Tax Revenue	513.6	188.7	222.9	43.4
Expenditure	3,621.3	1,016.3	1,406.0	38.8
Central Government Expenditure	2,701.4	694.2	1,003.6	37.1
1. Line Ministries Spending	1,160.1	325.7	470.5	40.6
2. Non-Line Ministries Spending	1,541.4	368.5	533.0	34.6
Transfer to Region	919.9	322.0	402.5	43.8
Primary Balance	(63.3)	192.1	52.8	(83.4)
Surplus (Deficit)	(616.2)	(21.0)	(204.2)	33.1
% to GDP	(2.53)	(0.09)	(0.84)	
Financing	616.2	324.8	283.6	46.0

REVENUE

IDR1.201,8 T

40,0% of target

EXPENDITURE

IDR1.406,0 T

38,8% of allocation

DEFICIT

IDR204,2 T

0,84% of GDP

PRIMARY BALANCE

Rp52,8 T

State Revenue was Accelerating in Q2 2025



Fulfilling the expenditure needs of Ministries/Agencies and non-Ministries/Agencies in the First Semester of 2025

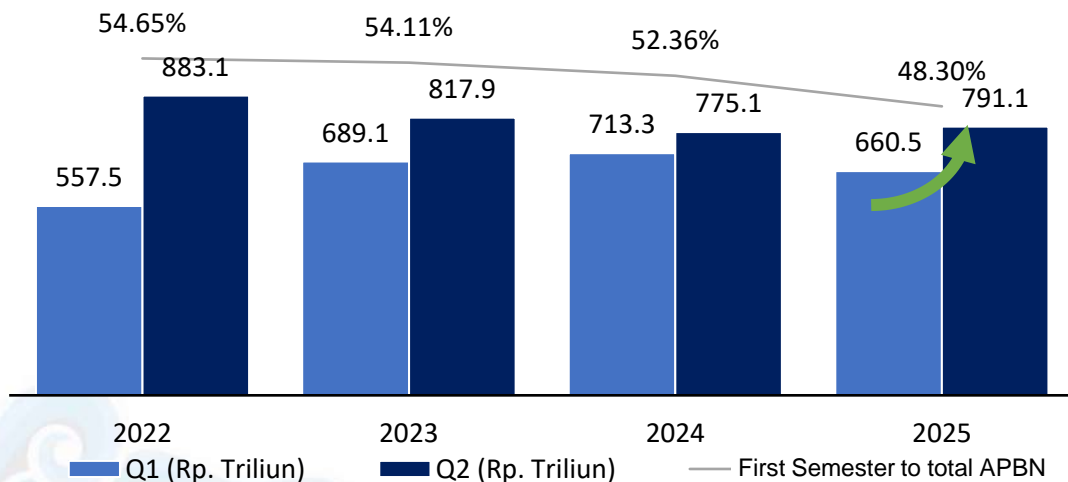
State revenue – First semester
Gross = Rp 1,451.6 T; Net = Rp1,201.8 T

State Revenue influenced by:

- The slowdown in global **economic and trade growth**
- Implementation of **tax administration** adjustments
- Decline in **oil & gas prices** and natural resource commodity production
- Enforcement of 12% **VAT limited to luxury goods and state-owned enterprise (SOE) dividends**

Q1 and Q2 Realization

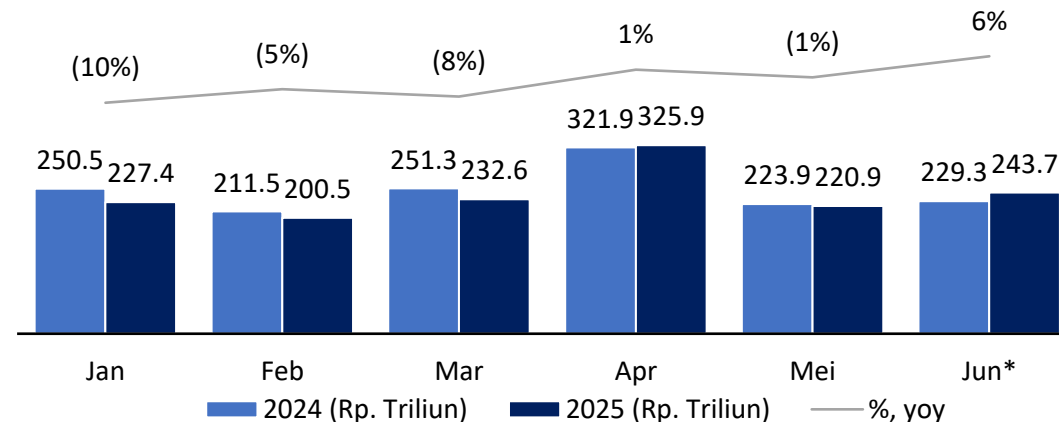
(IDR Trillion , % Growth YoY)



Average Monthly Gross Revenue:
Rp 241.8 T

Monthly realization

(IDR Trillion , % Growth YoY)



Acceleration in Q2, particularly in tax revenue

- Monthly state revenue experienced negative growth **in the first three months** due to tax administration adjustments, global economic conditions, and fluctuations in ICP and energy commodity prices
- **Positive** performance was recorded in April and June, supported by tax and customs revenues related to the **manufacturing, financial, and mining sectors**
- In general, state revenue performance in the **second quarter was better** compared to the first quarter of 2025

Tax Revenue Realization Recorded Positive Performance in Q2 2025



Tax revenue shows a positive trend in the last month

Gross realization until June 2025

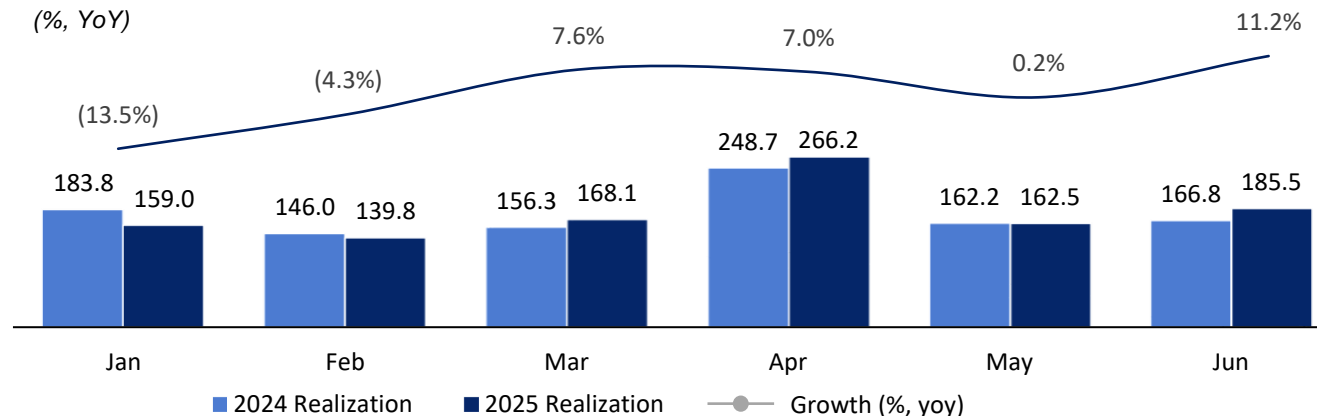
	Corporate Income Tax	Rp221.58 T	▲	6.5%
	Individual Income Tax	Rp14.09 T	▲	35.4%
	VAT & Luxury Goods Sales Tax	Rp443.93 T	▼	(4.5%)
	Land & Building Tax	Rp11.67 T	▲	250.9%
		Rp1.081,24 T		

Net realization until June 2025

	Corporate Income Tax	Rp152.49 T	▼	(11.7%)
	Individual Income Tax	Rp14.03 T	▲	35.6%
	VAT & Luxury Goods Sales Tax	Rp267.27 T	▼	(19.7%)
	Land & Building Tax	Rp11.53 T	▲	247.2%
		Rp831,27 T		

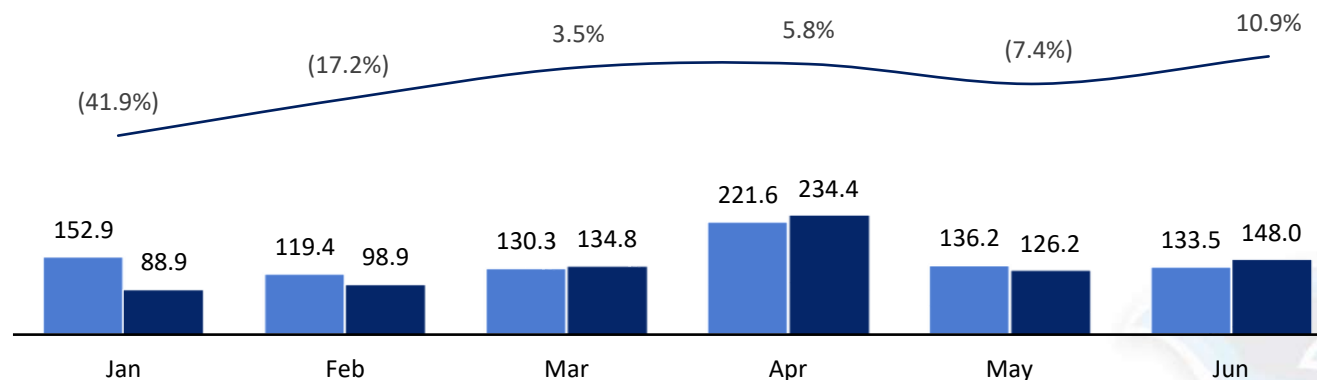
Annual gross tax (% YoY)

(%, YoY)

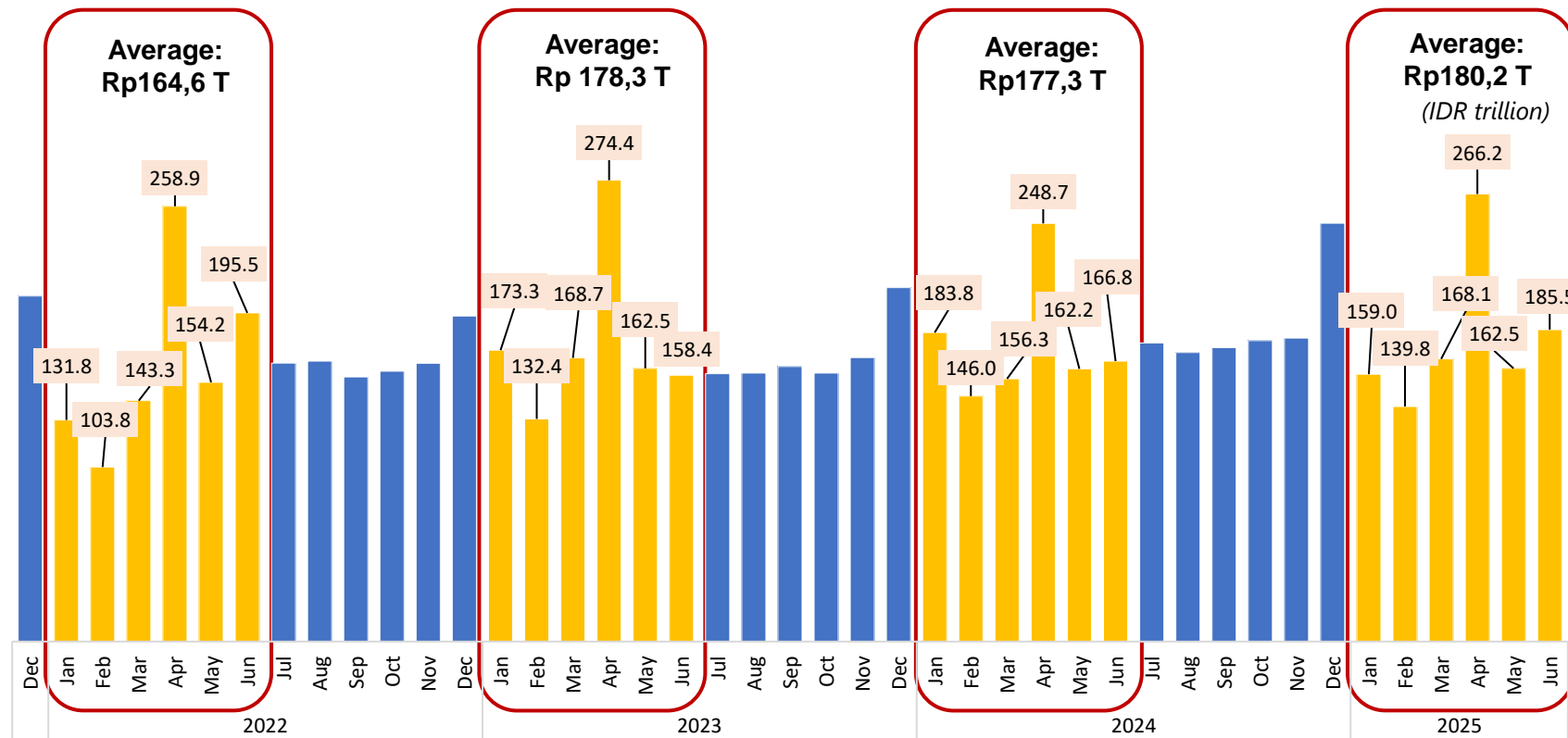


Annual net tax (% YoY)

(%, YoY)



Gross Tax Revenue in the First Semester of 2025 Recorded a Positive Performance



1. Gross tax revenue in the **first semester** of 2025 reached IDR 1,081.2 trillion, representing a **growth of 1.6%** compared to the same period last year. The positive performance of tax revenue has been consistently maintained since March 2025
2. This growth in tax revenue was supported by **positive performance in key sectors**, including:
 - a. Tobacco processing industry
 - b. Banking
 - c. Petroleum refining industry
 - d. Four-wheeled vehicle industry
 - e. Electricity sector
 - f. Palm oil industry
 - g. Online trade

Gross Tax Revenue

First Semester of 2025
IDR1.063,8 T

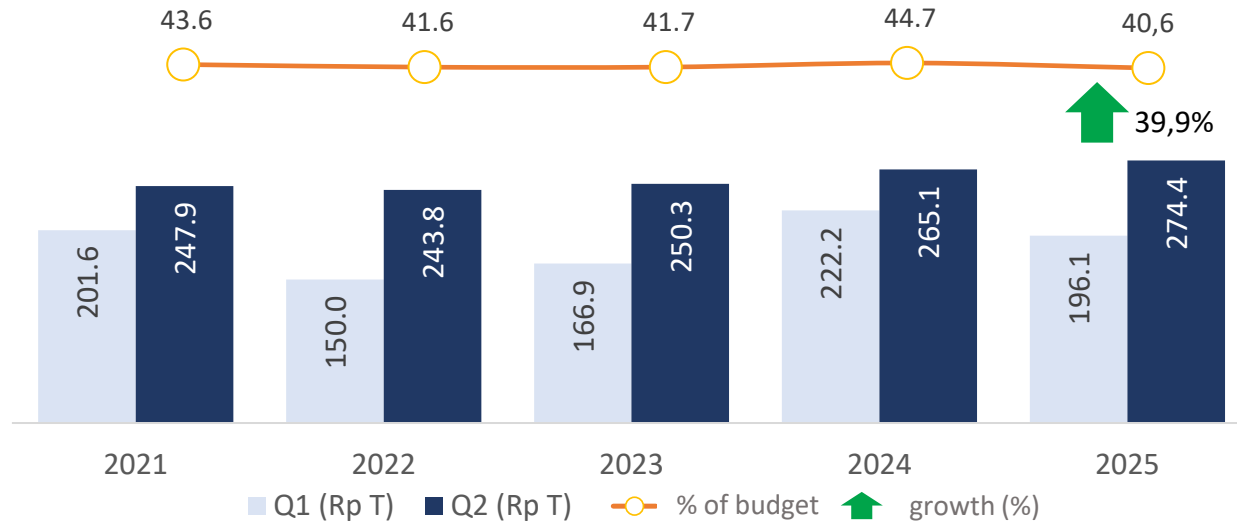
Grew by 1,6%

First Semester of 2025
IDR1.081,2 T

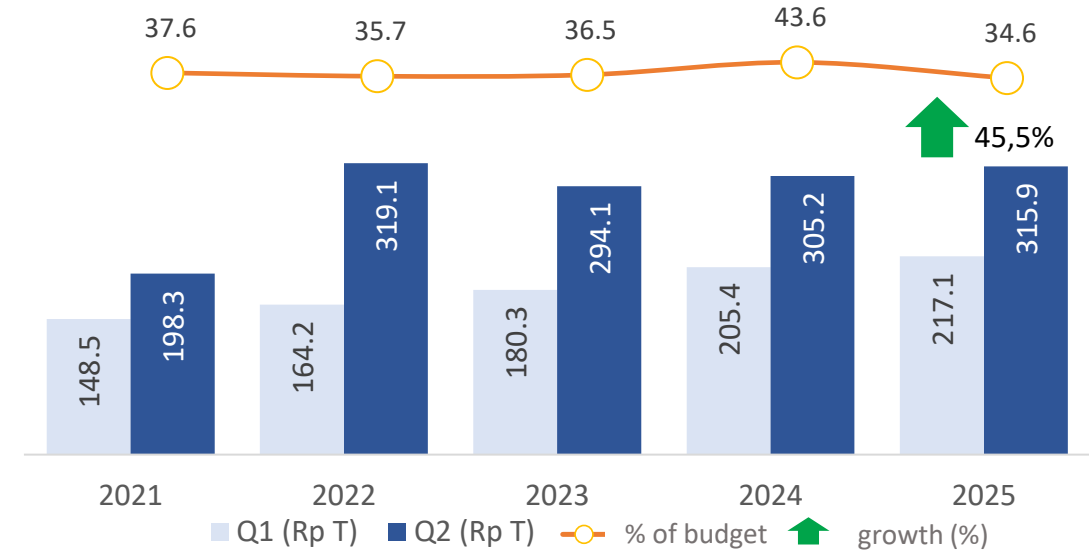
Central Government Expenditure Accelerated in Q2 2025 at IDR 1,003.6 Trillion (37.1% of budget)



Line Ministries Expenditure (IDR 470.5 T)



Non-Line Ministries Expenditure (IDR 533.0 T)



Line Ministries Expenditure Policy in Q1 2025

- New Ministries Restructuration
- Preparation for the implementation of priority programs
- Phase I Stimulus Package (electricity discount, tax incentives, etc)
- Payment of Holiday Allowance for Pembayaran THR ASN/TNI/Polri

Line Ministries Expenditure in Q2 2025, was accelerated by:

- Completion of Organizational Structure Drafting for Newly Established Ministries/Agencies
- Payment of 13th-Month Salary for Civil Servants, Military, and Police
- Disbursement of Phase II Stimulus Package (additional basic food assistance cards, food assistance, and wage subsidy assistance)

Non-Line Ministries Expenditure Policy in Q1 2025

- Payment of Holiday Allowance for Retirees
- Payment of Subsidies

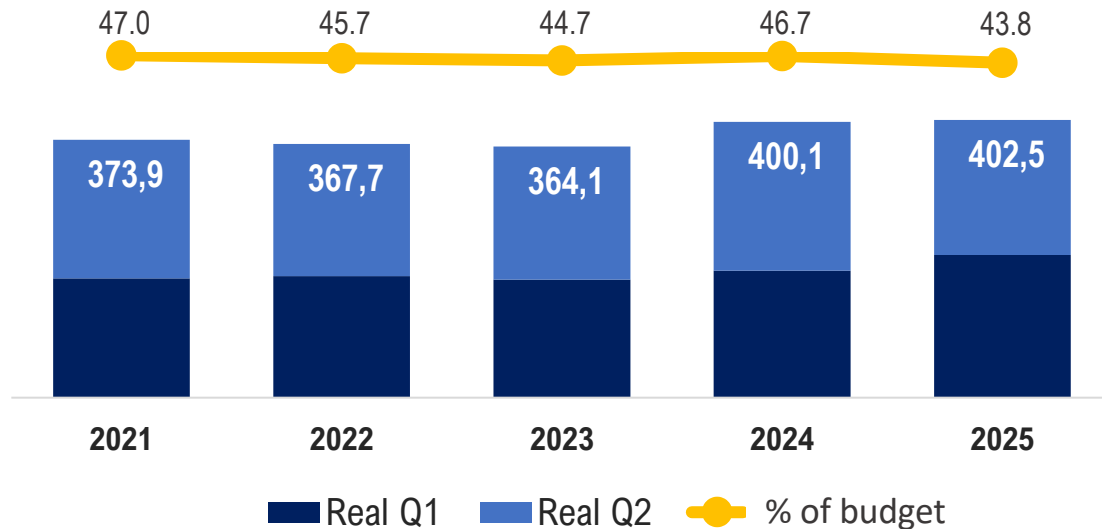
Non-Line Ministries Expenditure in Q2 2025, was accelerated by:

- Payment of 13th-Month Pension
- Payment of Outstanding Q4 2024 Compensation
- Payment of Subsidies

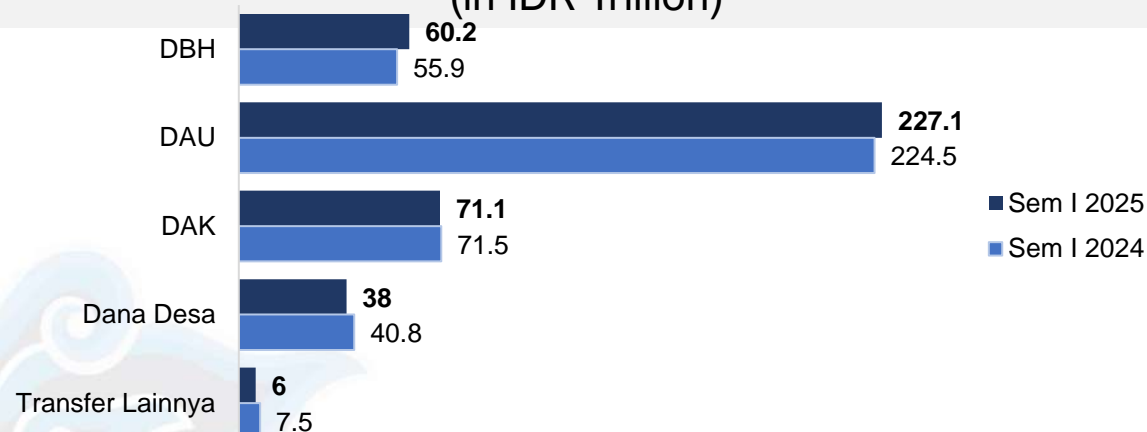
Transfer to Region Realization is Influenced by Local Governments' Performance in Meeting Disbursement Requirement



First Semester Realization of Transfer to Regions for 2021-2025 (in IDR Trillion)



First Semester Realization of Transfer to Regions by Type (in IDR Trillion)



Transfer to Region in the first semester of 2025 of IDR 402.5 T (43.8% of budget) is determined, among other factors, by:

- **Revenue Sharing Fund (DBH) disbursement were higher**, mainly in line with the increase in DBH allocations.
- **General Allocation Funda disbursement also rose, consisting of the DAU Block grant**, which is used for the payment of salaries for regional civil servants and government contract employees (PPPK), as well as the fulfillment of disbursement requirements for the DAU Specific Grant.
- **Special Allocation Fund (DAK) disbursements** were influenced by local governments' performance in submitting the required documents for Non-Physical DAK disbursement and by recommendations from the respective supervising ministries/agencies.
- **Village Fund disbursements** were affected by policy adjustments on Village Fund usage through village-owned enterprises (BUMDes) to support food security, and by disbursement policies to back the Desa Merah Putih Cooperative program.
- **Other Transfers** (Fiscal Incentive Fund, Special Autonomy Fund, and Yogyakarta Special Privilege Fund) were influenced by local governments' compliance in fulfilling the disbursement requirements.

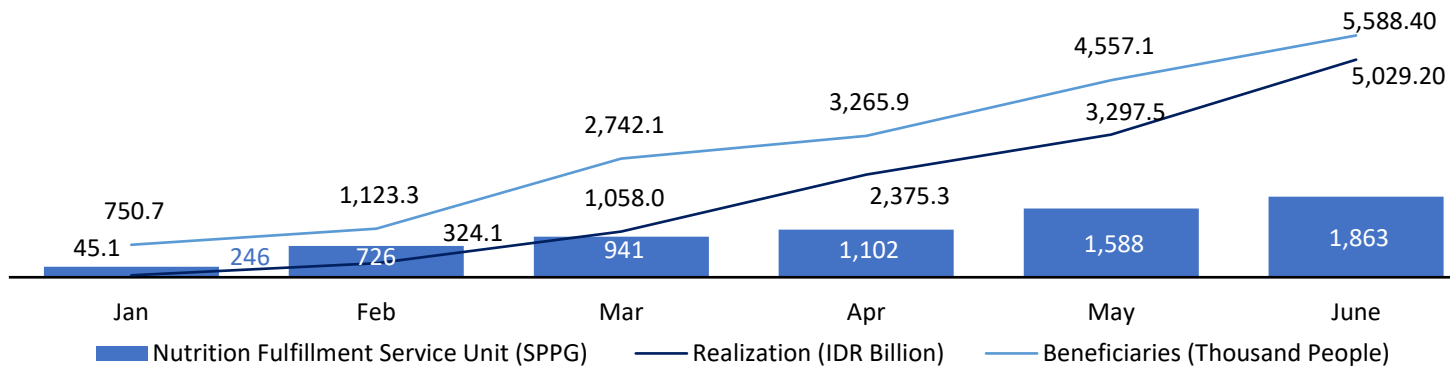
Target and Realization of Free Nutritious Meal Program



Expenditure Realization of
Badan Gizi Nasional (BGN)/
National Nutrition Agency

IDR 5.0tn

Progress of the free nutritious meal program, January to June 2025



As of June 30, 2025:

- 5.59 million beneficiaries (students and pregnant women)
- Served by 1,863 active nutrition units/ community kitchens

2025 MBG Objective

Target Beneficiaries 2025:

- **15.5 million** school children
- **2.4 million** pregnant/breast feeding women and toddlers.



Budget Allocation
IDR 71tn



Target Beneficiaries:

82.9 million people, served
by **32 thousands SPPG**



Budget Allocation
IDR 171tn

Priority Program Realization: Advancing Education for Future Growth



Flagship School

IDR 2tn

- Construction of 4 Garuda Excellence Senior High Schools
- Development of the Endowment Fund for Garuda Excellence Senior High Schools

Progress

- Two locations are ready (Bangka Belitung and East Central District, NTT)
- Early stage of construction



Taruna Nusantara School

Infrastructure of Taruna Nusantara Senior High School

(Cimahi, Malang, Magelang)

Realization : IDR 95.74 Bn

IDR1.2tn



Sekolah Rakyat (School for Poor) Academic Year 2025 - 2026



Ministry of Social Affairs
Operational Cost: IDR 1.2tn

Phase 1a. (July) 63 Locations

Phase 1b. (Sept) 37 Locations

Progress



Ministry of Public Works and Housing

Phase I
IDR
396.9
Bn

Renovation of social rehab
centers, training facilities, and
local government buildings

Realization:
IDR 327.1bn



School Improvement



**Ministry of Primary and
Secondary Education**

IDR16.97tn

Procurement process for
10,440 education units (78% public & 22% private)

Realization : IDR 587 Bn

»»» **Progress:**

Six vocational schools revitalized at a cost of IDR
13.9 billion

Progress



**Ministry of Public Works
(Revitalization of
Madrasahs)**

IDR2,52tn

Procurement process for
2,120 madrasahs

Realization : IDR 44.4bn

»»» **Progress:**

Phase I: Entering tender stage

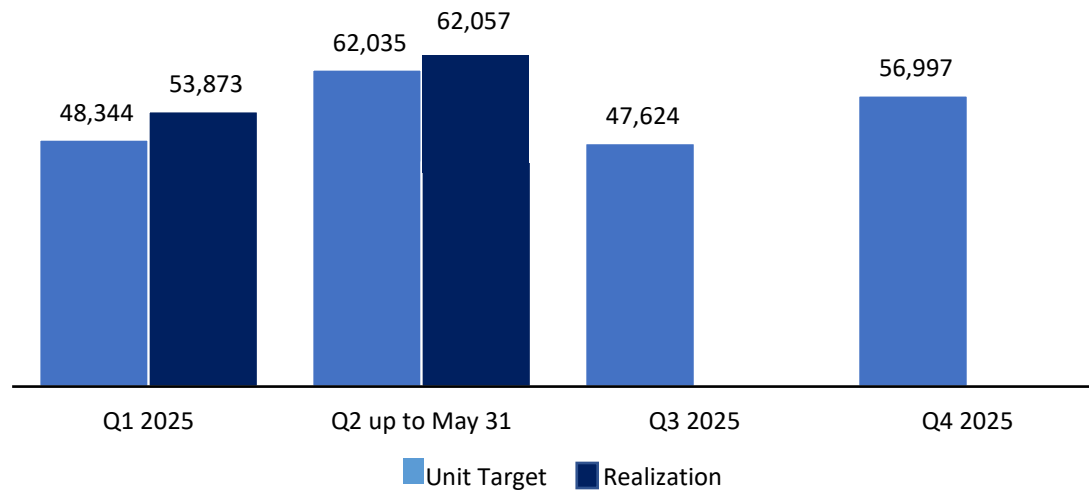
Phase II: Finalizing detailed engineering design
(DED)

The Distribution of Low-income Community Housing through the Low-Income Subsidized Mortgage Program (FLPP) is on Track

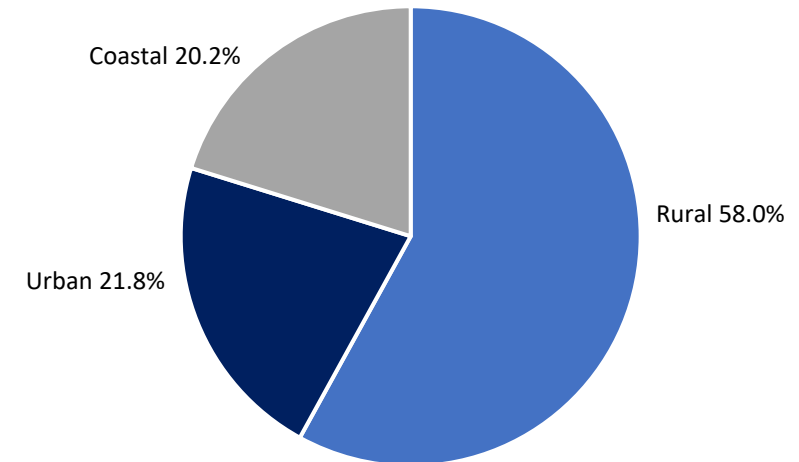


As of June 30, 2025, a total of IDR 18.8 tn has been disbursed. Cumulatively in **FY 2025 to-date, 115,930 housing units worth IDR 18.8** tn have been distributed across 379 regencies/cities.

FLPP 2025 distribution



Distribution by region



Raising the goal for building affordable homes for low-income communities

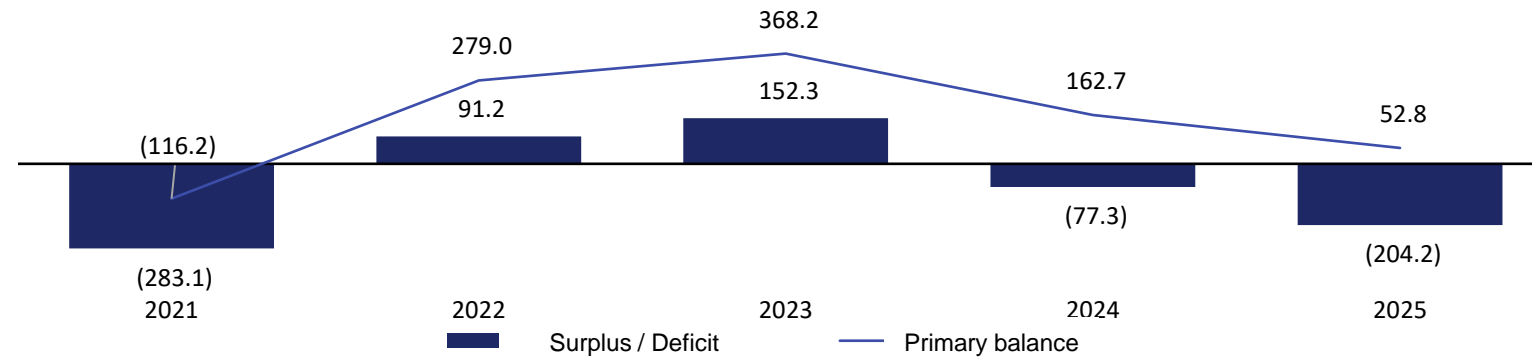
- In 2025, IDR 18.77 tn was allocated with a target of distributing 220,000 housing units
- An additional FLPP allocation is planned to support the 3 million housing program
- Total FLPP distribution from 2010 to 2024 reached 1,598,879 housing units, valued at IDR 151.22tn
- FLPP distribution is carried out by BP Tapera through Banking FLPP distribution is dominated on the islands of Java, Sumatra and Sulawesi which reach 47.6%, 25.2% and 13.9% respectively in accordance with the distribution of the population which is majority in the 3 large islands

Well-managed Financing to Meet State Budget Needs and able to Maintain State Budget Resilience Amidst Global Volatility



Budget deficit and primary balance – semester I 2021 – 2025

(IDR trillion)



Debt and non-debt financing realization up to first semester 2025²

Items (trillion)	2024			2025			Growth (%)
	Perpres 206/2024	Real Smt I	% thd Perpres 206/2024	Budget	Real Smt I	Budget (%)	
I. Government Securities (Net)	554.7	206.2	37.2	642.6	308.6	48.0	49.7
II. Loans (Net)	11.6	8.5	73.1	133.3	6.9	5.1	(19.3)
Total debt financing	566.3	214.7	37.9	775.9	315.4	40.7	46.9

- Semester-I 2025, the **primary balance remained positive**, and the **deficit was maintained** at 0.84% GDP
- Semester-I 2025, net debt financing reached 40.7% of budget, with controlled costs and risks
- Debt financing was carried out in a prudent, flexible, opportunistic, and measured manner, considering timing, size, instruments, and currency mix
- **Cash balance remained ample**, supported by a substantial Treasury Surplus (SAL)

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

Debt Financing Realization

Rp 349.3 (45.0%)

Government Securities
(Net)

Rp 361.7

Foreign Loan
(Net)

Rp (9.8)

Note :

1. all numbers in trillion Rupiah
2. The percentage is the percentage of budget ceiling from National Budget year 2025

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

(25%-30%)
(70% – 75%)

Foreign Currency
Local currency

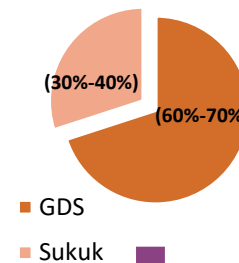
Domestic Loan

Domestic Bonds



Gross Bonds
Issuance
(Auction & non auction)

2025
Matured
T-Bills
Issuance



2025 GS Issuances

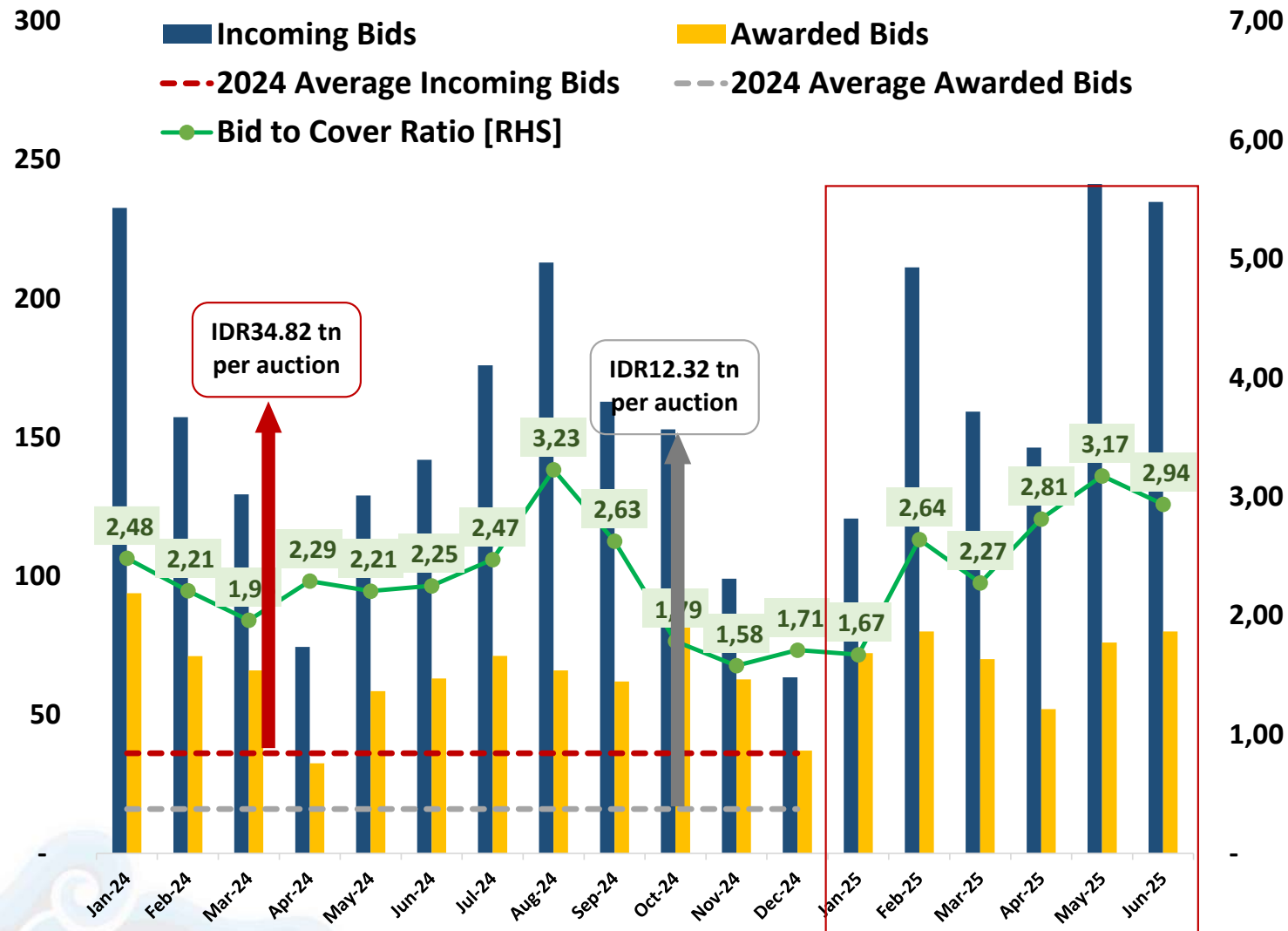
Realization as of June 30th (Trillion IDR)

Government Debt Securities (SUN)	444.11
IDR Denominated	376.56
FX Denominated	67.55
Sovereign Sharia Securities (SBSN)	228.73
IDR Denominated	184.30
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 **IDR50.62 tn/auction**
- Average awarded bid is

Ownership of Tradable Domestic GS



Description	Dec-20		Dec-21		Dec-22		Dec-23		Dec-24		Jun-25	
Banks*	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%	1.199,96	19,02%
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%	1.592,47	25,24%
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%	1.592,69	25,24%
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%	0,22	0,00%
Non-Banks	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%	3.516,84	55,74%
Mutual Funds	161,32	4,17%	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	182,75	2,90%
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%	1.198,85	19,00%
Foreign Holders	973,91	25,16%	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	918,68	14,56%
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%	259,84	4,12%
Individual	131,21	3,39%	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	587,11	9,31%
Others	231,57	5,98%	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	629,44	9,98%
Total	3.870,76	100%	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.309,27	100%

69.61%

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

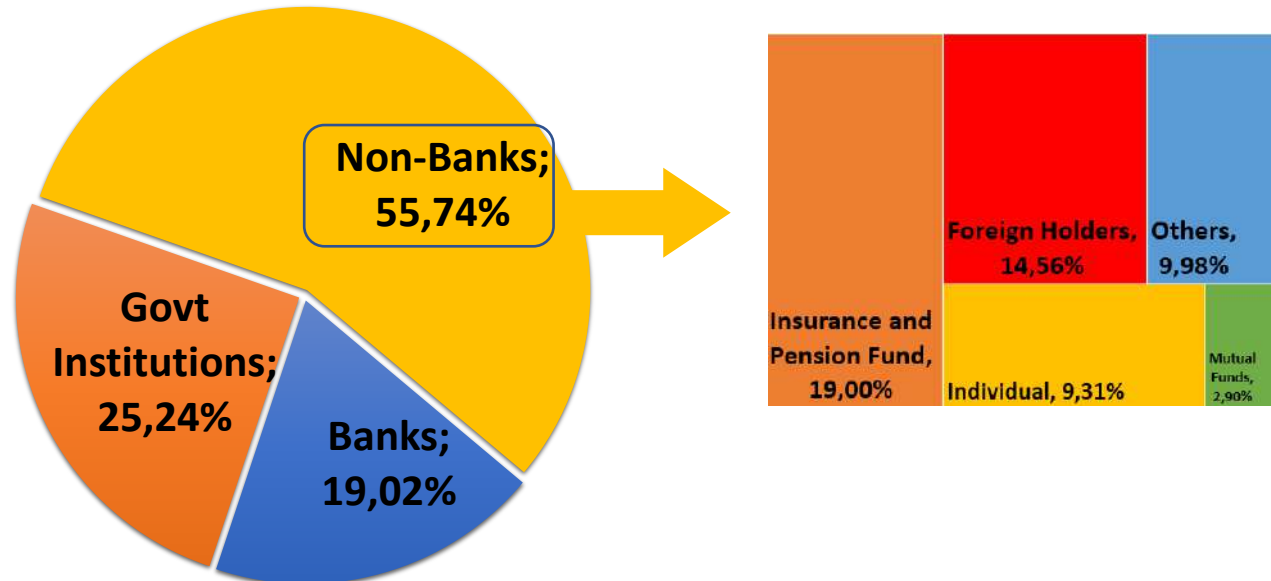
1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

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-BISSSS

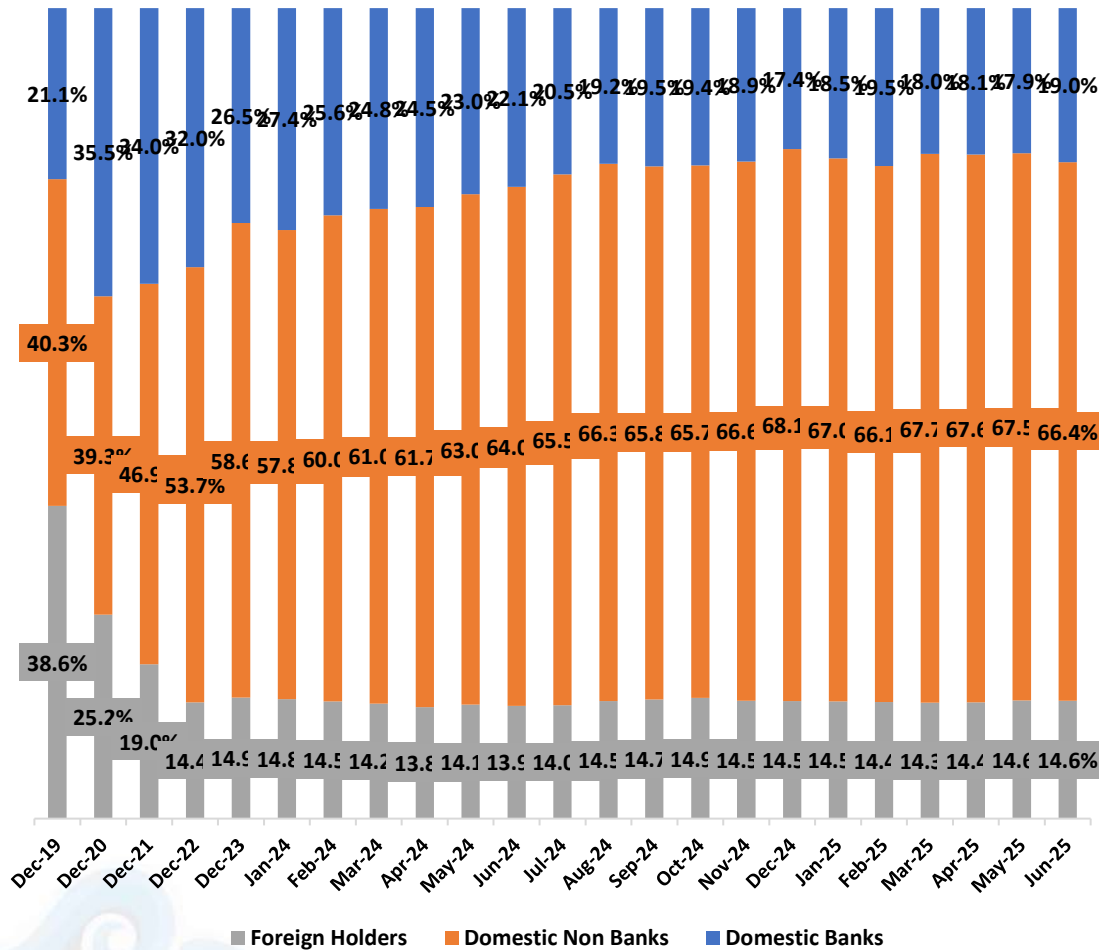


Holders of Tradable Government Securities

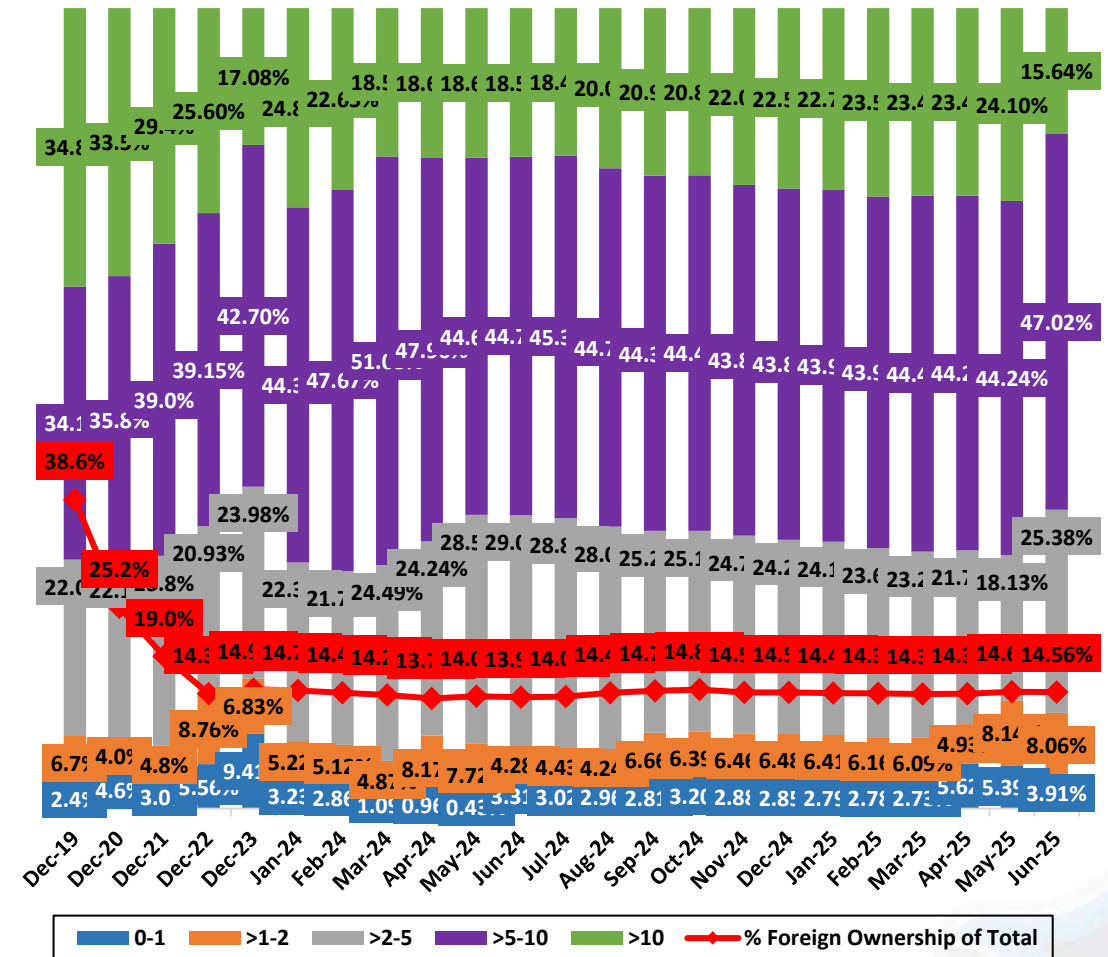
More Balance Ownership In Terms of Holders and Tenors



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

Credit Guarantee	<ul style="list-style-type: none"> Power (Electricity) – Full credit guarantee for PT PLN's debt payment obligations under FTP 1 10.000MW and 35GW programs* Clean water – Guarantee for 70% of PDAM's debt principal payment obligations Toll road – Full credit guarantee for PT Hutama Karya's debt payment obligations for the development of Sumatra Toll Roads Infrastructure - Full credit guarantee on SOE's borrowing from international financial institution & financing guarantee for PT SMI's local infrastructure Public Transportation (Light Rail Transit) – Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development of LRT Jabodebek Jakarta-Bandung High Speed Train – 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.
Business Viability Guarantee (BVG)	Power (Electricity) – 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*
PPP Guarantee	Infrastructure – Guarantee for Government-related entities obligations (line ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements
Political Risk Guarantee	Infrastructure – Guarantee for infrastructure risk of National Strategic Projects (Presidential Decree No.3/2016 and its changes) which are not covered by other type of guarantees

Contingent Liabilities from Government Guarantee as of Q1 2025**

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)	5,59
4	Direct Lending from International Financial Institution to SOEs	3,13
5	Public –Private Partnerships (PPP)	6,67
6	Sumatera Toll Road	1,60
7	Light Rail Transit Jabodebek	1,32
8	Jakarta-Bandung High Speed Train	0,30
9	Clean Water Supply Program	0,01
10	Regional Infrastructure Financing	0,03
	Total	22.67

- 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 IDR16,588.00/USD1, IDR17,892.65/EUR1 and IDR 110.29/JPY1 (27 March 2025)

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.

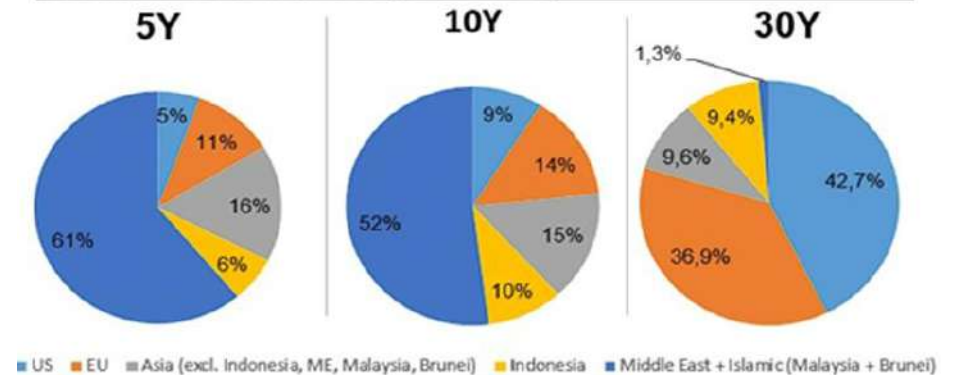
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme		
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)		
Pricing Date	18 November 2024		
Issue Date	25 November 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

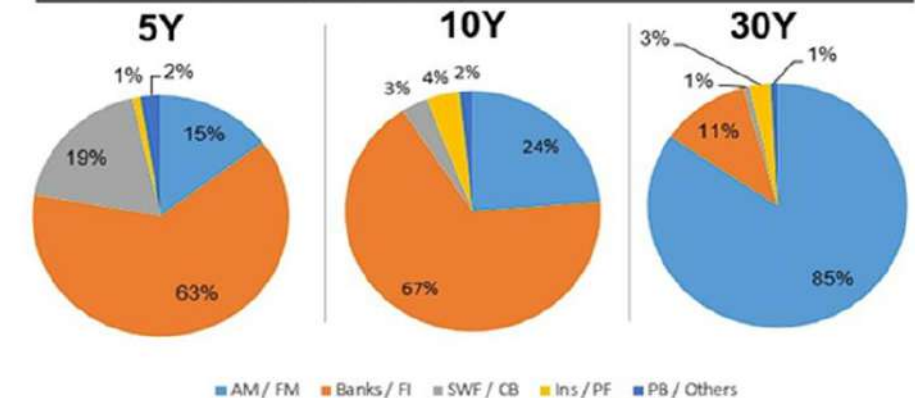
ORDERBOOK DISTRIBUTION

5-Year USD	10-Year USD	30-Year USD
US\$ 2.09bn+ From 108 accounts	US\$ 2.05bn+ From 94 accounts	US\$ 1.41bn+ 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.

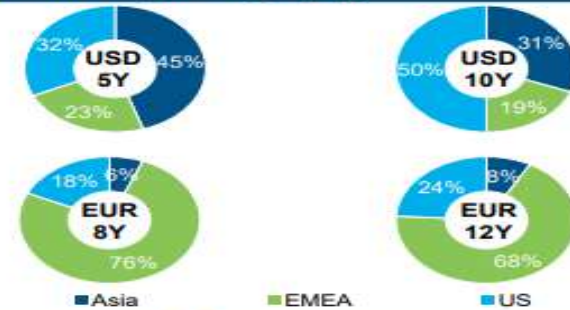
Transaction Summary

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



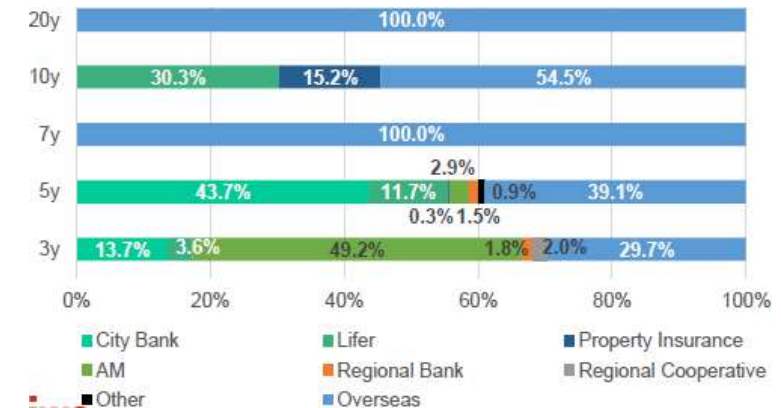
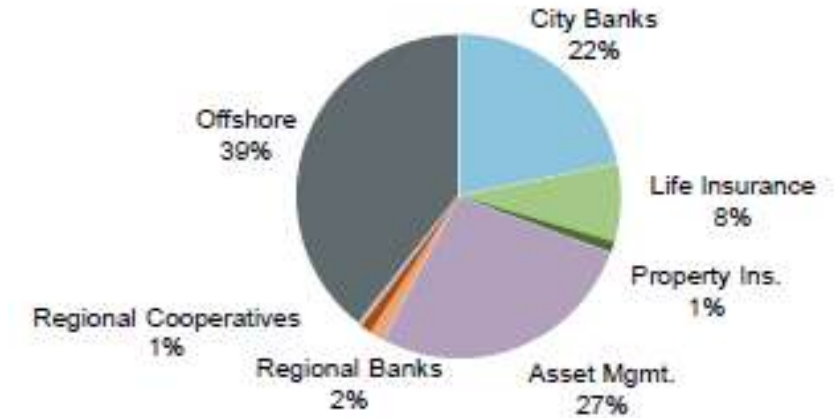
2025 Samurai Bond Transaction Summary



- The Republic of Indonesia (“RoI”) successfully priced a JPY 103.2 billion multi-tranche Samurai Bonds transaction, marking RoI’s eleventh consecutive year accessing the Samurai market. Notably, for the third consecutive year, the 20-year tranche was labeled as a Blue Bond under RoI’s renewed Sustainable Government Securities Framework, underscoring the nation’s continued commitment to sustainable development. With this transaction, RoI became the first sovereign issuer in the Samurai market in 2025.
- Despite the substantial impact of the Bank of Japan’s rate hikes on the Japanese bond market since last year—along with heightened market volatility and pronounced global uncertainty following “Liberation Day” in early April 2025—RoI’s robust creditworthiness and strong presence in global capital markets elicited solid demand from both domestic and international investors.
- Reflecting the volatile market environment, investor demand skewed toward the shorter tenors, consistent with other recent cross-border JPY transactions, with more than 80% of orders placed in the 3- and 5-year tranches across a wide range of investors. The longer-dated tranches (7-, 10-, and 20-year) were well supported by offshore investors, while 45% of demand for the 10-year tranche came from domestic investors (mainly life insurers).

Issuer	Republic of Indonesia				
Pricing Date	May 23 rd 2025				
Issue Date	June 2 nd 2025				
Format	Samurai				
Total Size	JPY 103.2bn				
Ranking	Senior, Unsecured				
Bond Rating	Baa2(Moody’s) / BBB(S&P) / BBB(Fitch)				
Tenor	3 year	5 year	7 year	10 year	20 year
ESG Label	-	-	-	-	BLUE
Size (JPY bn)	JPY 54.9bn	JPY 34.3bn	JPY 3.7bn	JPY 6.6bn	JPY 3.7bn
Maturity Date	3 rd July 2028	2 nd July 2030	2 nd June 2032	1 st June 2035	2 nd June 2045
Re-offer Spread (YMS, TONA based)	75bp	93bp	98bp	105bp	125bp
Coupon	1.56%	1.87%	2.05%	2.35%	3.26%
Issue Price	100%				

Investor Breakdown





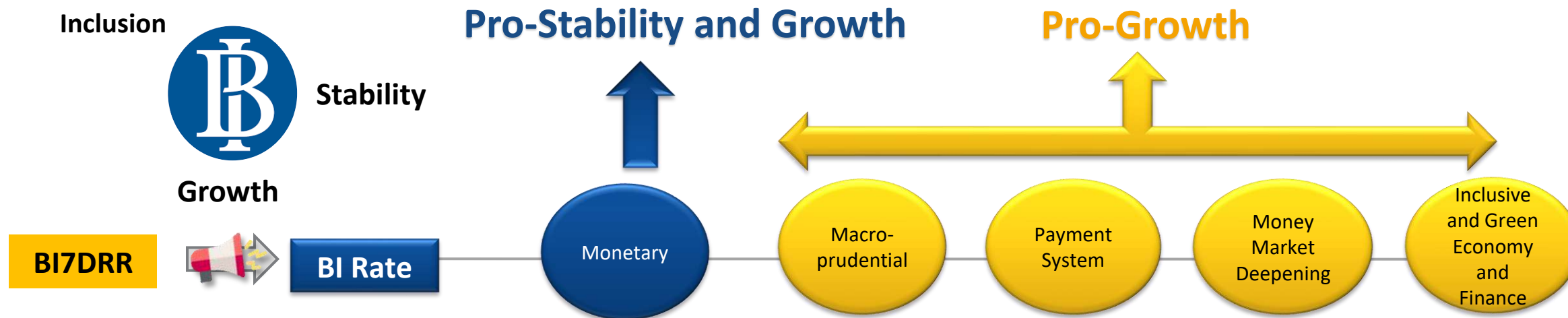
Section 5

Monetary & Financial Sector

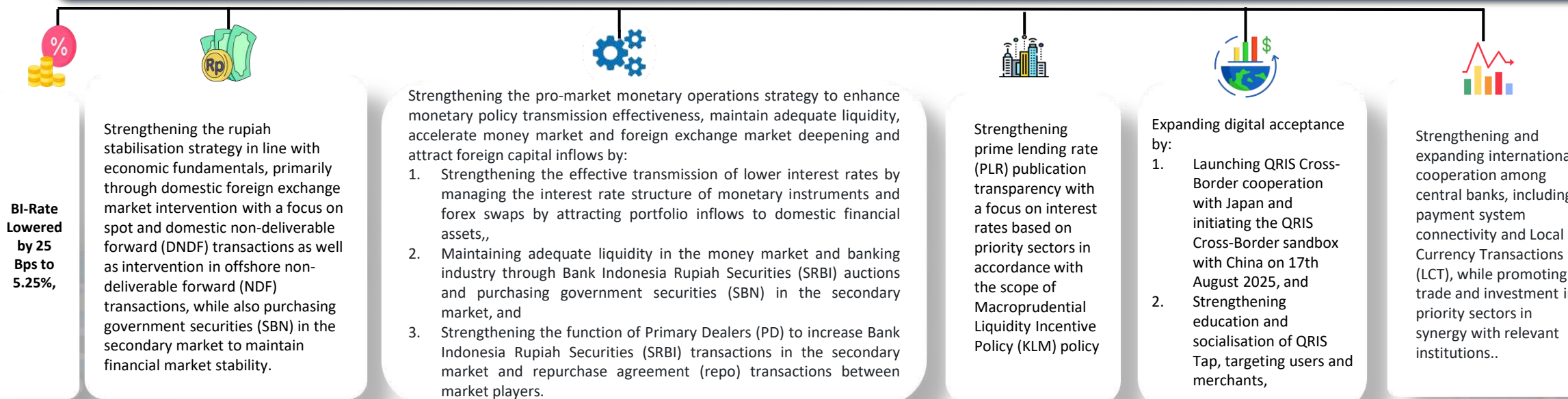
*“Credible Monetary Policy and
Resilient Financial Sectors”*

Bank Indonesia Policy Mix: July 2025

Maintaining Stability, Strengthening Economic Growth



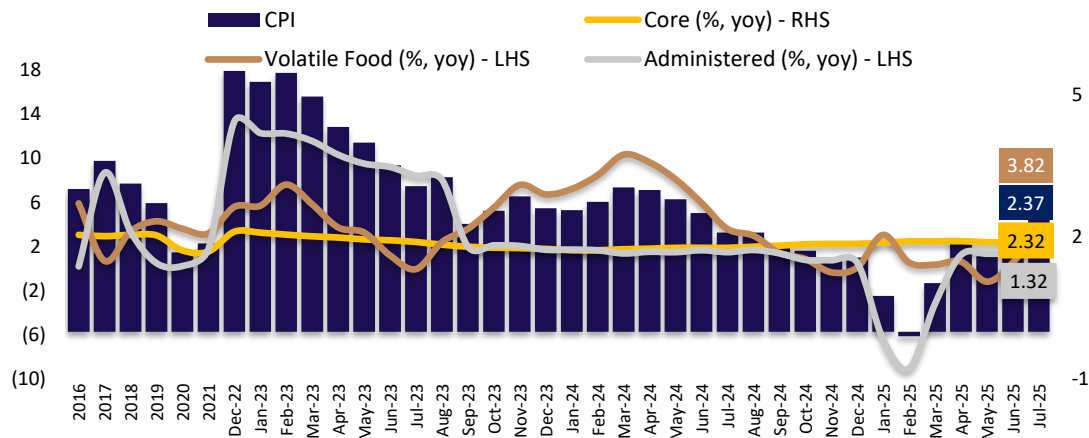
The Bank Indonesia Board of Governors decided on 15-16th July 2025 to lower the BI-Rate by 25 bps to 5.25%, while also lowering the Deposit Facility (DF) rate by 25 bps to 4.50% and the Lending Facility (LF) rate by 25 bps to 6.00%. The decision is consistent with decreasing projection of inflation in 2025 and 2026 within the 2.5±1% target corridor, maintained rupiah exchange rate stability in line with economic fundamentals and the need to drive economic growth.



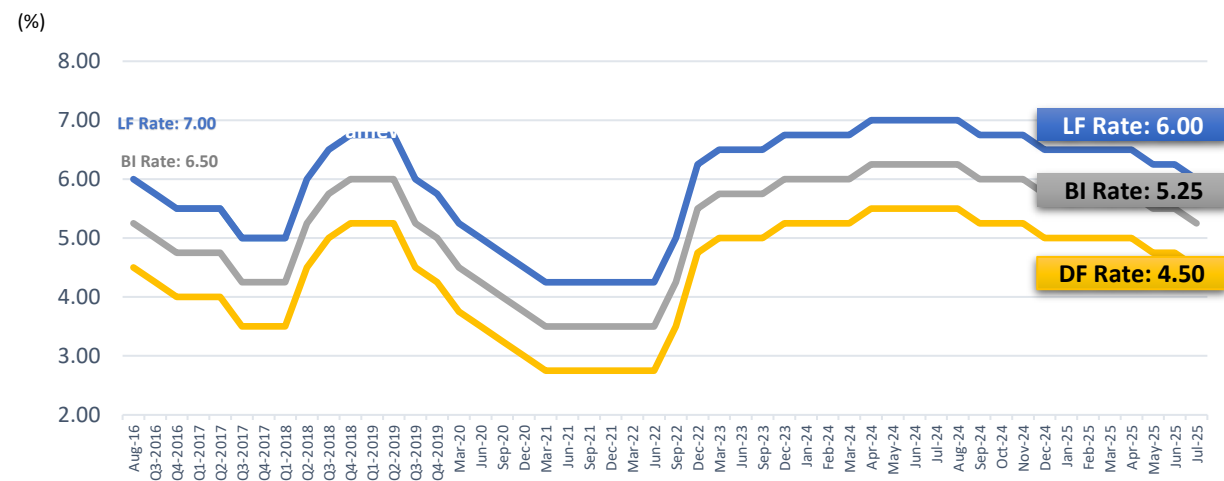
Manageable Monetary Environment Amid Persistently High Global Uncertainty



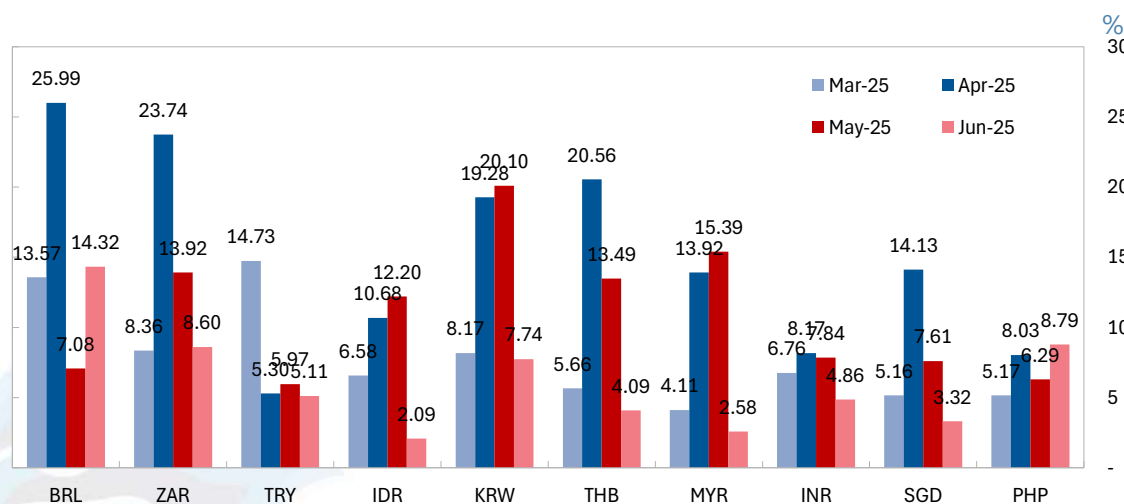
Well Maintained Inflation Ensured Price Stability



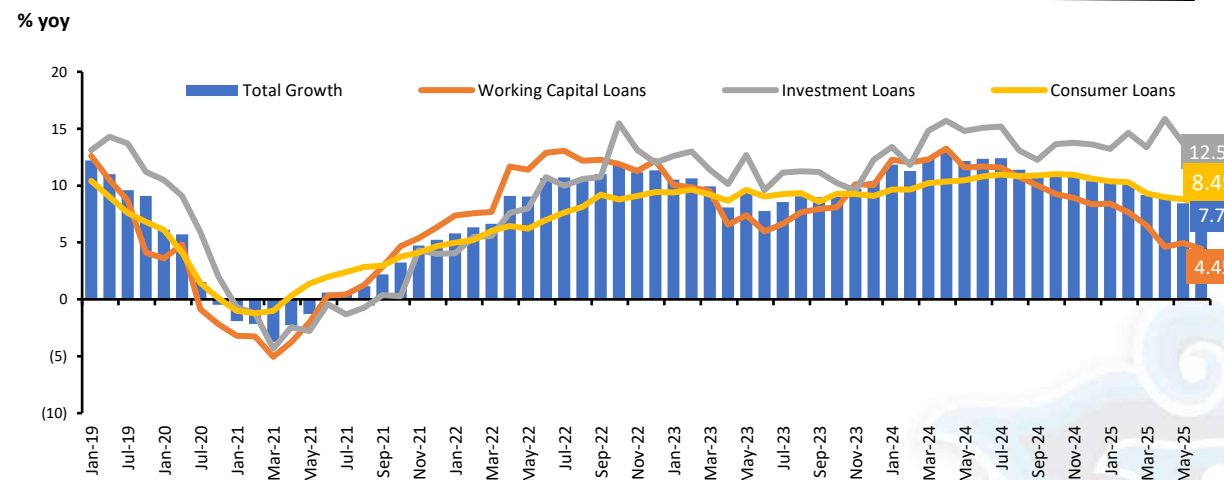
Strengthened Monetary Policy Framework



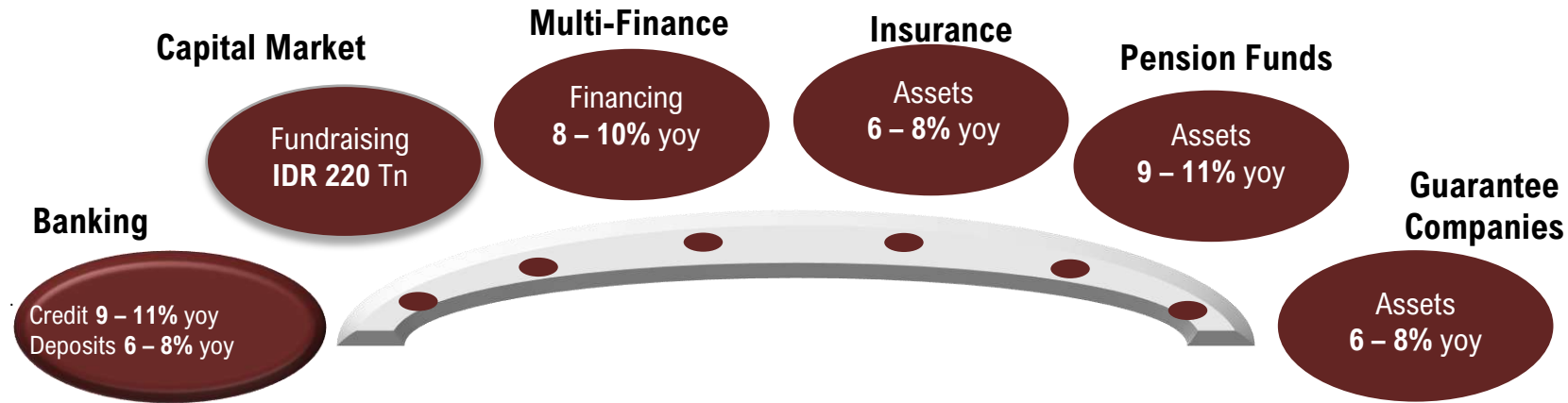
Rupiah Exchange Rate Volatility



Credit Growth Profile



Financial Services Sector Outlook



1. Optimizing the financial services sector's role in support of the Government's national priority programs.

2. Developing the financial services sector for inclusive and sustainable development.

3. Strengthening the capacity of the financial services sector and enhancing supervisory practices.

4. Enhancing the effectiveness of integrity enforcement and consumer protection.

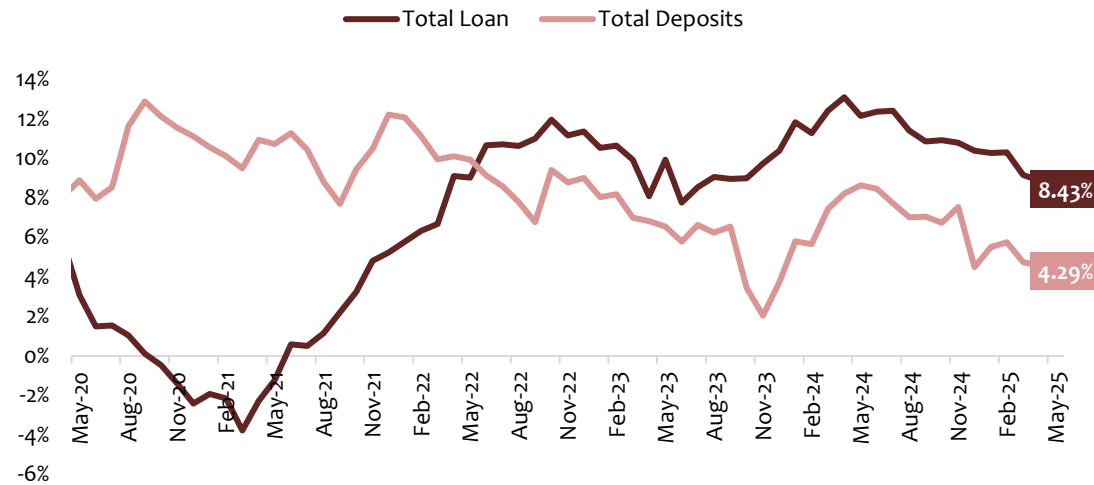
Banking Intermediation



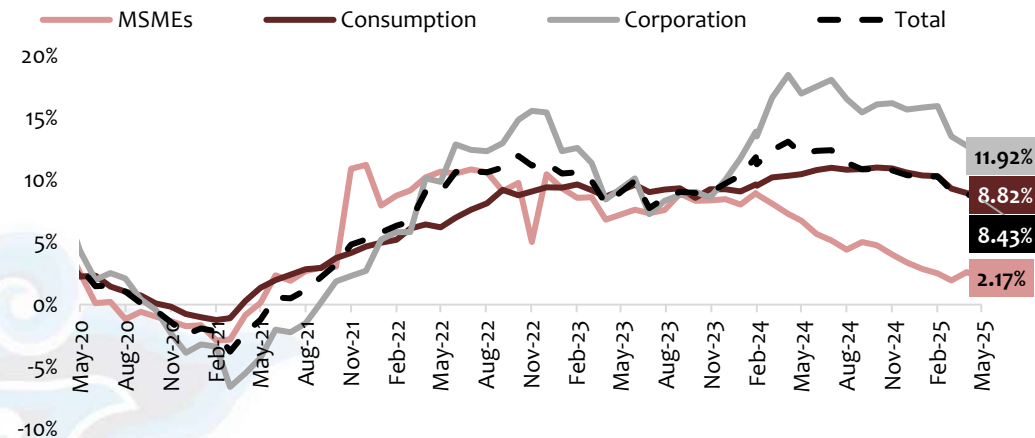
Despite global economic challenges, bank loans and third-party funds continue to grow, driven by increased demand for investment and corporation loans



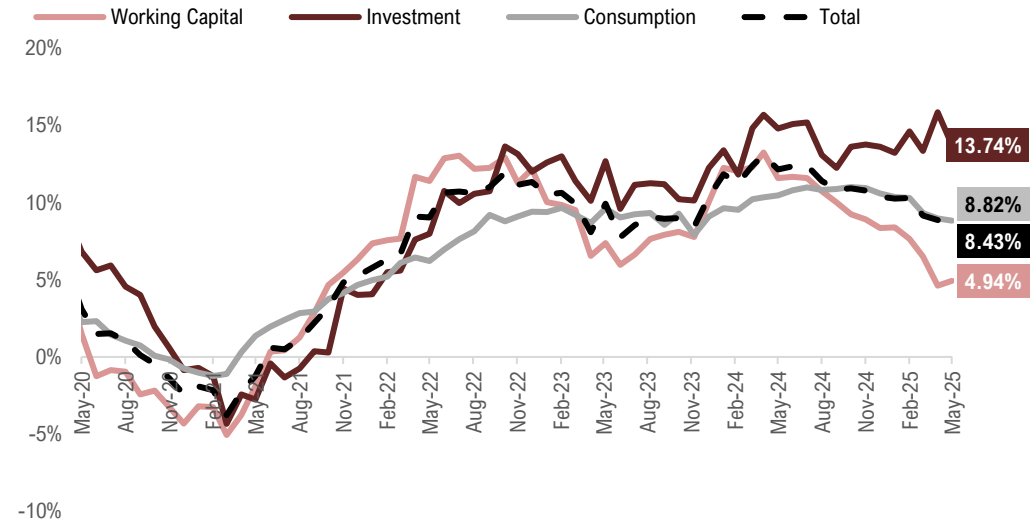
In **May 2025**, bank credit and total deposits grew moderately by **8.43% (yoy)** and **4.29% (yoy)**, respectively.



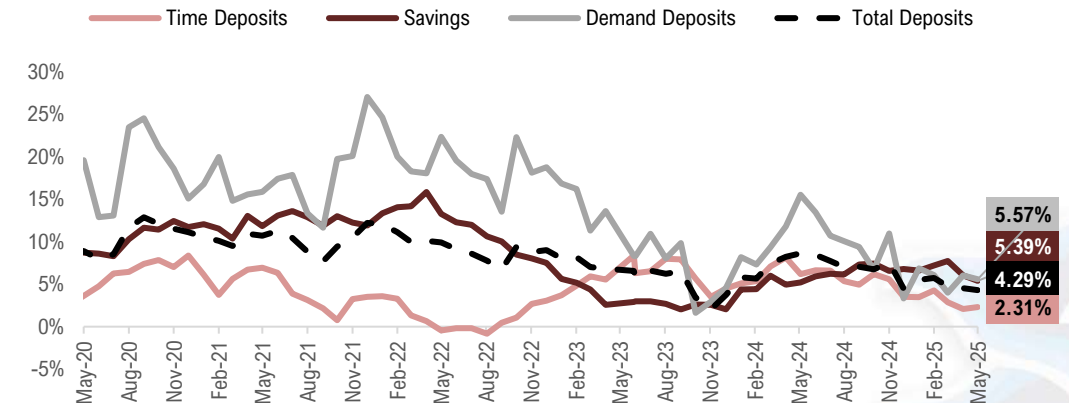
Loan growth remained stable in **May 2025**, with major contribution from **Corporation loans**, with **11.92% (yoy)** growth.



Majority types of loans continued to grow in **May 2025**, with **investment loans**, in particular, recorded the highest growth, increasing by **13.74% (yoy)**.



Total deposits grew in **May 2025** primarily driven by **Demand Deposits** which grew by **5.57% (yoy)**.

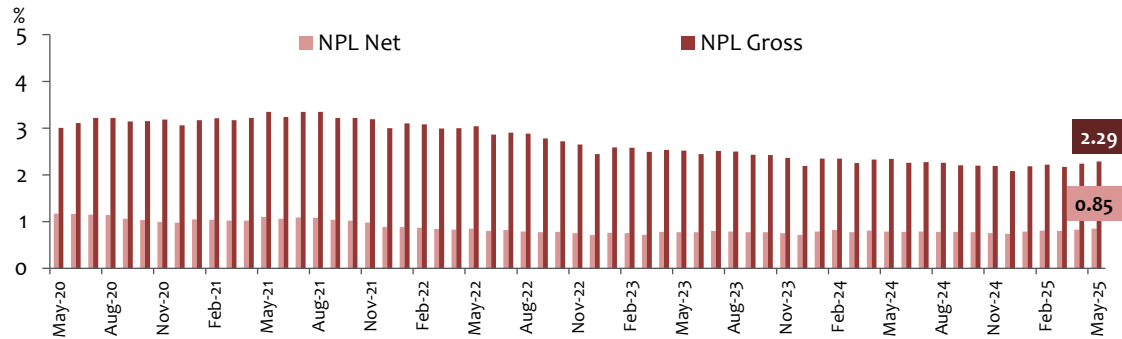


Banking Risk Profile and Profitability

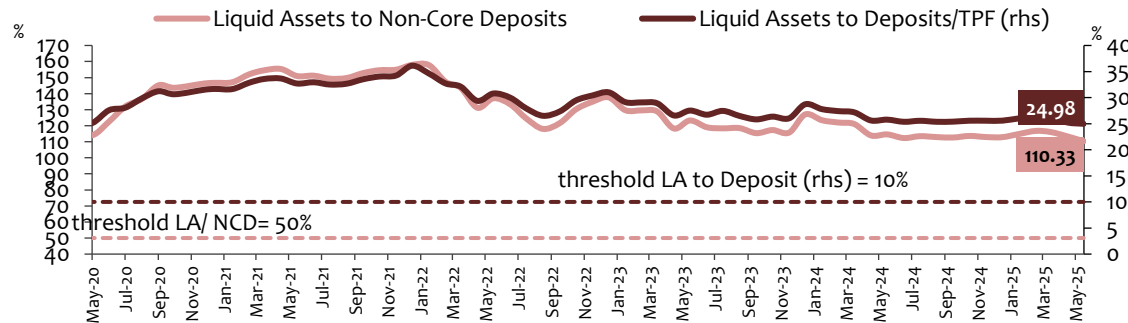
The banking industry has ample liquidity, resilient capitalization, and manageable credit risk, while maintaining a consistent level of profitability



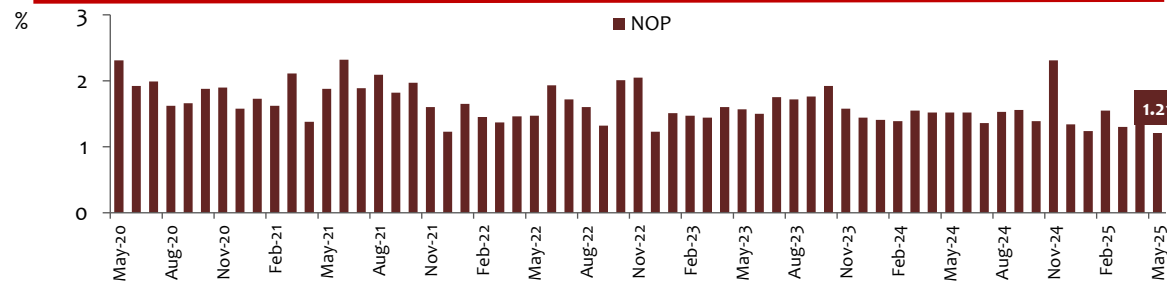
The banking NPL ratios grew in **May 2025**, recorded at **2.29% gross** and **0.85% net**, significantly below the threshold.



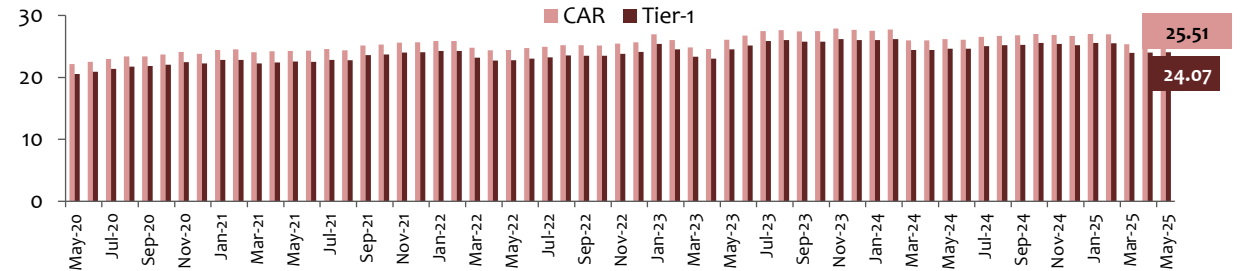
Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.



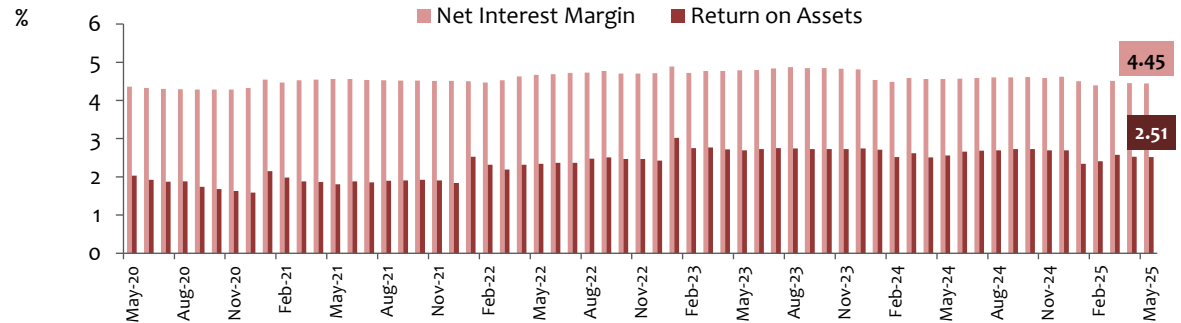
Net Open Position was maintained well below the maximum limit of 20% and grew moderately at **1.21%** in **May 2025**.



The banking sector's Capital Adequacy Ratio (CAR) remained strong at **25.51%** as of **May 2025**.



The banking industry's profitability remained stable with NIM at **4.45%** while ROA grew moderately at **2.51%**, as of **May 2025**.



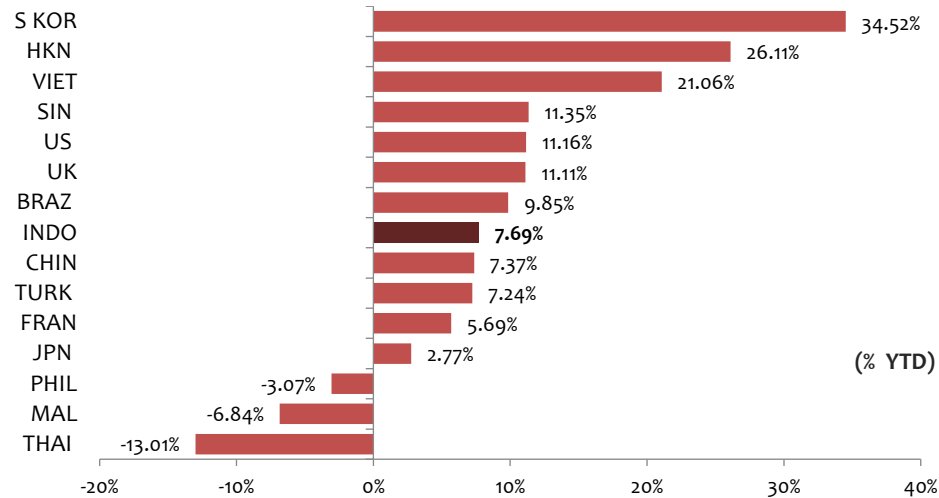
Domestic Capital Market Performance

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

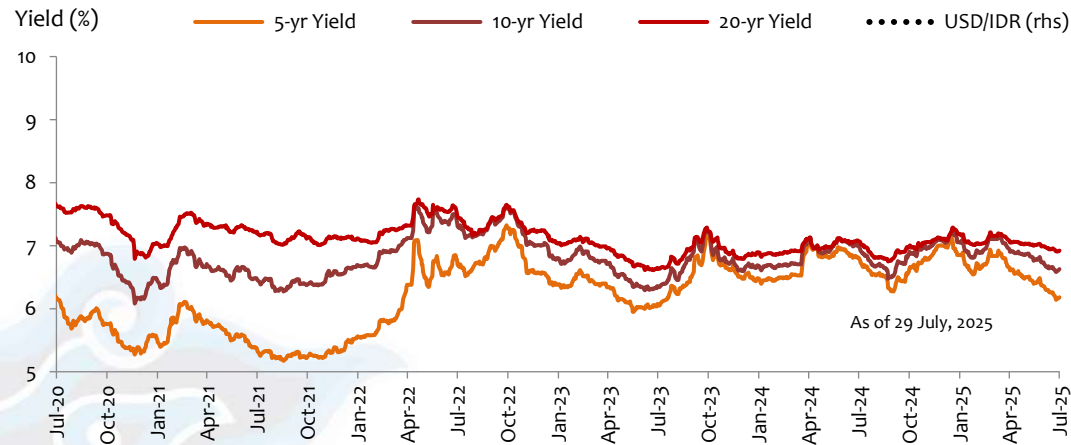


As of **29 July 2025**, stock indices in many economies have begun to recover. In several emerging markets, including Indonesia, recovery has been more gradual, with indices still showing a slight decline

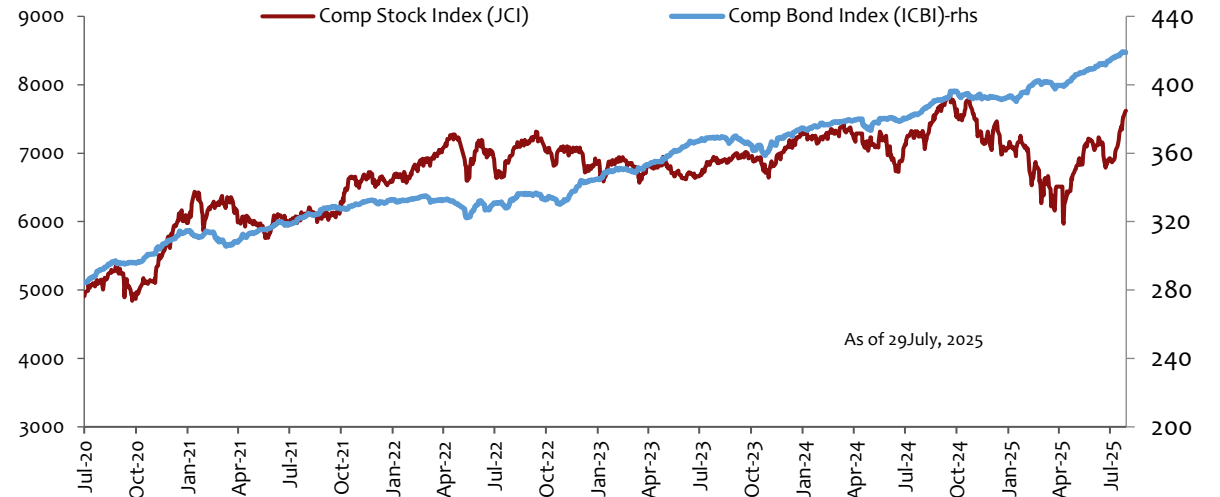
Stock Index Performance as of 29 July 2025 (compared to 31 Dec'24)



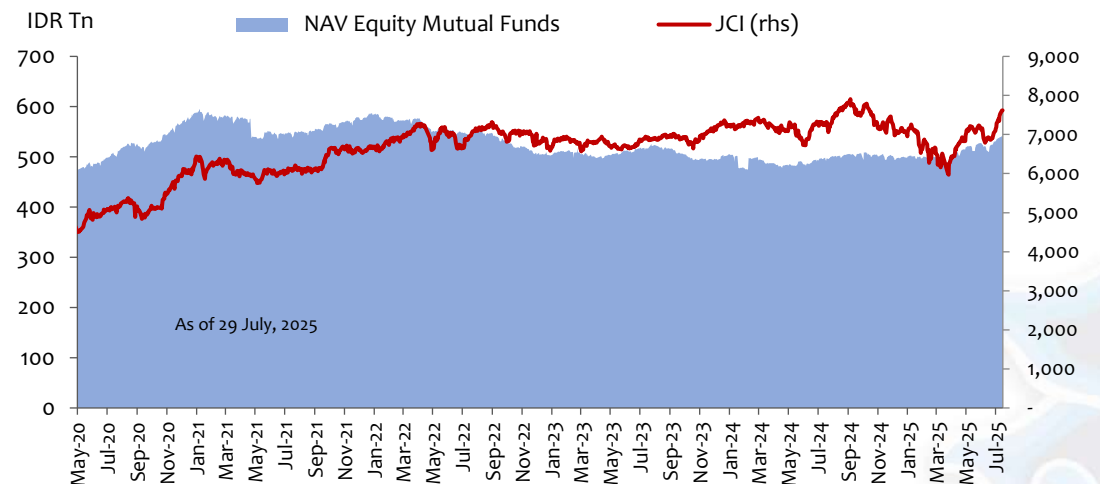
As of **29 July 2025**, Indonesian government bond yields for all tenors slightly declined.



As of **29 July 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.



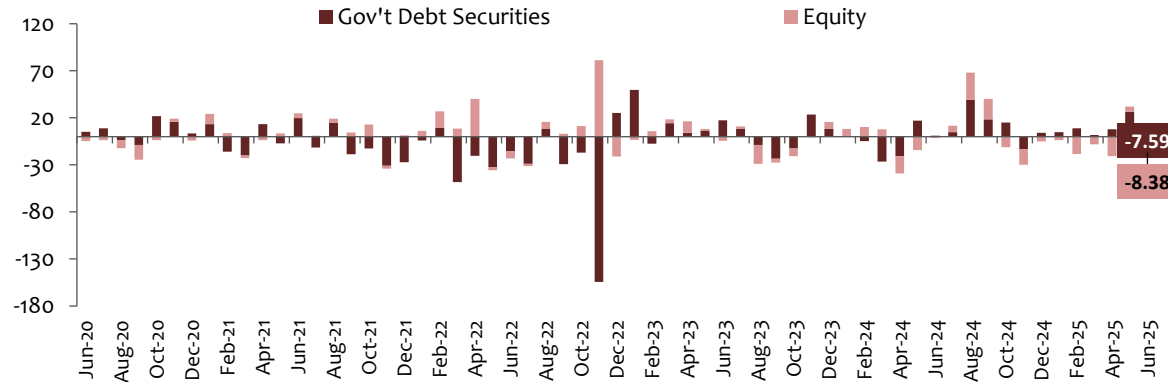
Domestic Capital Market Performance

Several capital market indicators remained positive



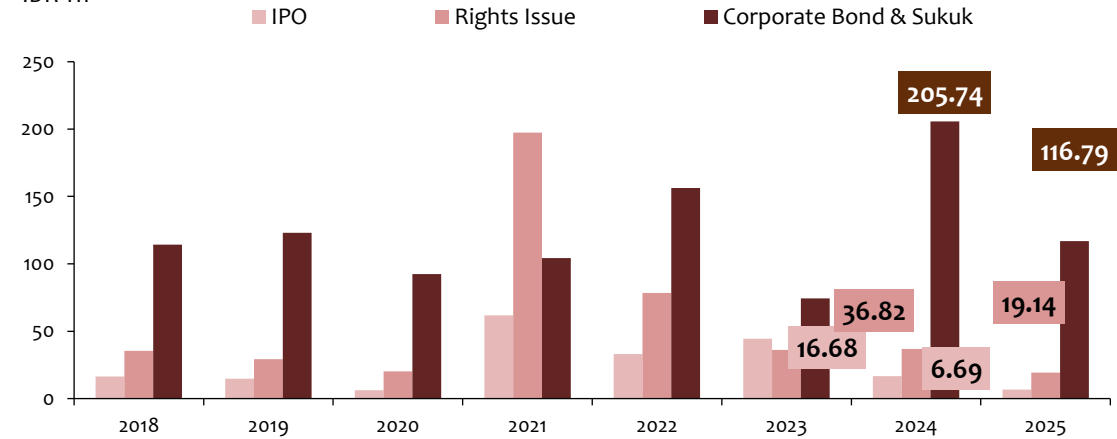
Non-resident portfolios of government bonds recorded a **YTD net buy of IDR42.27 Tn**, while equity market recorded a **YTD net sell of IDR53.57 Tn**, as of **June 2025**.

IDR Tn (MTD)

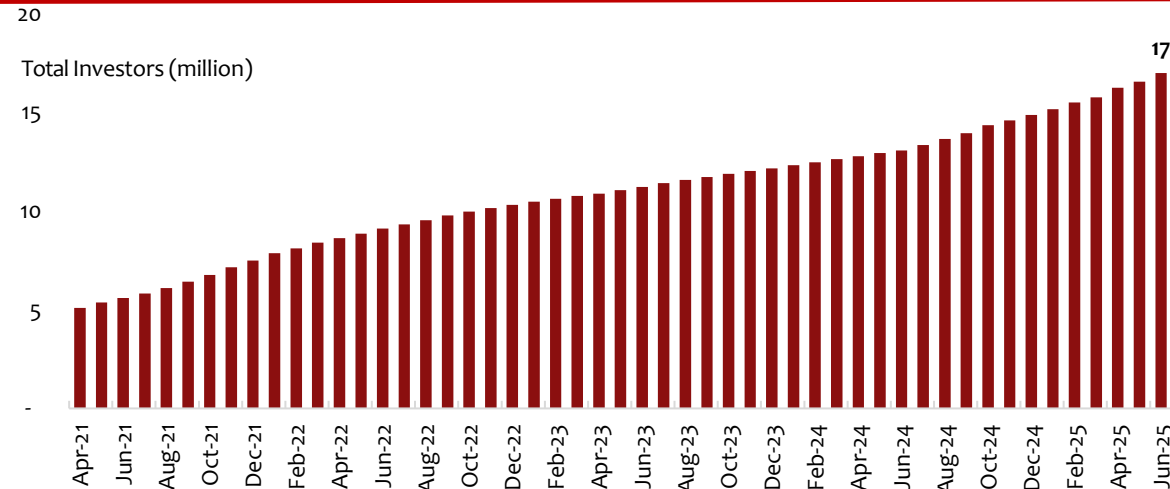


Total securities issuance reached **IDR259.24 Tn (YTD)** as of 30 December 2024, and **IDR142.62 Tn** as of **June 2025**.

IDR Tn



Capital Market Investors continued to grow to **17 million** by the end of **June 2025**, recording a **29.98% (yoy)** increase.

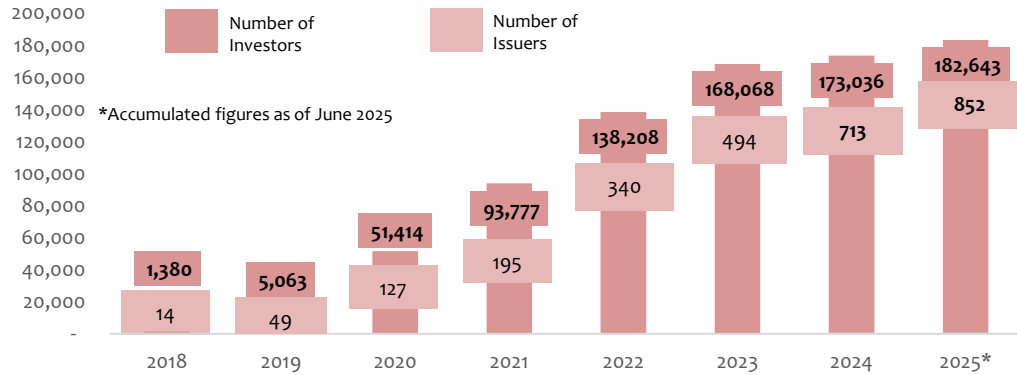


Securities Crowdfunding and Carbon Exchange

Securities Crowdfunding (SCF) and Carbon Exchange grew steadily

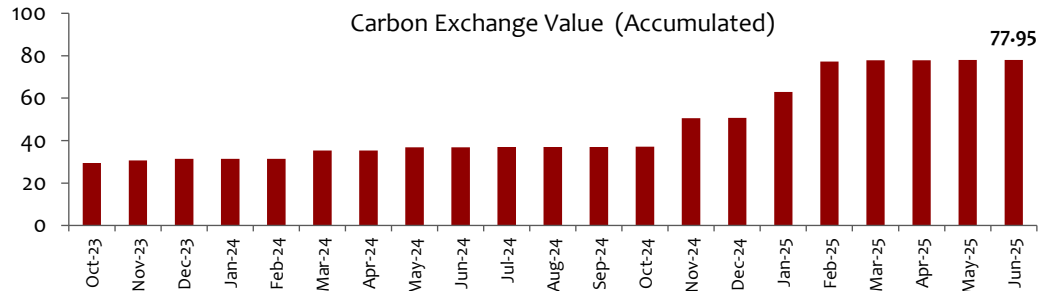


The total number of investors and issuers in Securities Crowdfunding increased to **182,643** and **852**, respectively, as of **June 2025**.

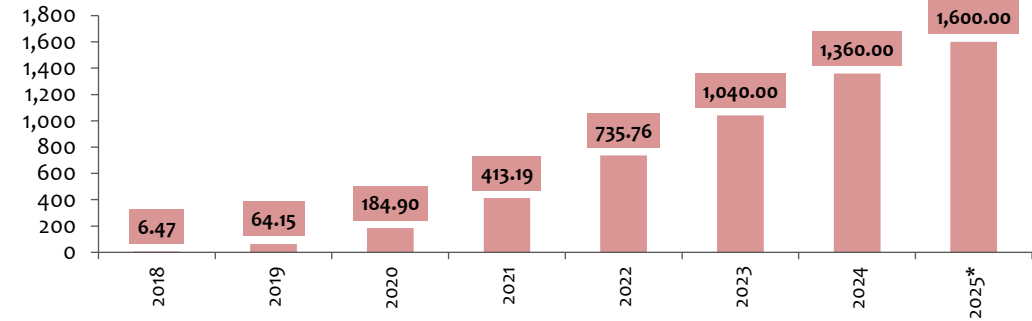


Since its launch in September 2023, the Carbon Exchange has achieved an accumulated transaction value of **IDR77.95 billion** as of **June 2025**.

IDR Bn

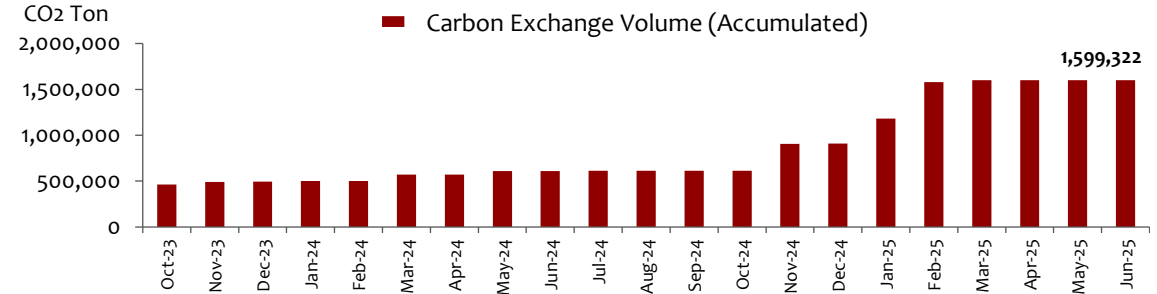


Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.60 Tn** as of **June 2025**.

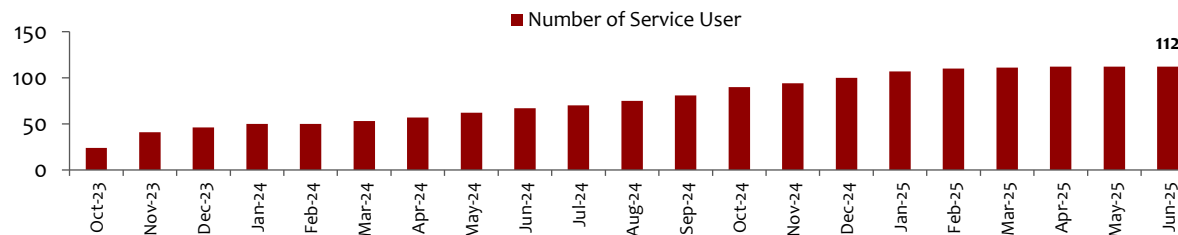


The traded volume in Carbon Exchange recorded a total of **1,599,322 CO2 Ton** as of **June 2025**.

CO2 Ton



The number of service users in Indonesia's Carbon Exchange increased from 26 in September 2023 to **112** in **June 2025**.

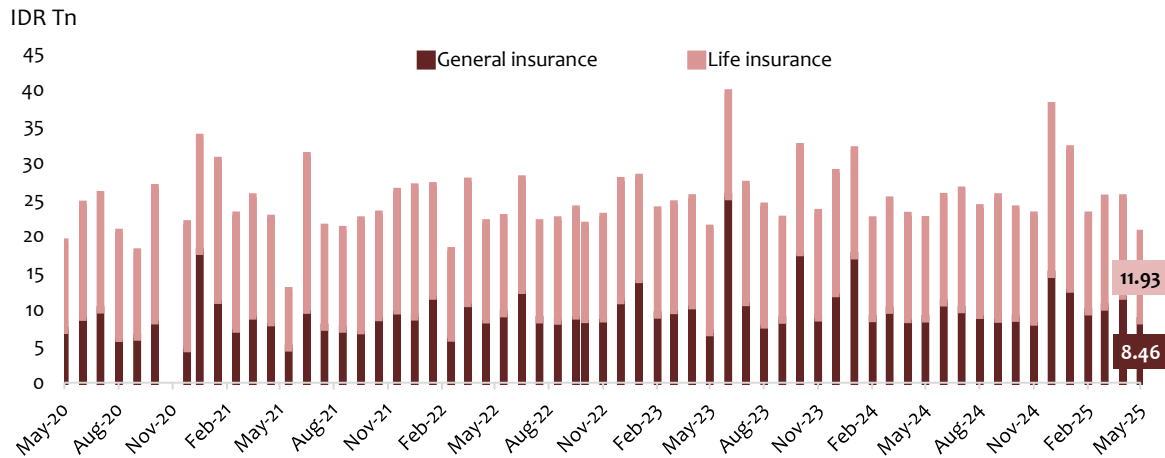


Insurance Sector

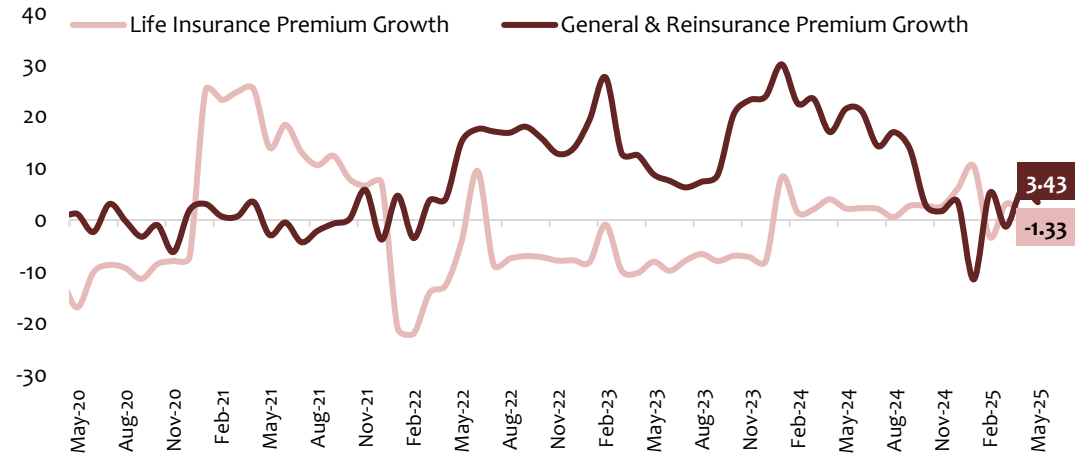
Insurance sector continued to expand, shown by adequate performance and manageable risks



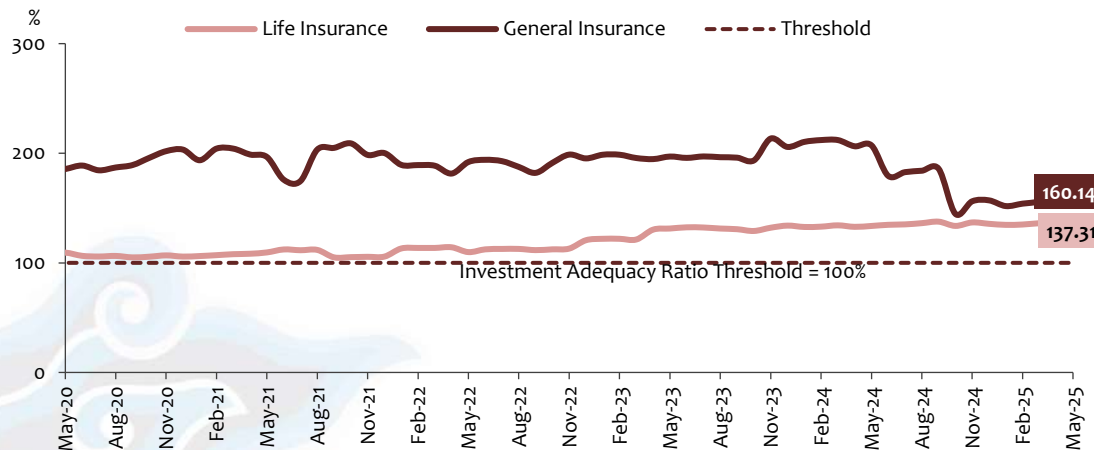
In **May 2025**, insurance premiums marked a total increase of **IDR20.38 Tn (mtm)** with General and Life insurance premiums added **IDR8.46 Tn** and **IDR11.93 Tn**, respectively.



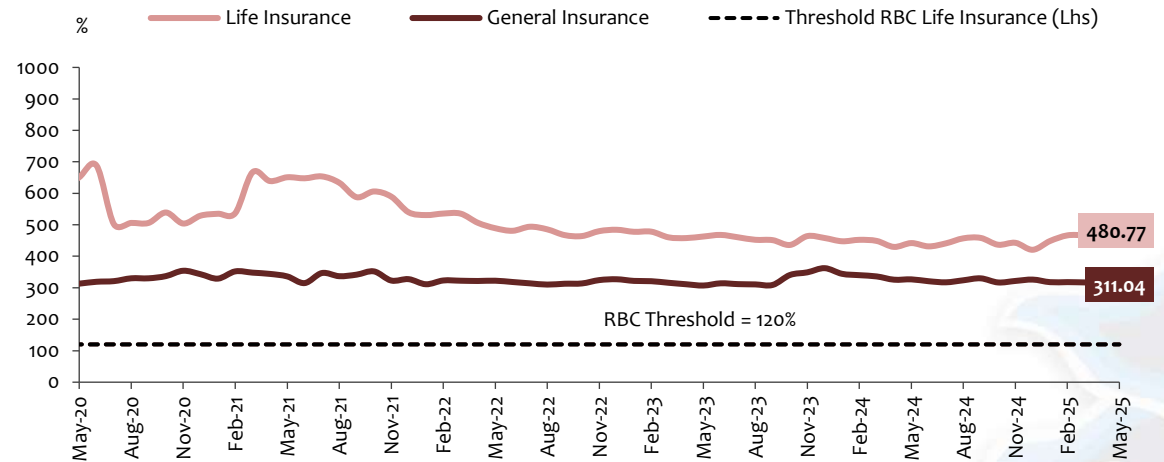
Life Insurance Premium Growth slightly declined at **-1.33%** yoy in **May 2025**, while General & Reinsurance grew by **3.43%** yoy.



In **May 2025**, the Investment Adequacy Ratio of both Life Insurance and General Insurance increased above the threshold of **137.31%** and **160.14%**, respectively.



Risk-Based Capital (RBC) of the insurance industry increased well above the minimum threshold with Life Insurance increased at **480.77%** and General Insurance grew at moderately at **311.04%** in **May 2025**.

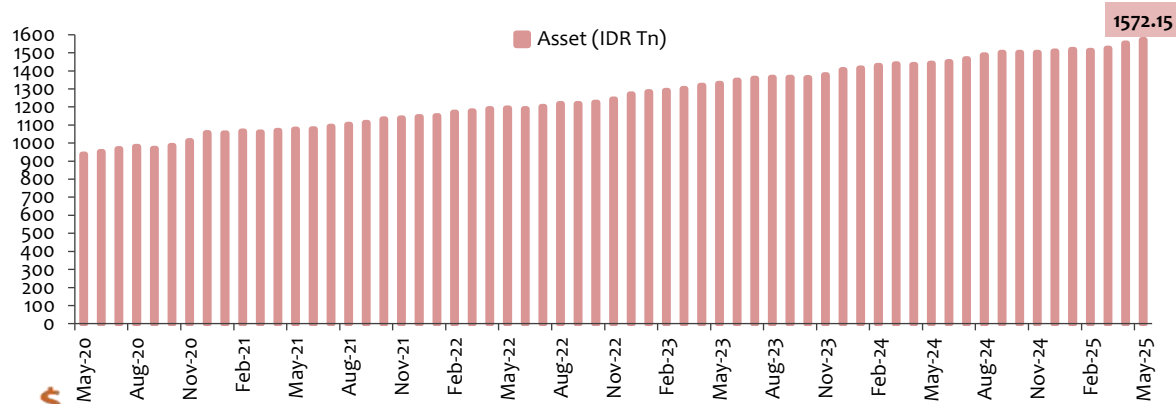


Pension Funds and Guarantee Institutions Performance

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



In **May 2025**, Pension funds total asset increased to **IDR1,572.15 Tn**.



Number of Participants in Pension Funds reached to **28.84** Million in **May 2025**.

Pension Funds	Dec-21	Dec-22	Dec-23	Dec-24	Mar-25	Apr-25	May-25
Number of Participants (Million)	26.23	27.27	28.09	28.94	28.98	29.00	28,84

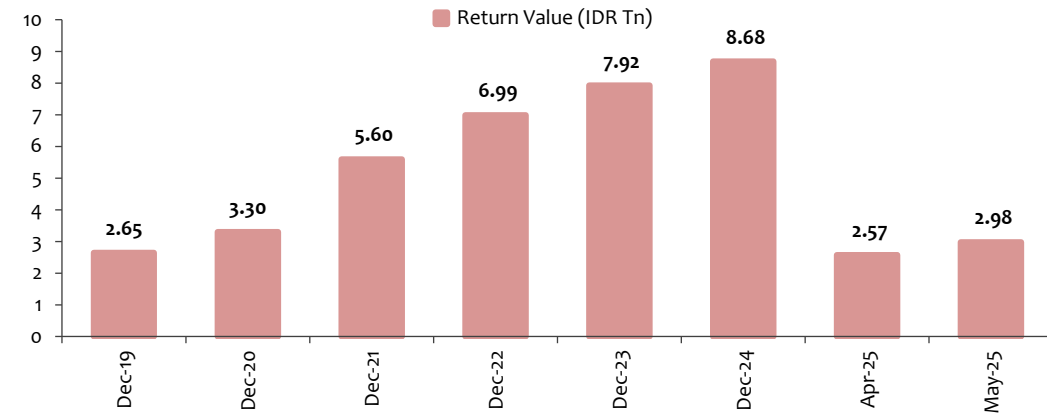


In **May 2025** Guarantee Asset Value reached **IDR47.32 Tn** and grew by **0,53%** (yoy).

Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Mar-25	Apr-25	May 25
Assets Value (IDR T)	36.90	39.12	46.41	46.39	47.12	47.34	47,32
Growth YoY	46.66%	6.00%	18.64%	-0.05%	-0.52%	-0.58%	0,53



In **May 2025**, Guarantee Institutions Accumulated Return Value grew at **IDR2.98 Tn YTD**.



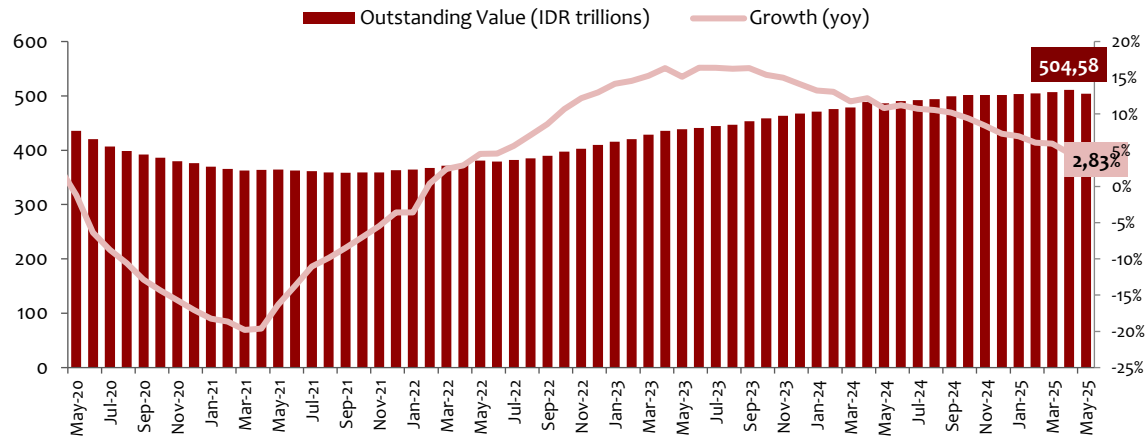
Financing, P2P Lending, Venture Capital, Microfinance Institutions



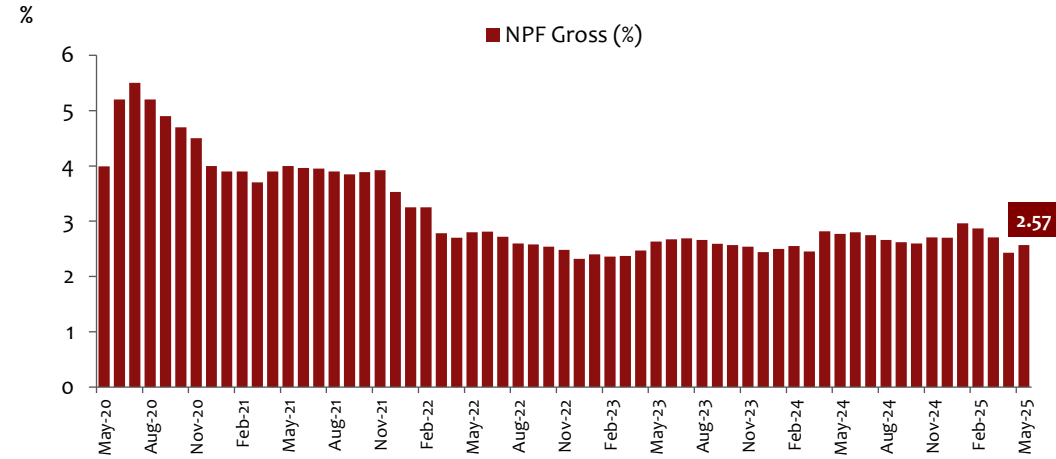
The performance of financing institutions continue to improve, as shown by growing net financing, a stable gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio



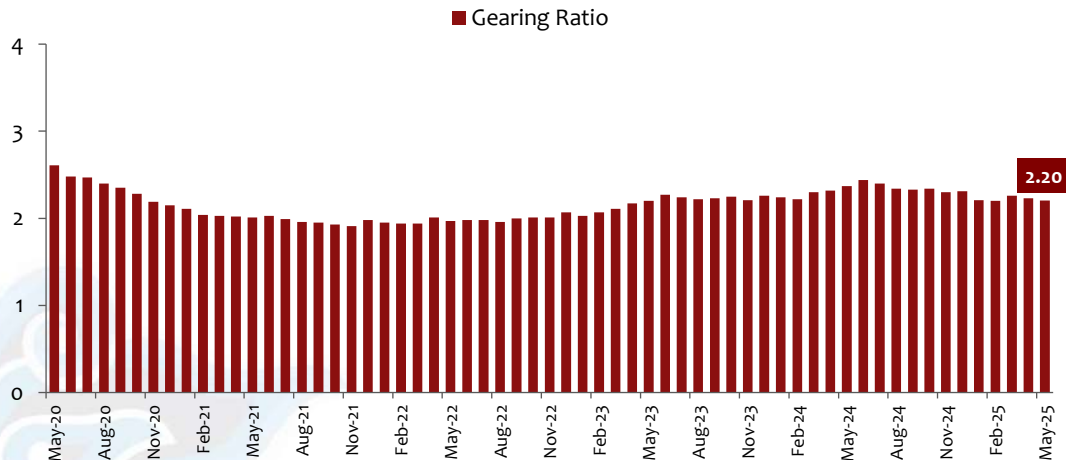
In **May 2025**, net financing continued to grow at a moderate level by **2.83% (yoy)** to **IDR504.58 Tn**.



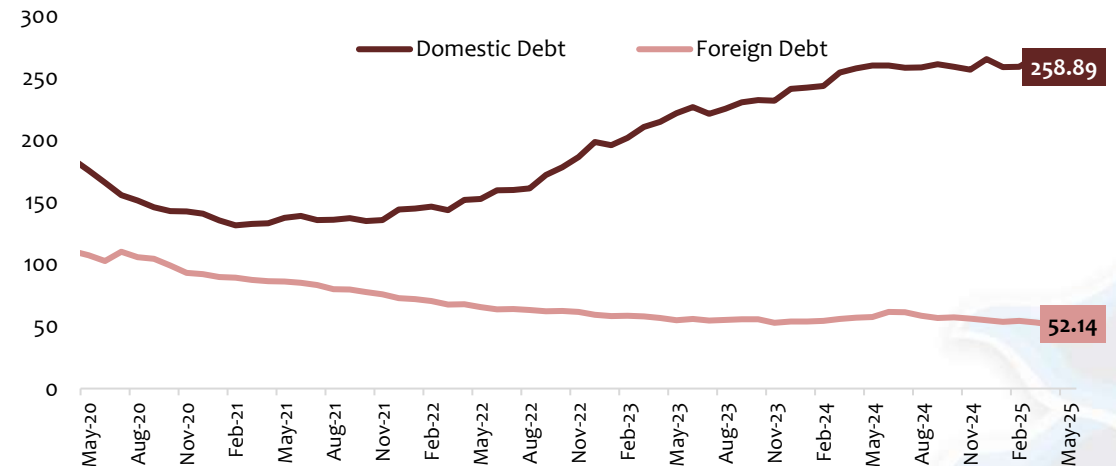
The Gross Non-Performing Financing (NPF) ratio of financing institutions grew at **2.57%** in **May 2025**, well below the 5% threshold.



The gearing ratio of financing institutions stood at **2.20 times** below the 10 times threshold in **May 2025**.



The debt exposure of financing institutions remained stable at **IDR258.89 Tn** for domestic debt and **IDR52.14 Tn** for foreign debt, as of **May 2025**.



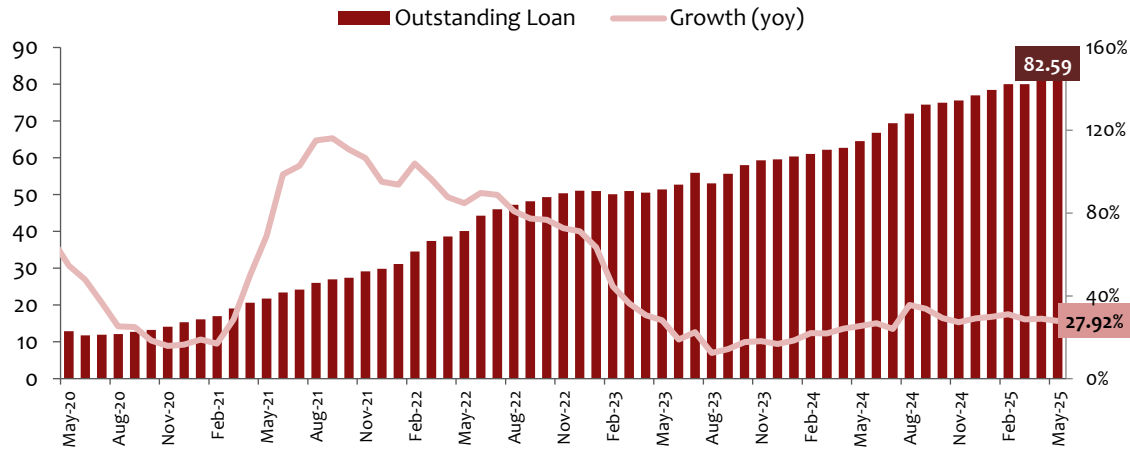
Financing, P2P Lending, Venture Capital, Microfinance Institutions



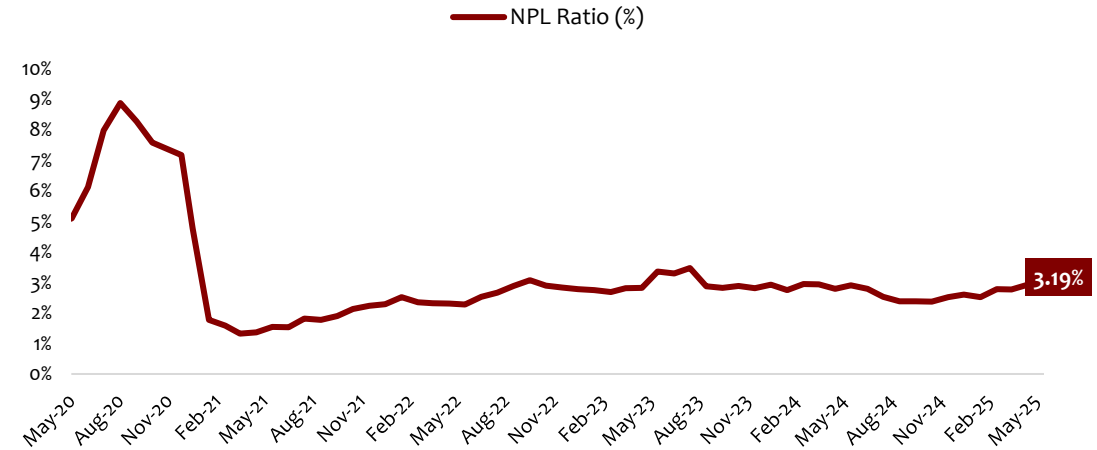
Peer to Peer Lending (P2PL) Fintech intermediation remains positive with a manageable NPL ratio



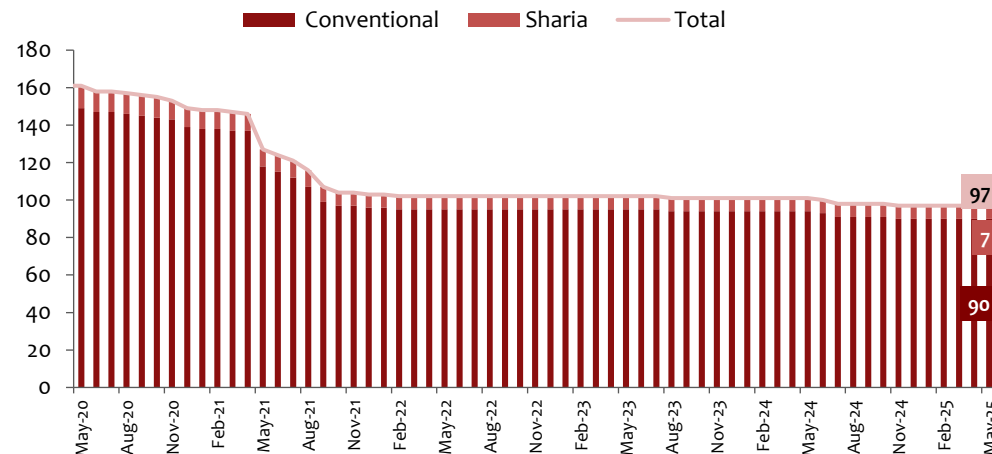
The outstanding loan of P2PL Fintech increased to **IDR82.59 Tn (27.92% yoy)** as of **May 2025**.



The Non-Performing Loan ratio (TWP90) of P2PL slightly increased at **3.19%** in **May 2025**.



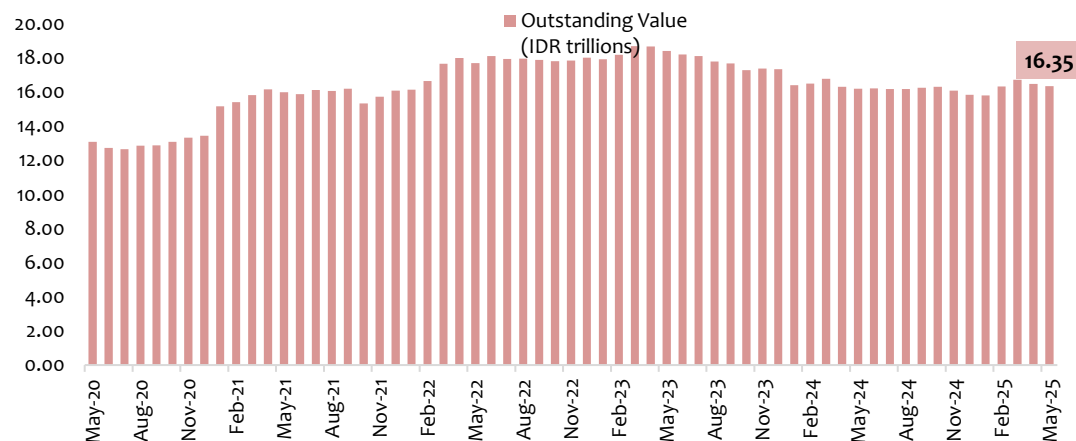
There are a total of **97** fintech platforms, consisting of **90 conventional** platforms and **seven sharia** platforms in **May 2025**.



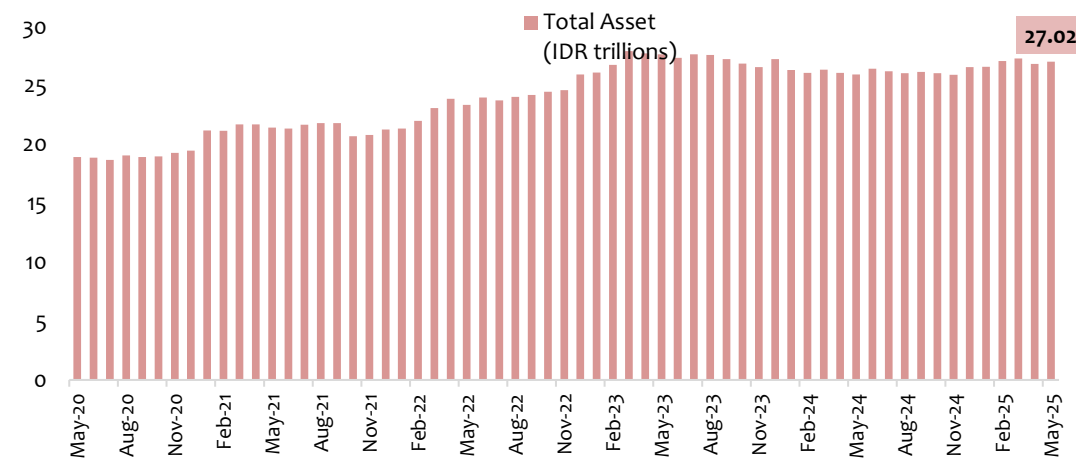
Financing, P2P Lending, Venture Capital, Microfinance Institutions



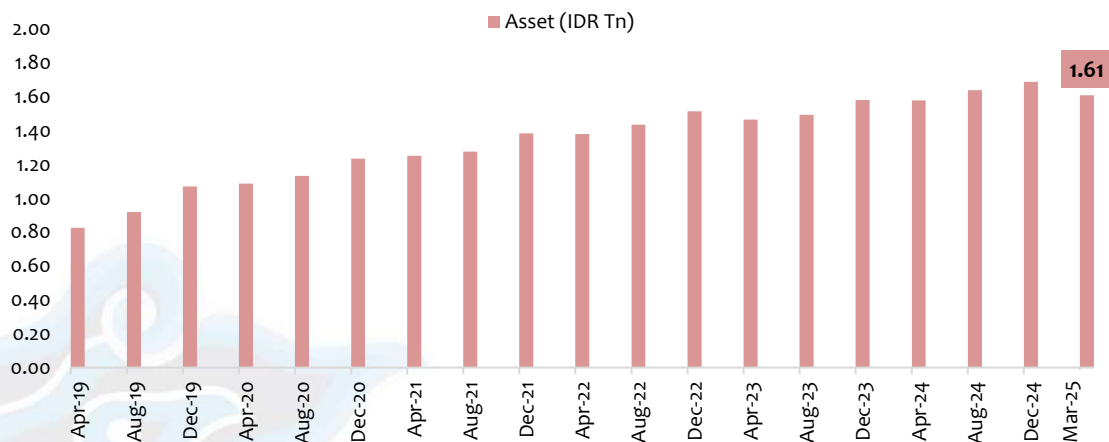
The venture capital corporation experienced stable performance, with financing reaching **IDR16.35 Tn** as of **May 2025**.



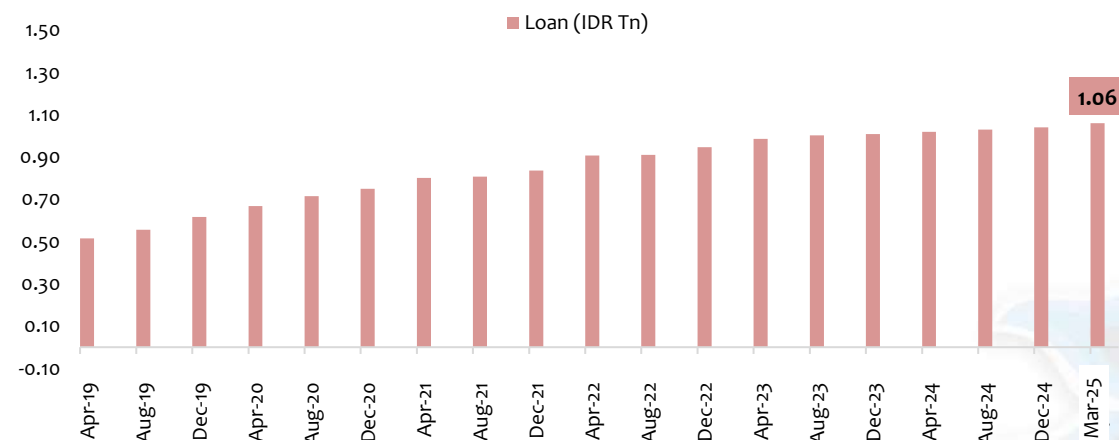
Total assets in the venture capital corporation grew at **IDR27.02 Tn** in **May 2025**, reflecting a steady position.



Microfinance assets remained stable at **IDR1.61 Tn**, with growth of **4.12% (yoy)** in **March 2025**.



Microfinance loans remain stable at **IDR1.06 Tn** in **March 2025**.



Financial Services Technology Innovation and Crypto-Assets



Based on OJK Regulation No. 3/2024 concerning the Regulatory Sandbox, the number of sandbox applications reached **18** (YTD), with **eight** accepted participants as of **June 2025**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	May-25	June-25
Number of Sandbox Applications Request	114	71	87	52	14	16	18
Number of Sandbox Participants	28	14	20	18	5	6	8

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Jan-25	Mar-25	May-25	June-25
Innovative Credit Scoring	2	4	5	7	10	10	10
Aggregators	4	6	9	10	16	19	20
Total	6	10	14	17	26	29	30



In **May 2025**, the crypto-assets market recorded a total transaction value of **IDR49.57 Tn.**

Crypto-assets	Dec-23	June-24	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Transactions (IDR Tn)	27.25	40.85	42.34	48.00	33.67	48.44	81.41	94.08	32.78	32.45	35.61	49.57



Financial Literacy, Consumer Protection and Illegal Financial Activities



OJK conducted **2,937** financial education activities, reaching **6,170,698** participants nationwide as of **June 2025** (YTD).



From **1 January 2025 to 30 June 2025**, Sikapi Uangmu, published **170** financial education contents, attracting **1,098,989** viewers, and **5,950** users accessed the Learning Management System for Financial Education (LMSKU)

Financial Education	2,937 Activities	Sikapi Uangmu	170 Contents
	6,170,698 Participants		1,098,989 Viewers
Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities	Financial Education Learning Management System (LMSKU) OJK	5,950 Access
	100% District/Municipalities		2,662 Certificates



In **June 2025**, OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **1,839** illegal financial entities (YTD).

Number of Illegal Investments	283
Number of Illegal Online Lending	1,556
Total Number of Illegal Financial Entities	1,839



From **1 January 2025 to 13 June 2025**, OJK had received **20,115** service requests through the Consumer Protection Portal Application (APPK).

Number of Service Requests	222,679
Number of Service Requests on Consumer Protection Portal Application (APPK)	20,115
Banking	7,457
Fintech	7,697
Financing Institutions	4,046
Insurance	648
Capital Market and other NBFIs	267
Service Requests Completed	88.10%

Sharia Financial Services Sector (cont'd)



Sharia banking intermediation remained steady, with capital buffers and liquidity positions reflecting a sound financial footing and credit-risk metrics remaining stable. This overall resilience has supported consistent growth in financing and deposits. Meanwhile, Sharia insurance, guarantee, and pension fund assets have continued to expand, demonstrating strong uptake in Sharia-based protection and retirement solutions.

SHARIA BANKING SECTOR

Intermediation	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Assets (IDR Tn)	980.30	949.56	960.82	954.51	942.71
Market Share (%)	7.72	7.46	7.42	7.44	7.31
Financing (IDR Tn)	643.55	642.64	652.36	653.44	661.22
Growth (YoY %)	9.92	9.17	9.20	8.87	9.18
Deposits (IDR Tn)	753.60	729.56	730.37	734.90	725.43
Growth (YoY %)	10.09	7.91	5.68	7.08	5.99
Capital and Liquidity	Dec-24	Feb-25	Mar-25	Apr-25	May-25
CAR	25.40	25.10	25.10	25.30	24.8
LA/Deposits	32.09	27.78	29.05	28.46	24.79
LA/NCD	154.52	133.46	138.55	136.87	118.03
Credit Risk	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Gross NPF	2.12	2.21	2.22	2.25	2.28
Net NPF	0.79	0.87	0.86	0.89	0.92

SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Sharia Life Insurance Assets (IDR Tn)	34.20	33.76	33.77	34.52	34.48
Sharia General Insurance Assets (IDR Tn)	9.46	9.50	9.55	9.64	9.59
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	4.55	4.63	4.65	4.73
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.42	6.54	6.54	6.61

Sharia Financial Services Sector



In May 2025, the sharia financial services sector recorded a mixed performance across segments. The Indonesia Sharia Stock Index (ISSI) increased by -4.81% ytd, while the outstanding value of government sukuk declined to IDR1,562.65 Trillion and the total assets of sharia financing institutions rose to IDR36.42 Trillion.

SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Indonesia Sharia Stock Index	215.65	196.80	201.42	215.04	226.01
YTD	1.41%	-8.74%	-6.60%	-0.28%	4.81%
Market Capitalization (IDR Tn)	6,825.31	6,267.99	6,403.94	6,863.05	7,192.40
Market Share (%)	55.33	57.68	57.63	58.71	57.98
SHARIA BOND (SUKUK)	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Government Sukuk (IDR Tn)	1,627.68	1,664.49	1,655.59	1,673.09	1,562.65
Corporation Sukuk (IDR Tn)	55.27	56.03	62.53	62.97	64.88
Market Share (%)	11.63	11.78	12.65	13.05	13.33
SHARIA MUTUAL FUND	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Asset Under Management (IDR Tn)	50.55	53.82	53.26	59.94	57.22
Market Share (%)	10.12	10.98	10.78	10.94	11.18
SHARIA SCF	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Fundraising (IDR Bn)	715.47	760.01	802.48	841.32	865.94
Market Share (%)	52.50	53.07	54.01	55.04	55.31

SHARIA FINANCING INSTITUTIONS, VENTURE CAPITAL, FINTECH P2P LENDING AND MICROFINANCE (PVML) UPDATE

SHARIA PVML	Dec-24	Feb-25	Mar-25	Apr-25	May-25
Sharia Financing Institution Assets (IDR Tn)	33.88	33.90	36.51	36.29	36.42
Sharia Venture Capital Assets (IDR Tn)	3.74	3.95	4.16	3.94	3.85
Sharia Microfinance Assets (IDR Tn)	0.65	0.65	0.65	0.64	0.64



Section 6

Structural Reforms

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



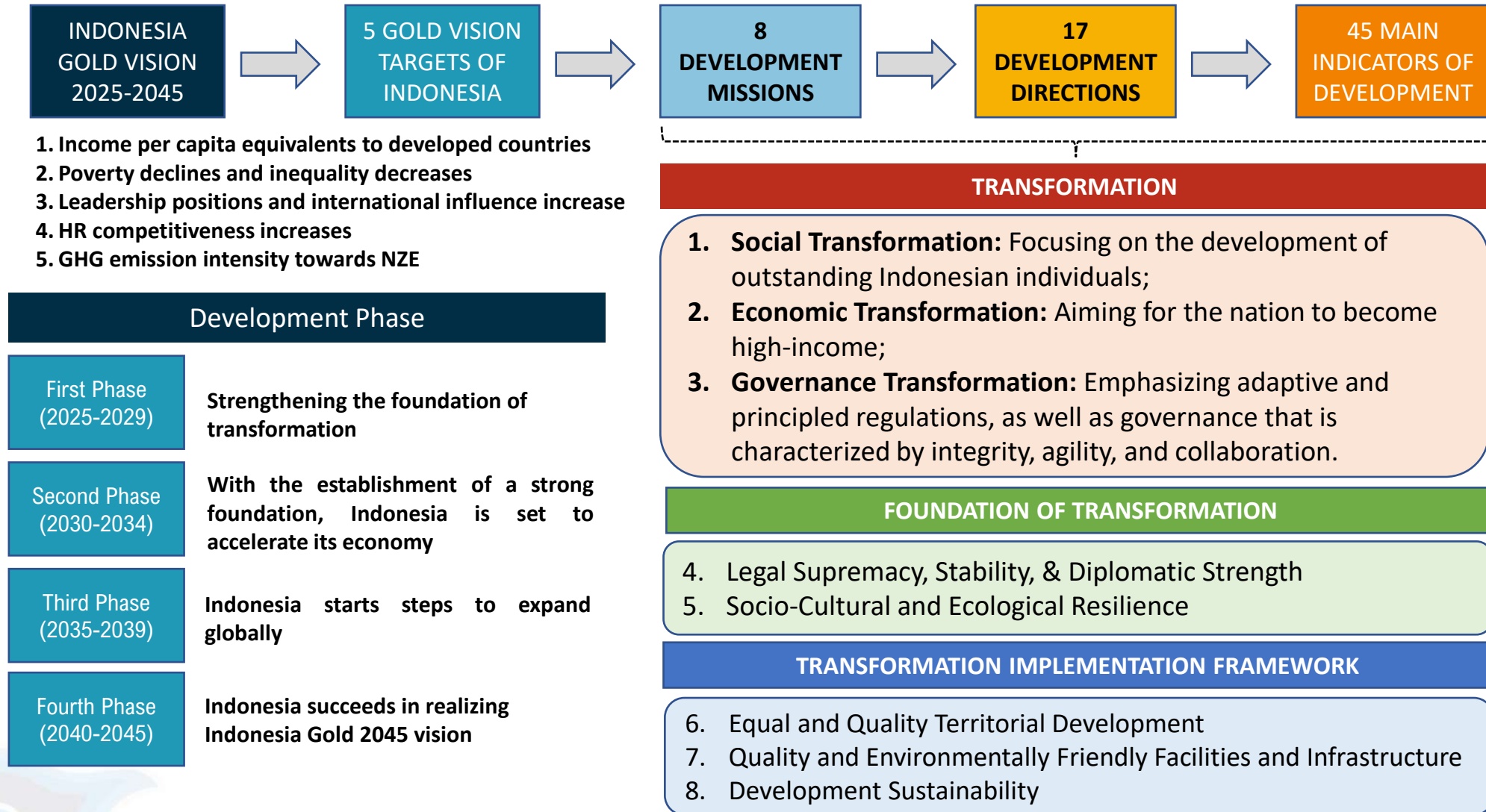
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Asta Cita: The 8 Quick Impact Programs

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

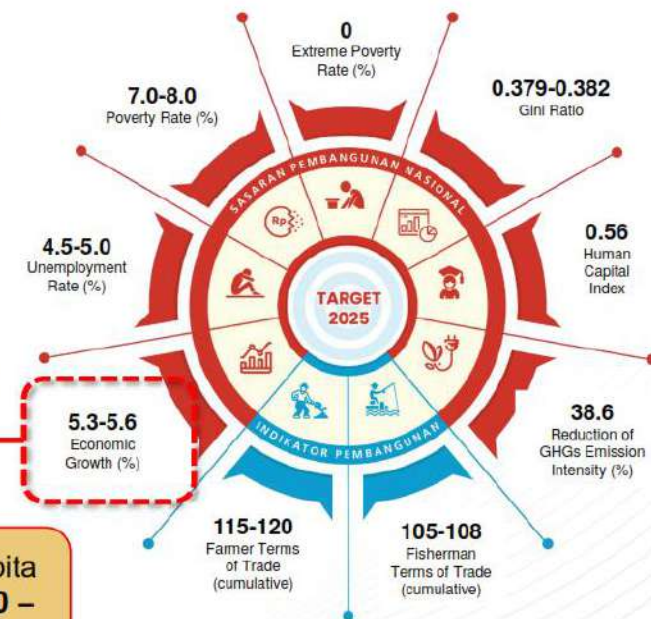
“
**Accelerating Inclusive
and Sustainable
Economic Growth**
”

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**



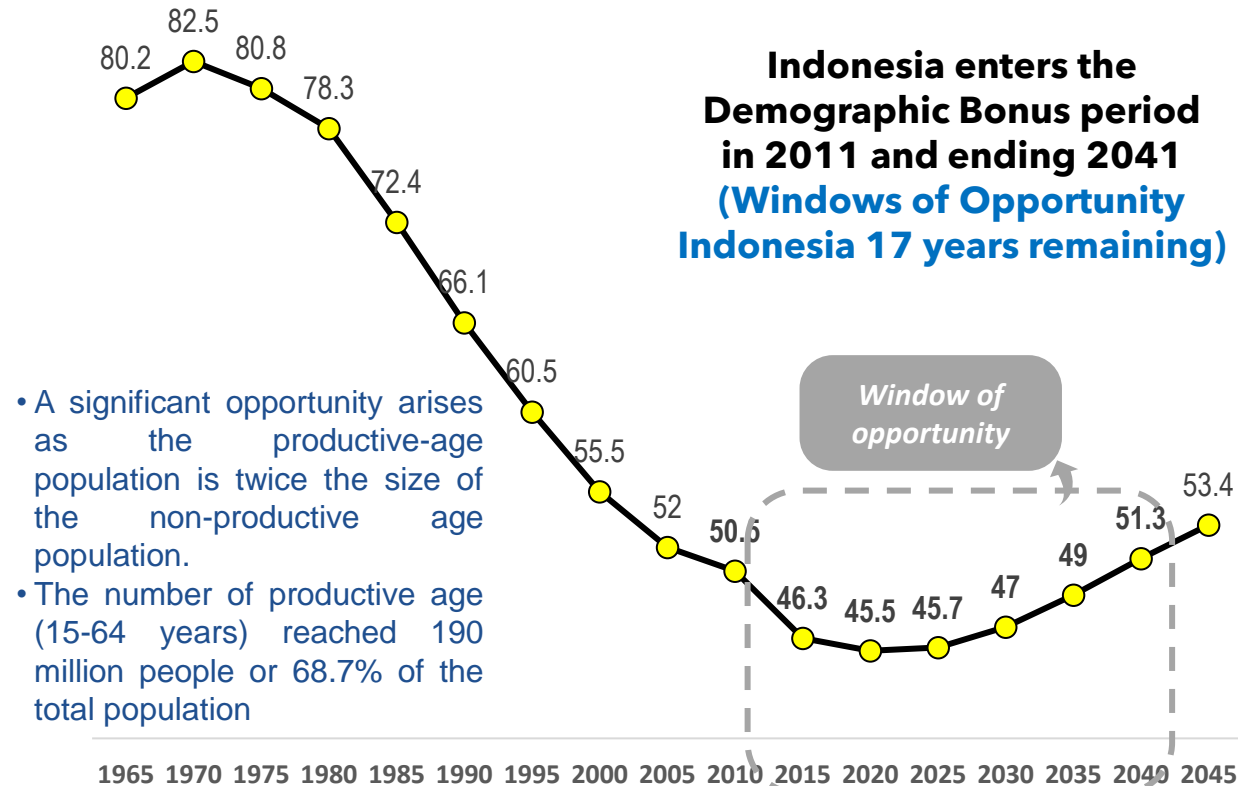
Growth in export is driven by **the continuation on down-streaming** that bolster an increase in goods export value, as well as reducing dependence on global commodity prices' trend.



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



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

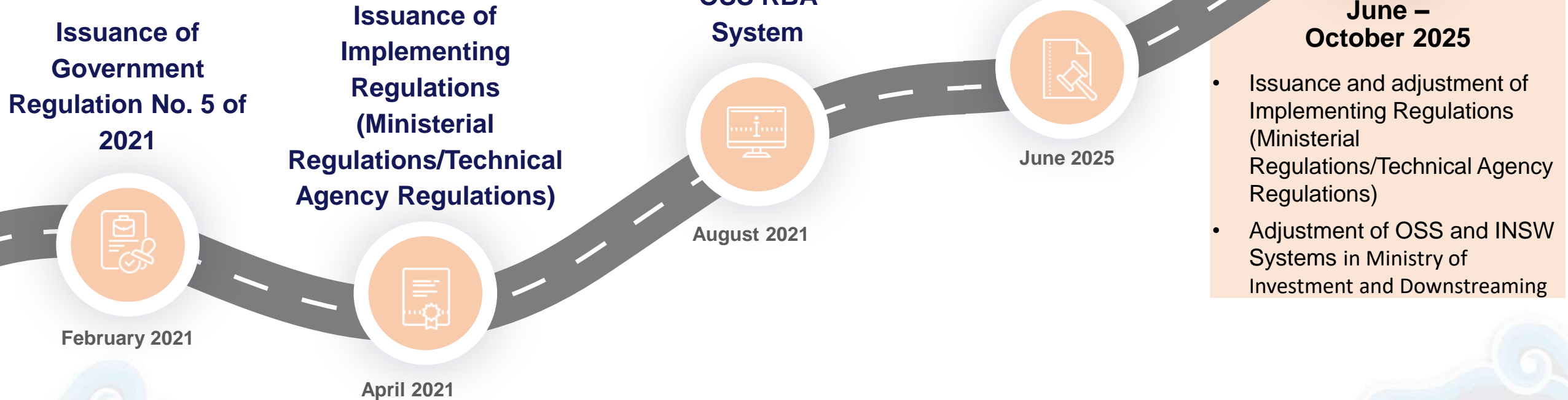


Enhancing Social
Security & Social Safety
Nets

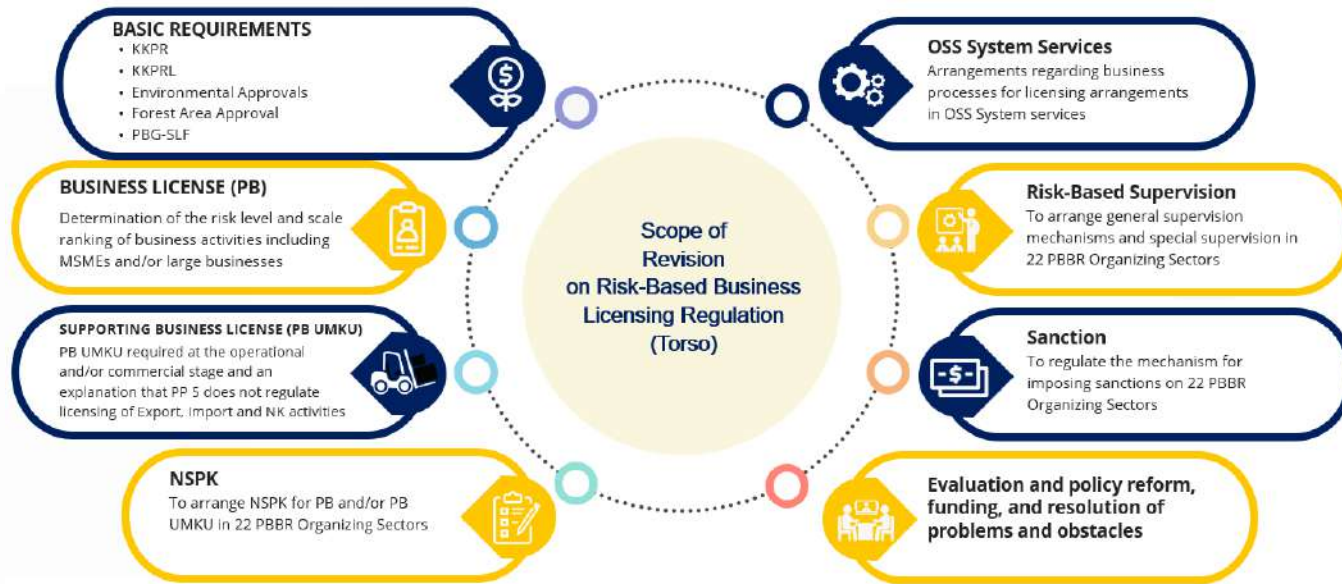
Risk-based Business Licensing Development Roadmap



Indonesia has recently issued Government Regulation No. 28 of 2025 (PP 28/2025), which revokes the previous PP No. 5 of 2021. The new regulation strengthens the Risk-Based Business Licensing framework, aiming to provide businesses with clearer procedures, greater legal certainty, and a more transparent regulatory environment



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

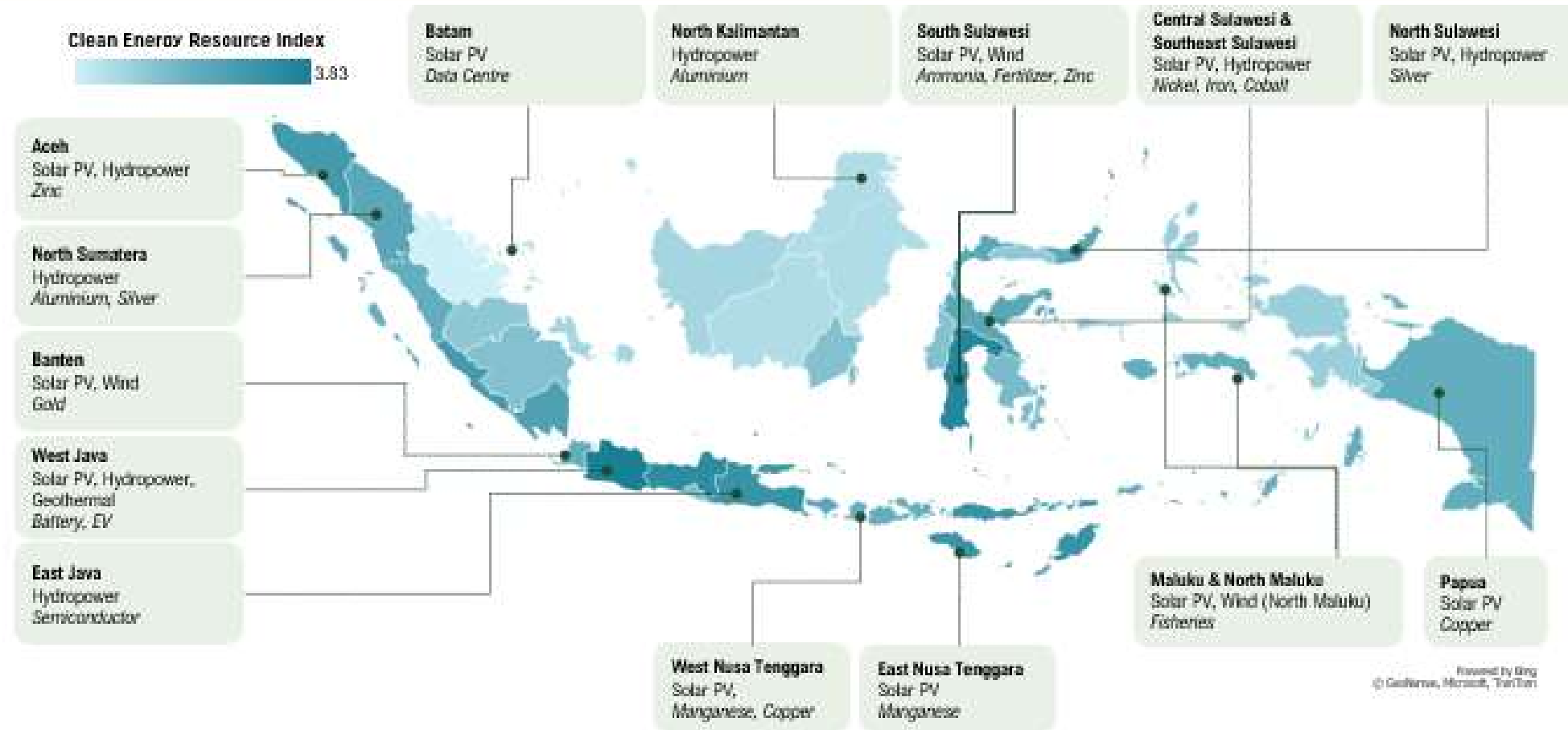
02

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.

Trade Policy: Deregulation On Import Policy



Following the President's instructions on deregulation policies aimed at facilitating trade for businesses, enhancing Indonesia's competitiveness, creating jobs, and accelerating investment in labor-intensive sectors to drive economic growth, new regulations on Import Policies and Regulations have been established.

Deregulated Import Commodity Groups (482 HS)



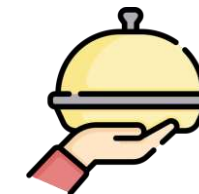
Industrial Raw Materials/Auxiliary Materials (29 HS)

- ☐ Pupuk Bersubsidi
- ☐ Bahan Bakar Lain
- ☐ Bahan Baku Plastik
- ☐ Saccharin, cyclamate, alcohol-containing fragrances
- ☐ Certain chemicals
- ☐ Pearls



Competitive Industrial Products (10 HS)

- ☐ Footwear
- ☐ Two-wheeled and Three-wheeled Bicycles



National Program Support Products (2 HS)

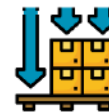
- ☐ Food Tray



Forestry Product (441 HS)

Import Deregulation Policy Output

Ministry of Trade (MoT) Regulation No. 36 of 2023 in conjunction with Ministry of Trade Regulation No. 8 of 2024 will be revoked, and the following will be issued:



MoT Regulation No 16 of 2025 on Import Policies and Regulations for **General Import Provisions**



Commodities Clustered Based MoT, as detailed :

1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textile and Textile Production**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agriculture and Farming Goods**;
3. MoT Regulation No 19 of 2025 on Import Policy and Regulation for **Salt and Fish Commodity**;
4. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials, and Mining Materials**;
5. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electricity Goods and Telematics**;
6. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
7. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumption Goods**; and
8. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous and Non-Toxic Waste**.

Oecd: Membership In The Oecd As A Catalyst For Structural Reform In Indonesia

*Indonesia's accession to the OECD is a strategic measure to **ESCAPE THE "MIDDLE INCOME TRAP"** and **ACHIEVE "GOLDEN INDONESIA 2045" VISION.***

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.



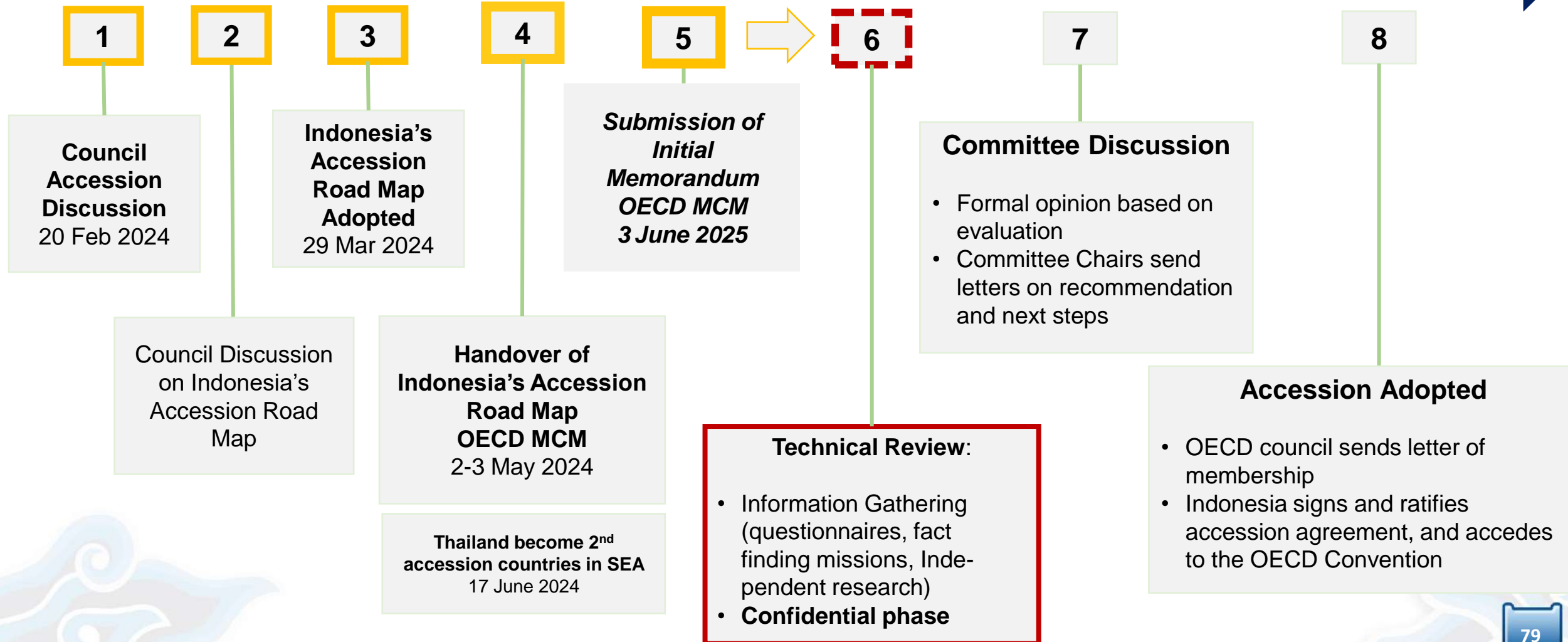
- Indonesia's **Accession Roadmap's** hand over at the OECD MCM in **May 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN**.
- Indonesia submitted the **32 CHAPTERS OF INITIAL MEMORANDUM**, containing Indonesia's self-assessment on its policy, regulations, and standard alignment to **240 OECD LEGAL INSTRUMENTS**, on **3 June 2025**.
- Along with the IM submission, Indonesia also submitted a letter of intention to **ACCEDE TO THE OECD ANTI BRIBERY CONVENTION** to the OECD, aimed to strengthen national anti-corruption and bribery legal framework.
- Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.

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

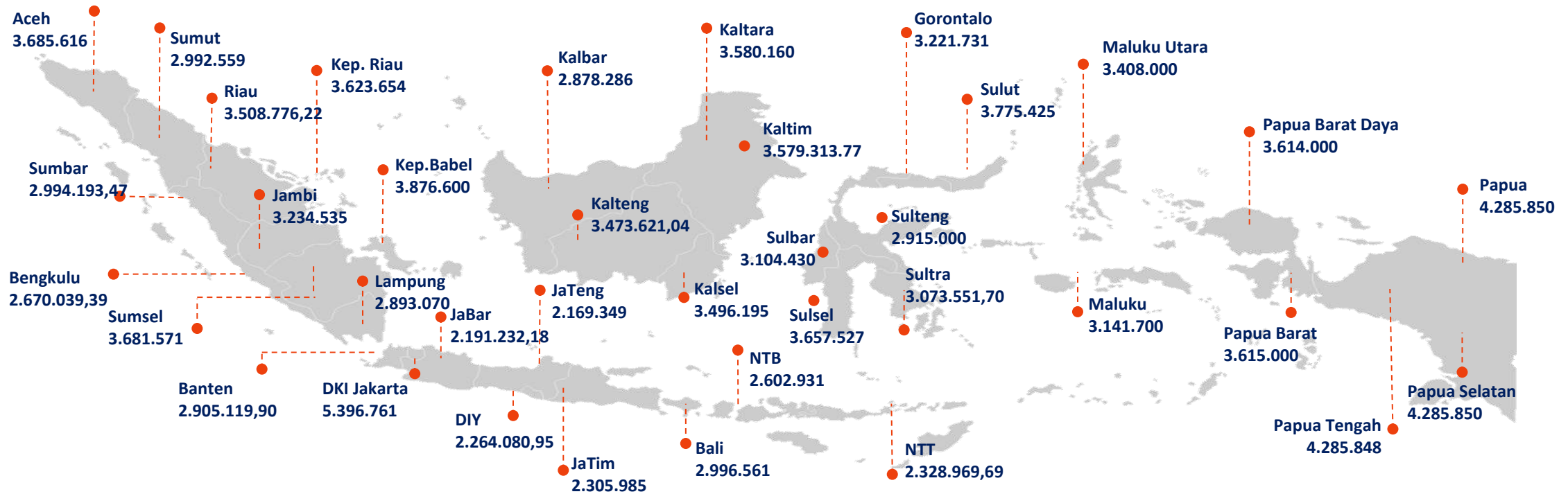


Indonesia is targeted to accede to the OECD within 3 to 4 years after the submission of the IM

OECD Accession Phase



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 has been reinstated for periode from August 2025 to January 2026
- 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 effective as of February 2025 based on: (i) Government Regulation No. 6 of 2025 on Amendments to Government Regulation No. 37 of 2021 concerning the Implementation of the Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program, and (ii) Government Regulation No. 7 of 2025 on Adjustment of Jaminan Kecelakaan Kerja (JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies in 2025.

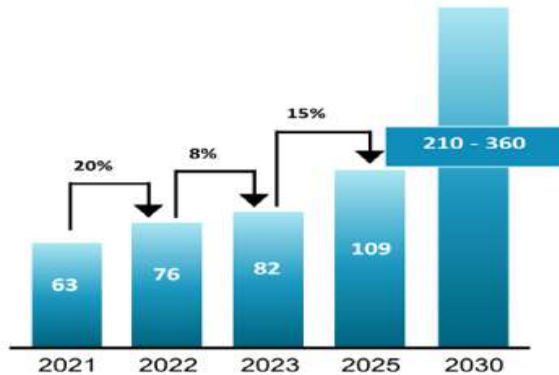
Digital Economy as a New Growth Engine



Indonesia Digital Economy

GMV (\$B)

CAGR



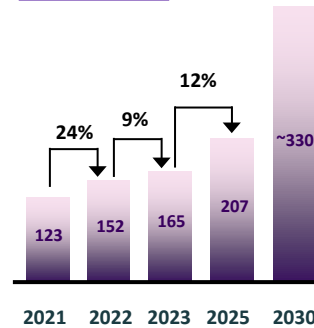
In 2023, around 37 – 40% of the ASEAN internet economy market share will be in Indonesia

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

Digital Financial Services as a Prospective Sector of the Digital Economy in Indonesia¹

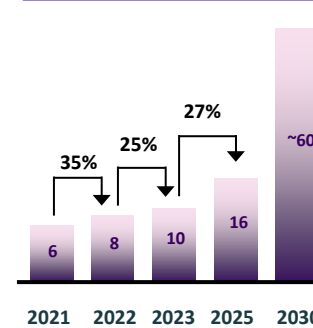
Digital Payments

GMV¹ (\$B)



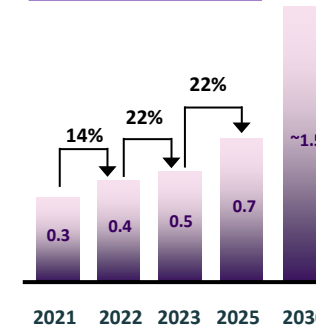
Digital Lending

Loan Book Balance² (\$B)



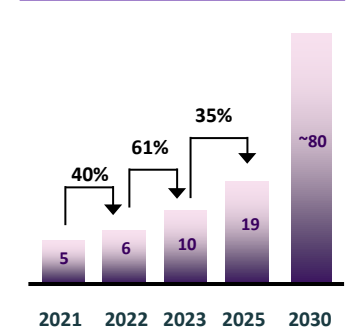
Digital Insurance

APE & GWP³ (\$B)



Digital Wealth

AUM⁴ (\$B)



The enablers of Digital Economy Development in Indonesia

276.4 million

Total Population in Indonesia²

212.9 million

Internet Users²

77%

Internet penetration²

353.8 million

Cellular Connection Users³

2,537

Total Start-Up in Indonesia (Ranked 6th in the world)⁴

USD1.1 billion

Projected Total Capital Raised in Venture Capital Market in 2023

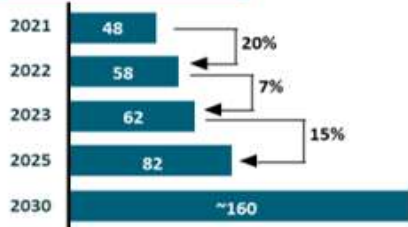
11 Unicorns

In Indonesia as of 2023⁶

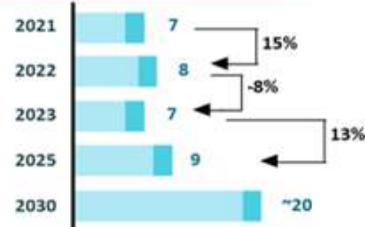
22.68 million

MSMEs digital onboarding until 2023⁷

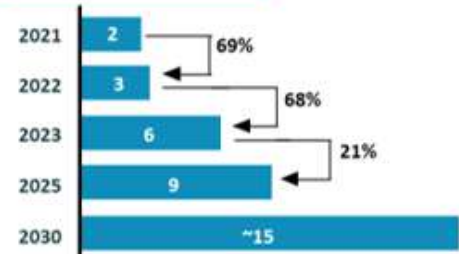
E-commerce



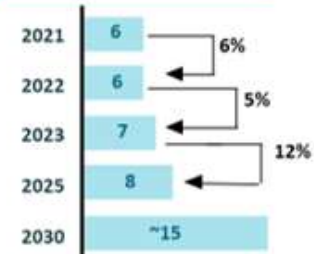
Transport & Food



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

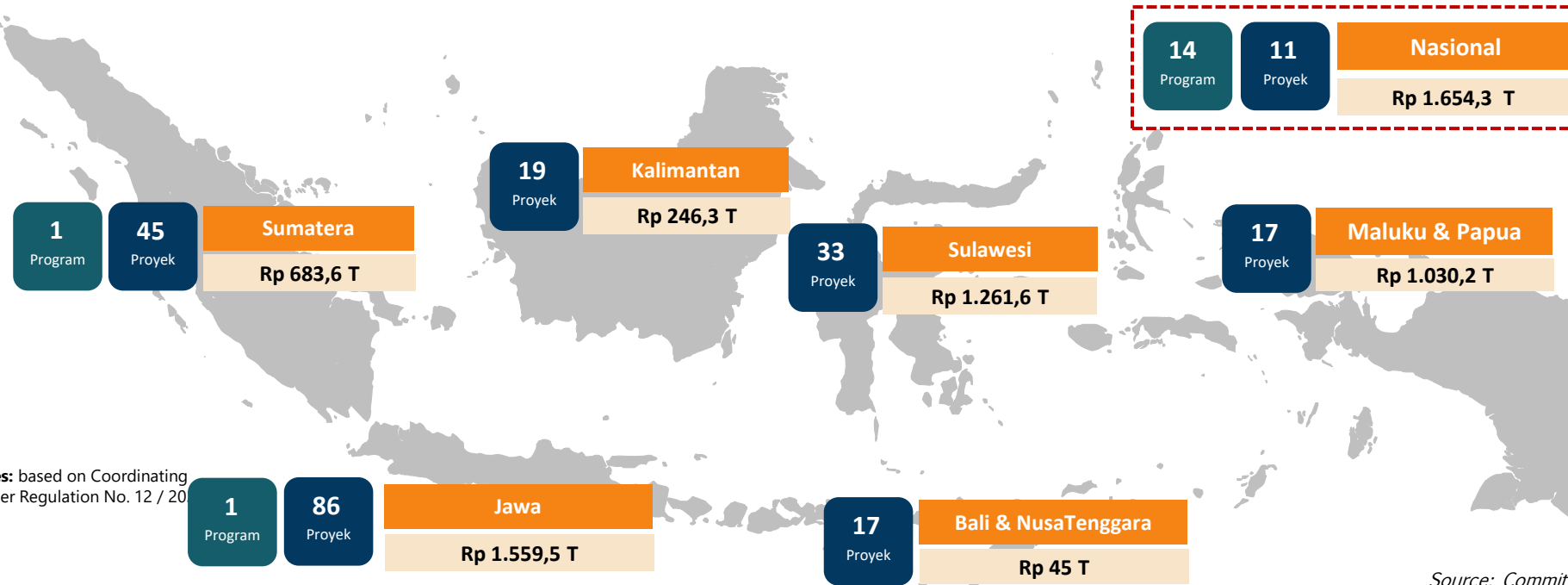
4 Pillar IPEF



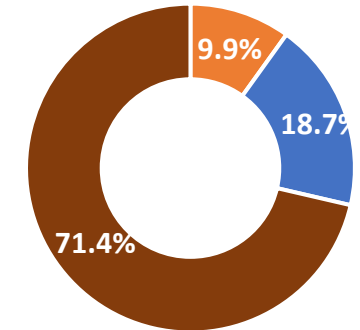
The National Strategic Project (PSN)



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)



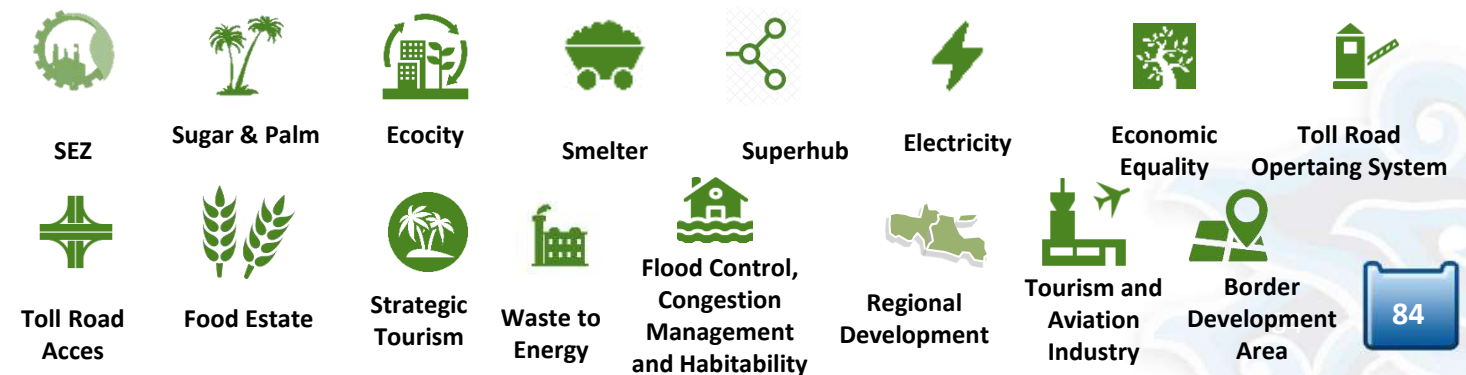
State Budget SOE Budget Private

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

14 Sectors of PSN



16 Programs

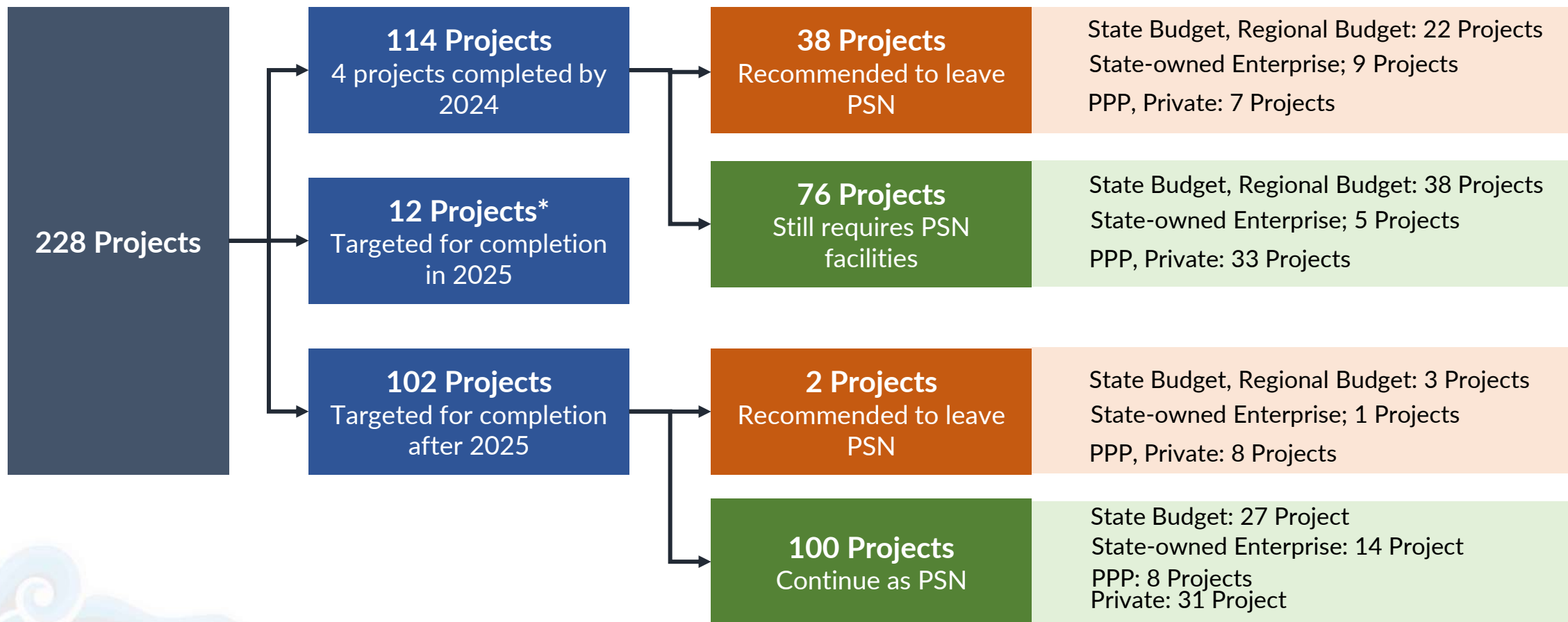


Project Evaluation in the National Strategic Project List



Of the 228 total PSN projects, 114 are targeted for full completion by December 2024, 12 by 2025, and the remaining 102 after 2025.

REALIZATION



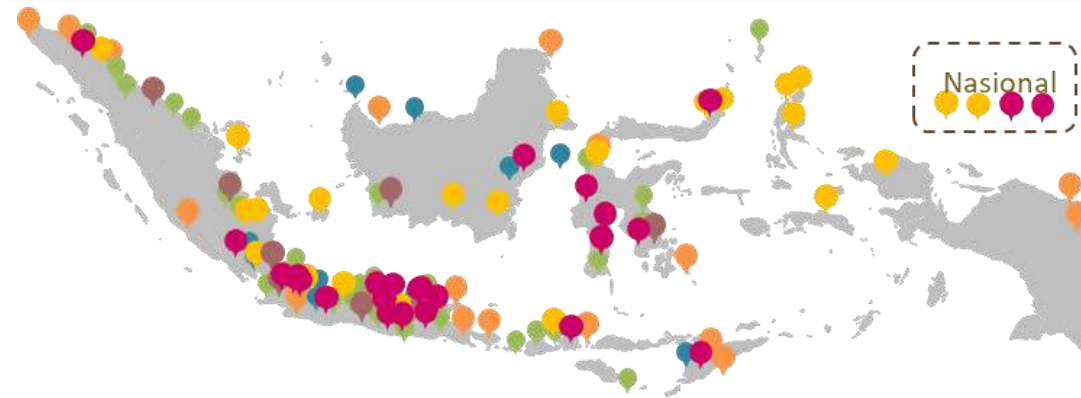
*A total of 12 projects require support from ministries/agencies to accelerate completion


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



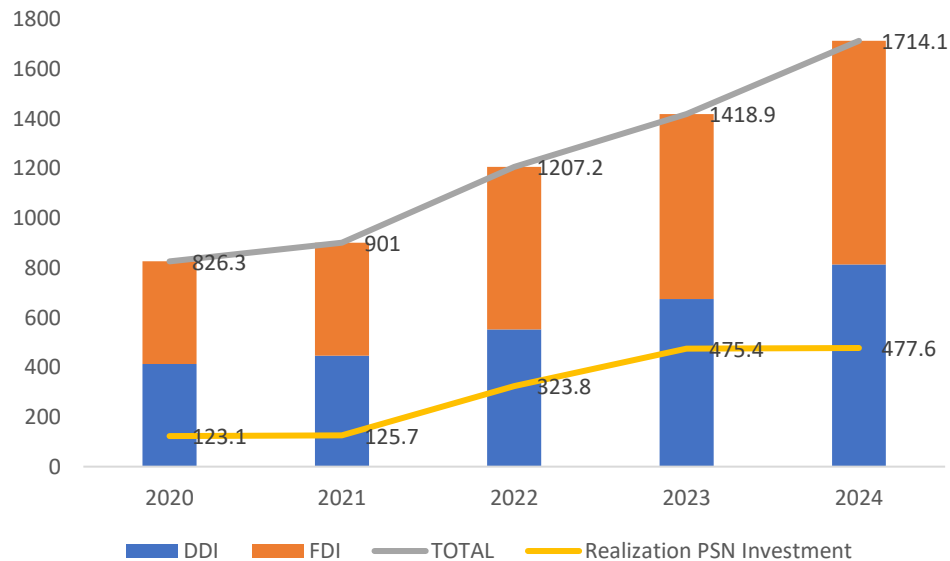
- **Operation of 24 SEZs**, investment realization of **IDR 242.5 T and absorption of 151,260 workers**
- **Operation of 8 Smelters** to increase the added value of nickel, bauxite and copper

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%))

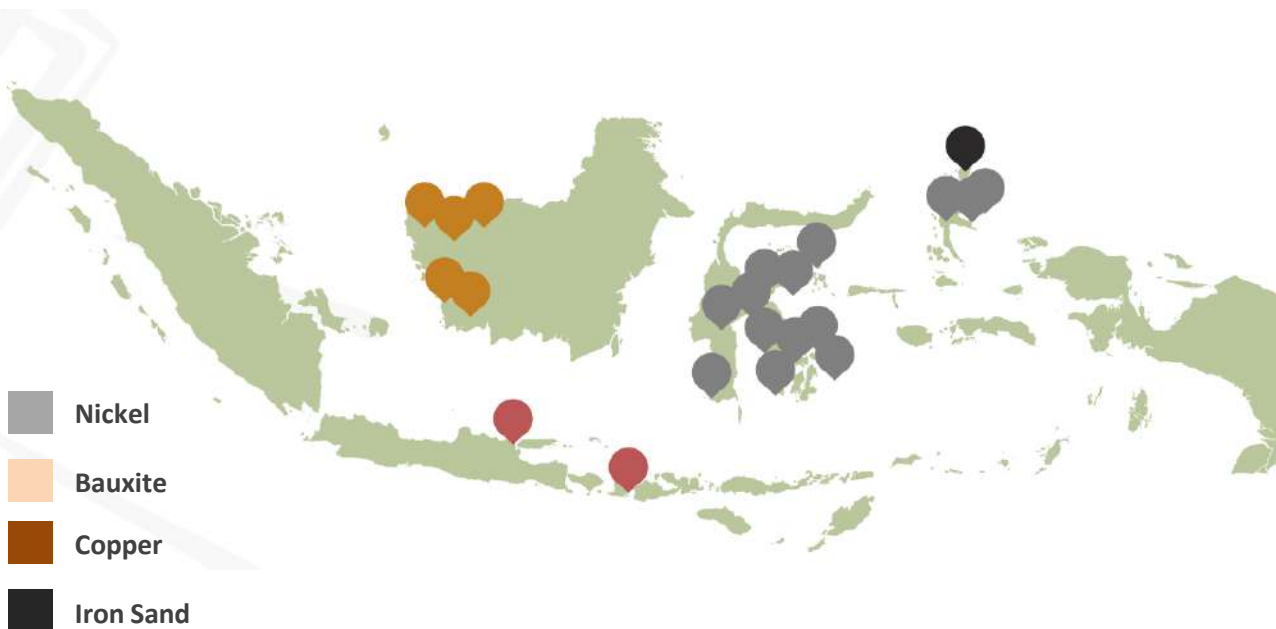
12

Fundamental sectors:

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

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

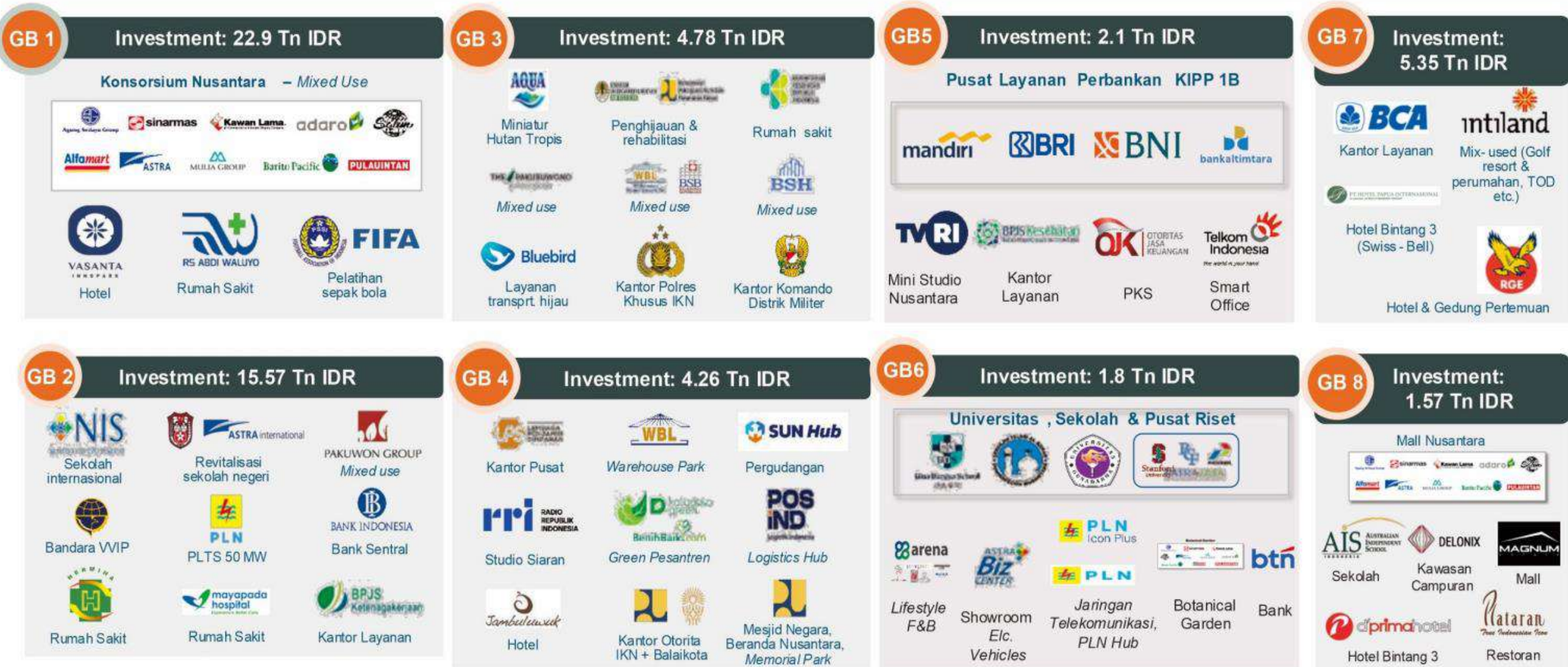


Education



Industrial Estate

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

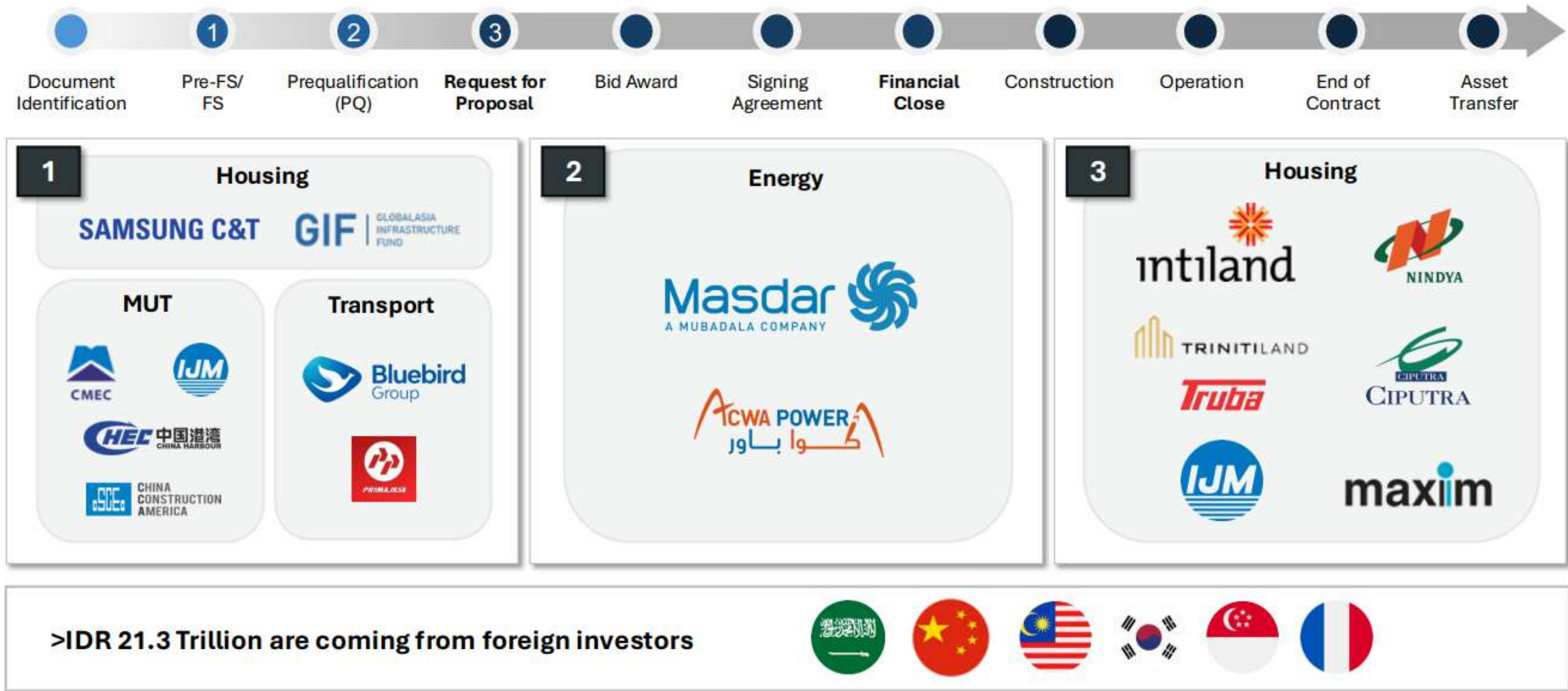


Source: Otorita Ibu Kota Nusantara, 2025

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

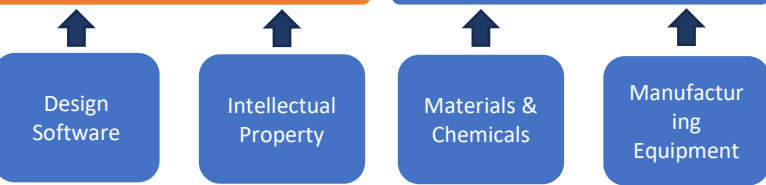




Indonesia's Increasing Role in the Global Semiconductor Supply Chain

DOMESTIC SEMICONDUCTOR PRODUCT INDUSTRY ECOSYSTEM

Semiconductor Products Industry Supply Chain



- The industry already exists in Indonesia
- 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

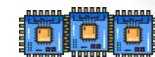
Strengthening and establishing fables start-ups in 2024 in accordance with the use case specific needs of the industry in Indonesia.



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

Power Plant Addition Plan 2025-2034

5 Years First Stage

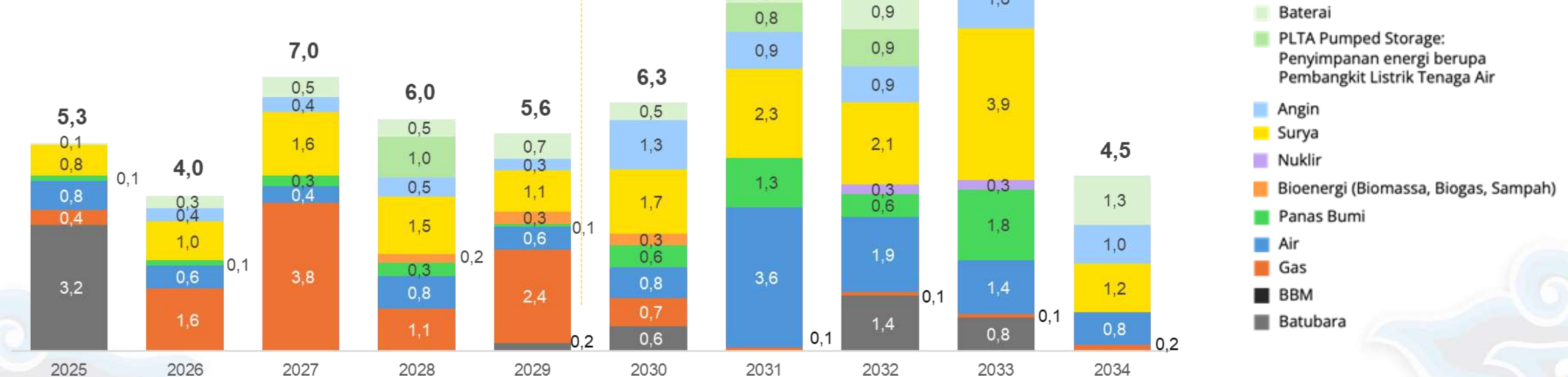
27,9 GW

5 Years 2nd Stage

41,6 GW

Fosil : 12,7 GW (45%)
New Energy : 12,2 GW (44%)
Storage : 3,0 GW (11%)

Fosil : 3,9 GW (10%)
New Energy : 30,4 GW (73%)
Storage : 7,3 GW (17%)



Investment Opportunities in the electricity sector 2025-2034



Power Plant

2.133,7

Triliun Rupiah

Distribution

565,3

Trilion Rupiah

Others*

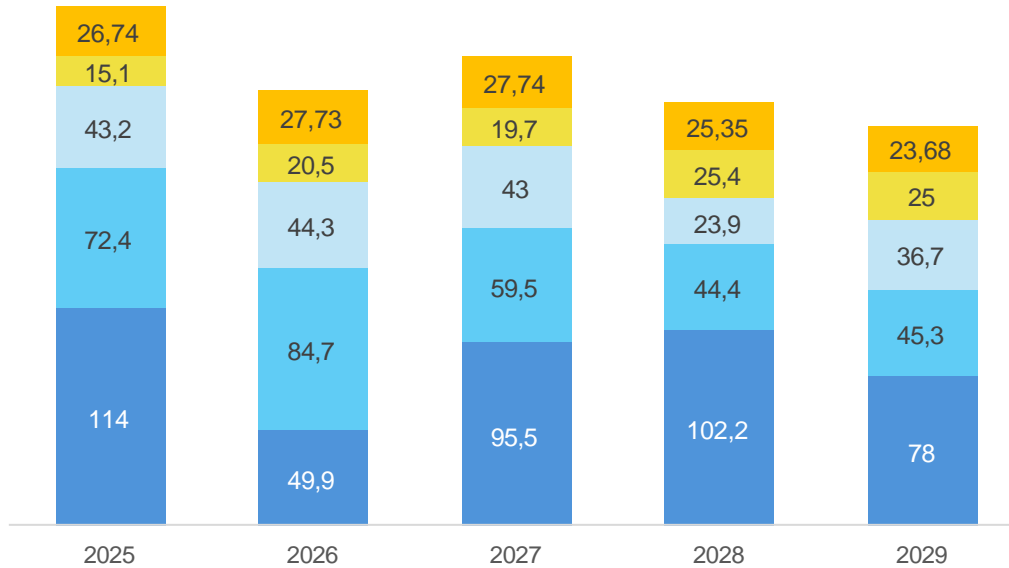
268,4

Trilion Rupiah

Total Investment Opportunities

2.967,4

Trillion Rupiah



IPP Power Plant



Transmission & Substation



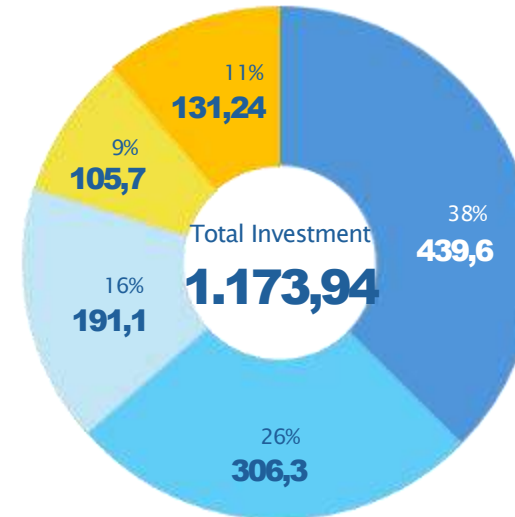
PLN Power Plant



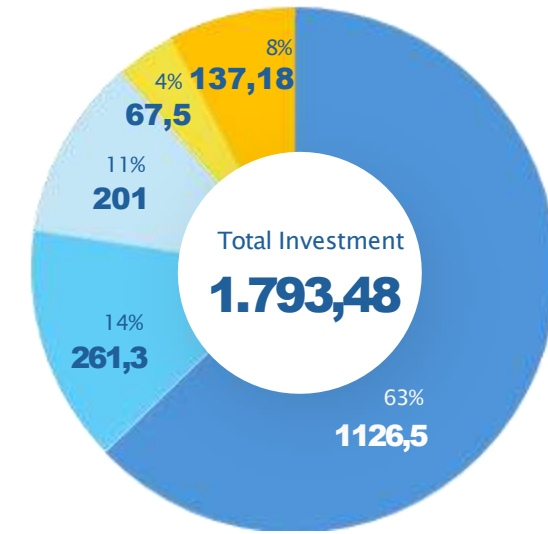
Distribution



Others*



2025 - 2029



2030 - 2034

Sources: The Ministry of Energy and Mineral Resources, 2025

Absorbed More than 1.7 Million Workers

836.696

Workers

Covers manufacturing, construction, operation and maintenance industry needs for plants

Covers the needs of the manufacturing, construction, operation and maintenance industries for transmission, and substations and distribution

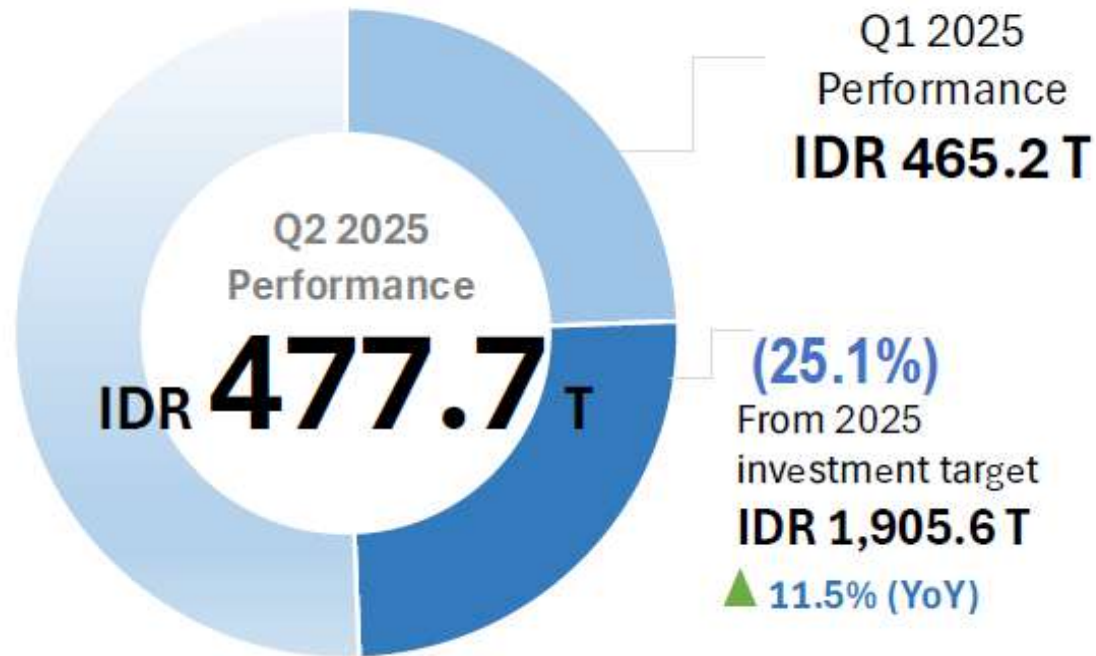
881.132

Workers

Investment Realization Performance in the 2nd Quarter of 2025



Investment Realization Q2 2025



Indonesian Labor Absorption

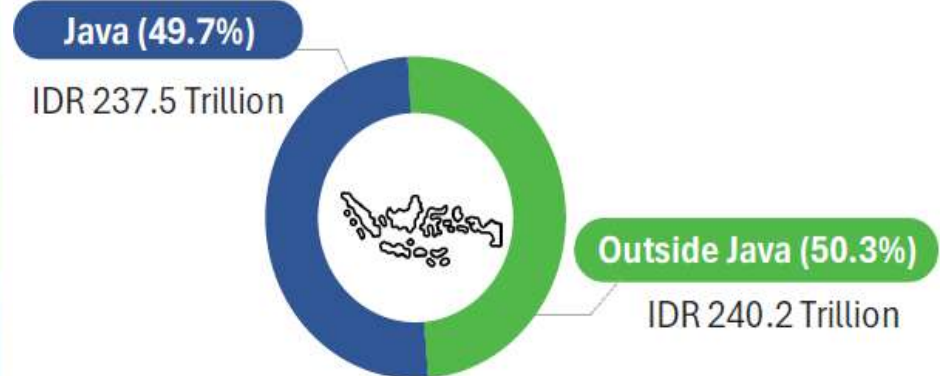


665,764 people

Contribution of FDI & DDI Q2 2025



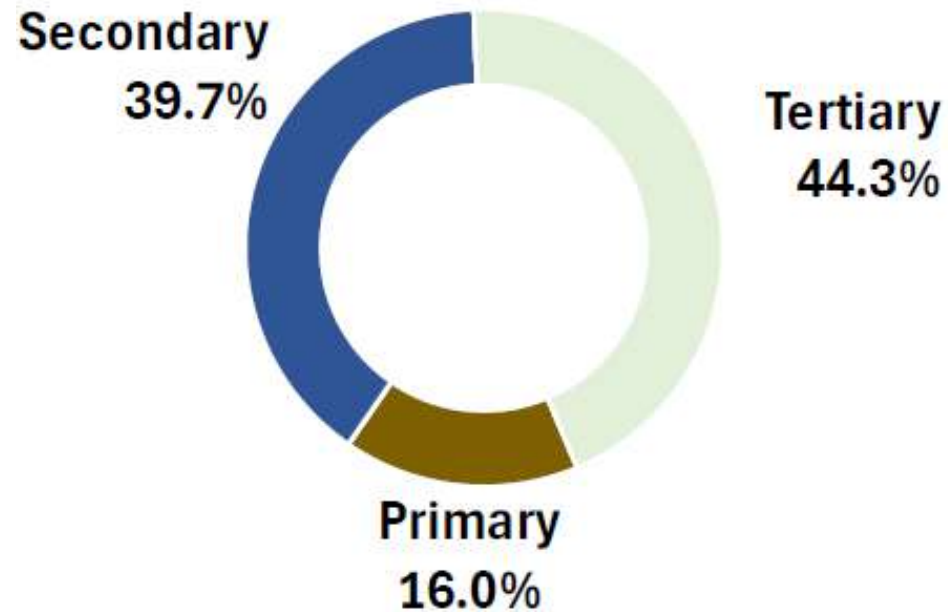
Contribution of Java & Outside Java Q2 2025



Investment Realization in Q2 2025: Top 5 Subsectors (FDI + DDI combined)



Contribution Based on Sector Q2 2025



Basic Metal, Metal Goods, Except Machineries and Equipment Industry
IDR 67.1 Trillion (14.1%)



Mining
IDR 53.6 Trillion (11.2%)



Other Services
IDR 44.8 Trillion (9.4%)

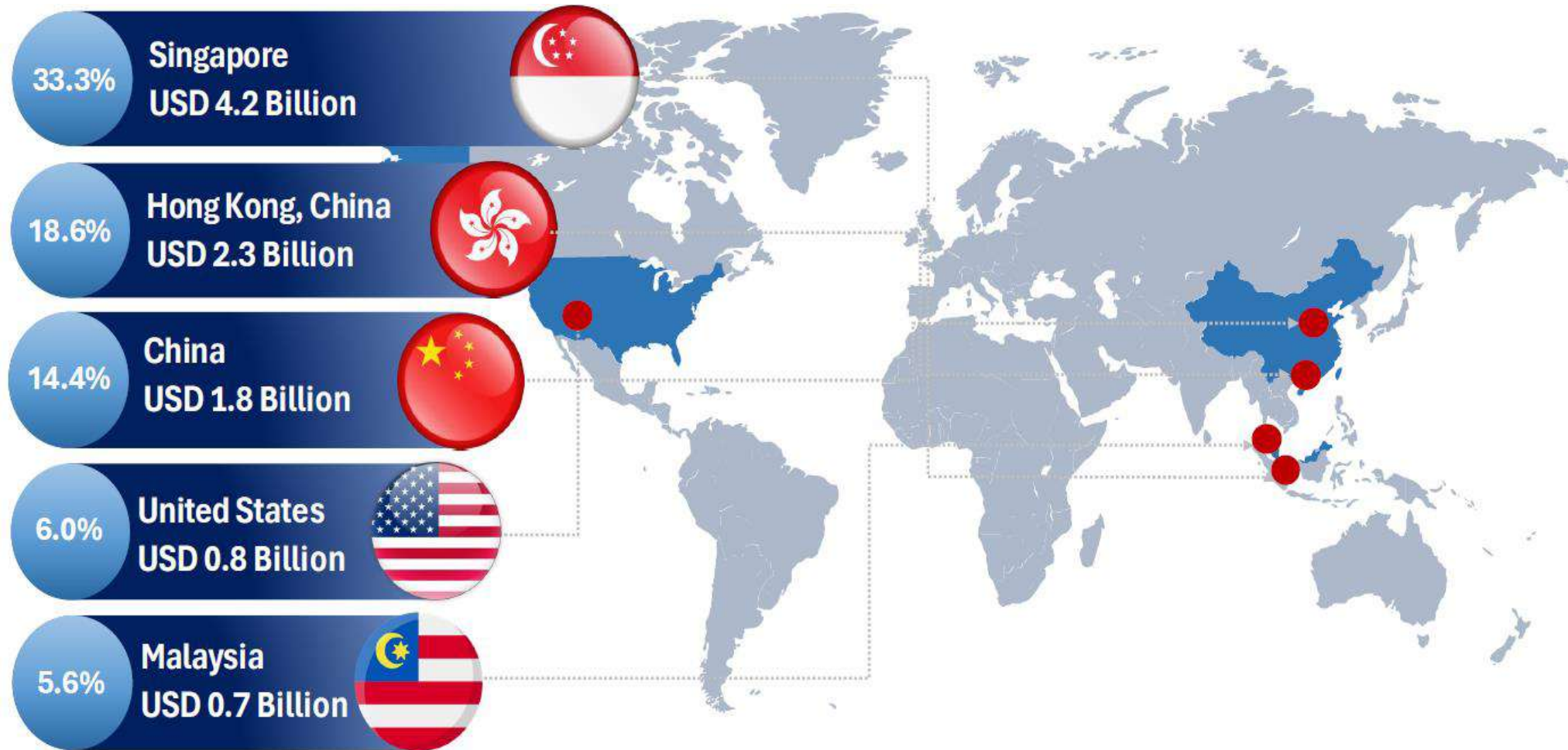


Transportation, Warehouse, and Telecommunication
IDR 44.2 Trillion (9.3%)



Trade and Reparation
IDR 40.0 Trillion (8.4%)

Investment Realization in Q1 2025: Top 5 FDI Countries





THANK YOU