

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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Executive Summary









Solid economic growth and outlook supported by domestic demand.



Inflation remains under control within the target corridor of 2.5%±1%



Resilient external sector supported by adequate 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 remained stable, with the growth in the first quarter supported by household consumption and rising seasonal demand during Eid-ul-Fitr, despite heightened global uncertainty. The Consumer Price Index (CPI) inflation in May 2025 recorded 1.60% (yoy) inflation annually, which remains under control within the target corridor of 2.5±1%. Indonesia's Balance of Payments (BOP) in the first quarter of 2025 was maintained, with the current account 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 resilient, underpinned by sufficient liquidity, high capital adequacy, low credit risk, and solid 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.

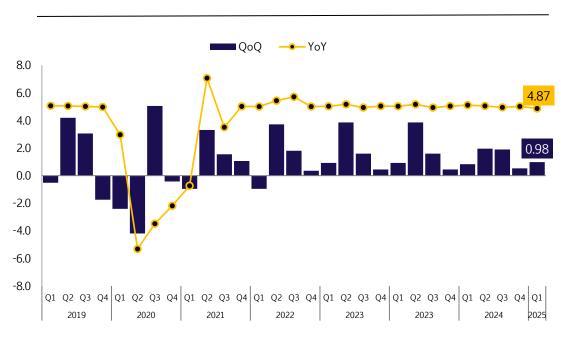
Rating Upda	Rating Update 2024-2025									
FitchRatings	BBB (Stable)	March 2025								
Moody's	Baa2 (Stable)	April 2024								
S&P Global	BBB (Stable)	July 2024								
R&I Rating and Investment Information, Inc.	BBB+ (Positive)	September 2024								
JCR	BBB+ (Stable)	March 2024								

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.

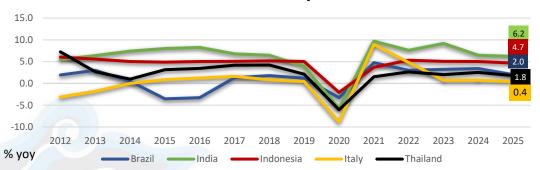
Indonesia's Economic Growth Remains Solid and Resilient, Supported by Domestic Demand



Strong GDP Growth¹



Favourable GDP Growth Compared to Peers²



Economic growth in Indonesia was maintained in the first quarter of 2025 despite heightened global uncertainty. The economy in the first quarter of 2025 grew by 4.87% (yoy), after growing by 5.02% (yoy) in the previous quarter. Spatially, the structure of the Indonesian economy in the first quarter of 2025 showed that the province group on Sulampua was still dominant with a contribution to GDP, followed by Java, Sumatra, Kalimantan, Balinusra. In 2025, economic growth is projected to remain solid, supported by government consumption given greater spending towards the end of the year. Overall, economy in 2025 grew by 4.87% (yoy). Looking ahead, economic growth in 2025 is predicted to remain good in the range of 4.6-5.4% (yoy).

2025 Growth Projection

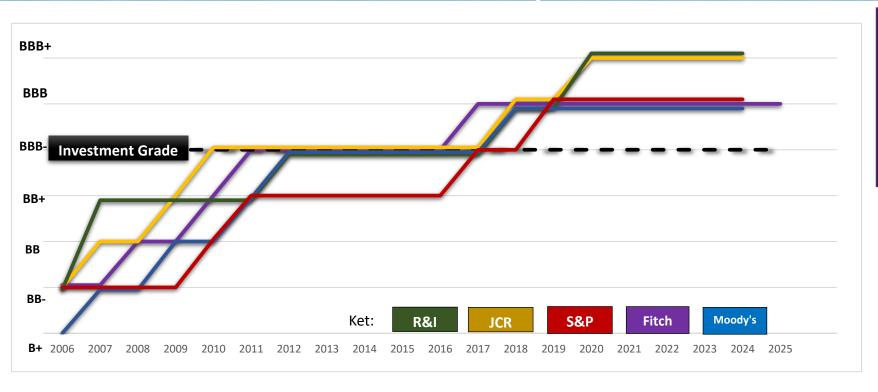
Institutions	GDP growth
2025 Budget	5.2
Bank Indonesia	4.6-5.4
Consensus Forecast (May 2025)	4.8
IMF (April 2024)	4.7
ADB (April 2024)	5.0

^{1.} Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption

^{2.} Source: World Economic Outlook Database – April 2025; * indicates estimated figure

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





FitchRatings

BBB / Stable

March 2025, Rating Affirmed at BBB/Stable

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

S&P Global Ratings

BBB / Stable

July 2024, Rating Affirmed at BBB/Stable

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

R&I

BBB+ / Positive

September 2024, Rating Affirmed at BBB+/Positive

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



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

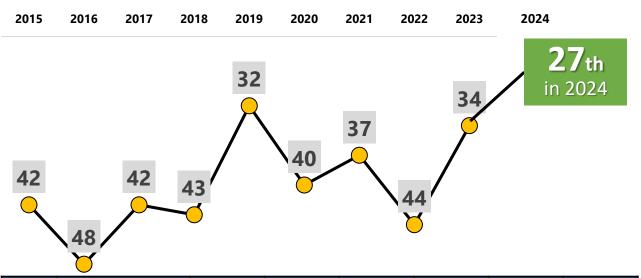
Indicator



Percentile Rank (0 to 100)

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

IMD World Competitiveness Index 2015-2024



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

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

Country

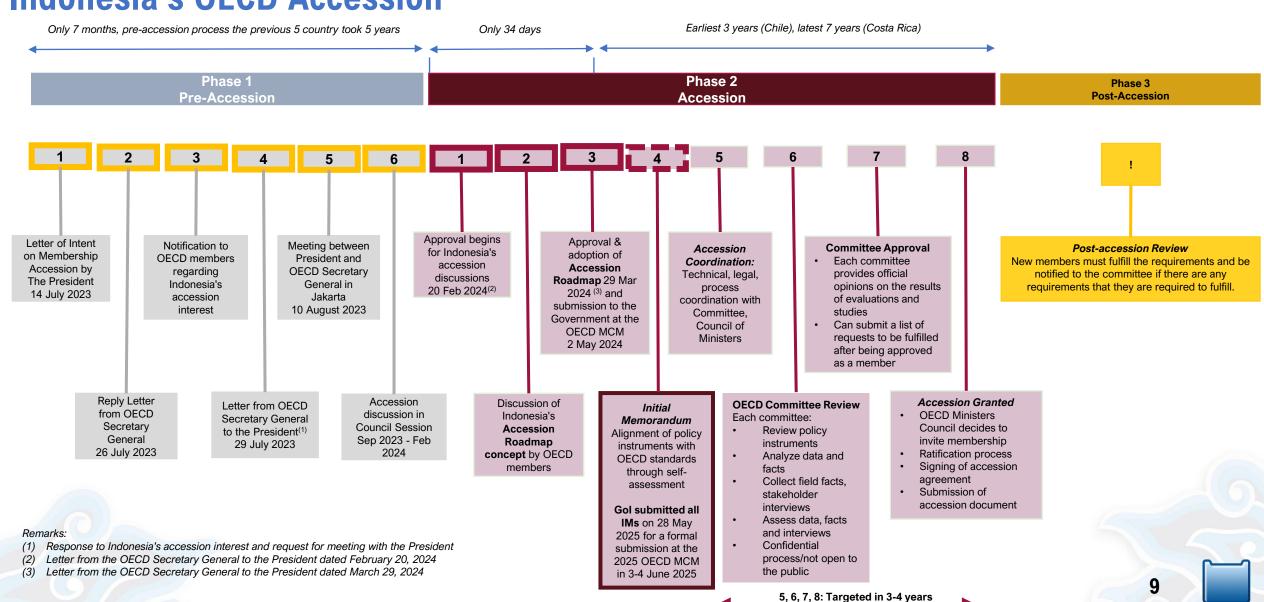
ilidicator	Country	icai		reice	entile Nank (0 to	100)	
Voice and	Indonesia	2018			_		
Accountability	macricola	2019					
		2021			_		
		2022			_		
		2023			_		
Political Stability	Indonesia	2018			_		
and Absence of	macricola	2019		_			
Violence/Terrorism		2021		_			
violence, retronsin		2022		_			
		2023		_			
Government	Indonesia	2018					
Effectiveness		2019					•••
21100111011000		2021			_	-	
		2022			_	_	
		2023			_		
Regulatory Quality	Indonesia	2018					
regulatory Quality		2019			***************************************		•••
		2021			_		
		2022					
		2023			_		
Rule of Law	Indonesia	2018			_		
rtaic or Law	macricola	2019		-			
		2021					
		2022			_		
		2023			_		
Control of	Indonesia	2018					
Corruption	maonesia	2019		_			
co.raption		2021		_			
		2022		_			
		2023		_			
			0	20	40 60	20	4
			0	20	40 60	80	10

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



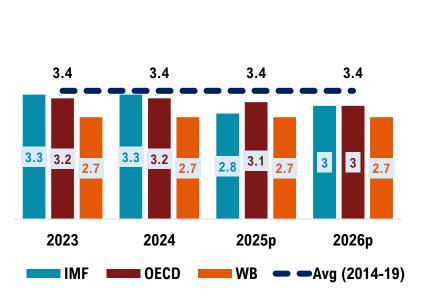


Global Conditions still Face a Number of Challenges Ahead



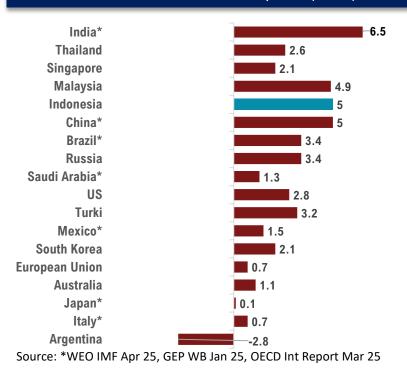
The global growth projection for 2025 is expected to slightly weaker compared to 2024, with inflation starting to moderate. Although global risks causing uncertainty remain high, Indonesia remains optimistic due to strong and relatively higher growth than other economies.



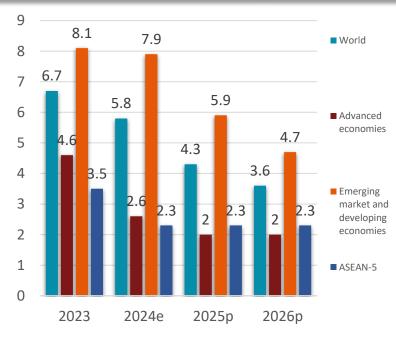


Source: WEO IMF Apr 25, GEP WB Jan 25, and OECD Int Report Mar 25

GDP Growth of Selected Country 2024 (% YoY)



Global Inflation Projection (Average CPI) (% YoY)



Source: IMF Data Mapper 25

DOWNSIDE RISKS

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

Inancial Market
Volatility:
financial
instability

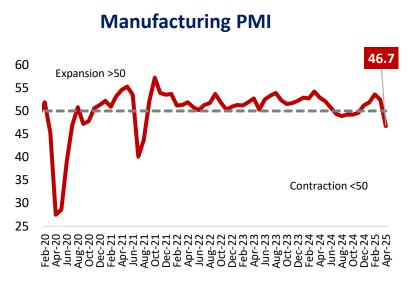
More limited international development assistance may increase the pressure on low-income countries

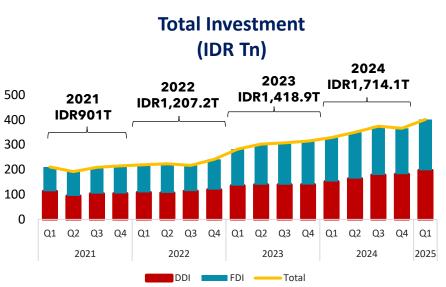
Demographic shifts and a shrinking foreign labor force

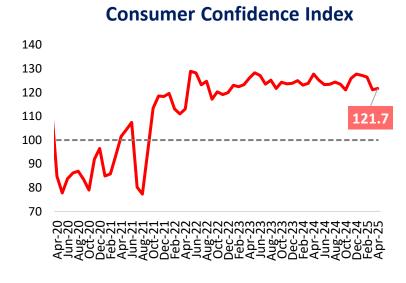
America's
Protectionist Policy:
Ratcheting up a trade
war

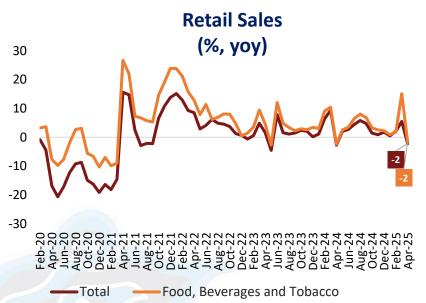
Indonesia's Leading Indicators Exhibit Favorable Outlooks



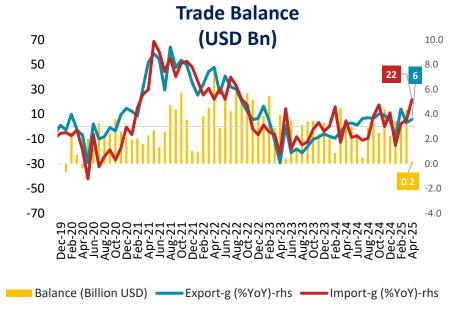








Sources: BI, BKPM, BPS, S&P





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Economic Performance Remains Solid in 2024



GDP Growth Based on Expenditures (%, YoY)¹

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

GDP Growth by Sector (%, YoY)

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

^{*}Other services consist of 10 sectors (according to Standard National 2008)

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



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

LOW-INCOME COMMUNITIES

- ☐ Food assistance/rice distribution: 16 million beneficiaries, receiving 10 kg of rice per month for two months.
- **3 50% electricity discount for two months** for households with installed power between **450 VA** and **2200 VA**.

MSMEs/ENTREPRENEURSHIP/INDUSTRY

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

MIDDLE-INCOME ASSISTANCE

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

Other Short-Term Policies to Drive Economic Growth in Q2 2025



The government has launched various short-term policies to stimulate Indonesia's economic growth in Q2 2025

Policy	Detail	Period
Transportation Discounts	 30% train ticket tariff discount for 2.8 million passengers. PPN DTP 6% for plane ticket discount for 6.0 million passengers. 50% sea transportation discount for 0.5 million passengers. 	2 months (June - mid July 2025)
Toll Tariffs Discounts	20% toll tariff discount with estimated beneficiaries for 110 million vehicle.	2 months (June - mid July 2025)
Intensification of Social Assistance and Food Aid	(a) Additional food card program of Rp200,000/month and (b) food assistance of 10 kg of rice with estimated beneficiaries for 18.3 million households.	2 months (June – July 2025)
Wage Subsidy Assistance	This program targets 20.7 million recipients divided into 17.3 million workers with salaries up to Rp3.5 million or the applicable UMP / City / District, and 3.4 million Honorary Teachers in Indonesia.	2 months (June – July 2025)
Extension of Discount on Work Accident Insurance Contributions	Extension of 50% Discount on Work Accident Insurance is reinstated for 6 months for Labor Intensive Sector Workers	6 months (August 2025 - January 2026)

Source: Coordinating Ministry for Economic Affairs

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.

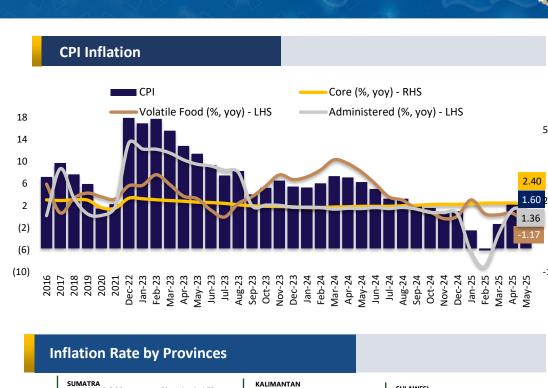
Inflation Remains Under Control Within The Target Corridor

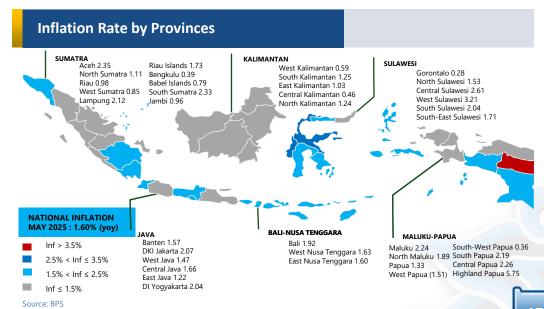


- Consumer Price Index (CPI) in May 2025 remained under control within the 2.5±1% target corridor, recorded at 1.60% (yoy), a slight decreased from 1.95% (yoy the month earlier.
 - ☐ Core inflation remains manageable and recorded at 2.40% (yoy), slightly decreased from 2.50% (yoy) the previous month.
 - ☐ Meanwhile, the volatile food (VF) recorded deflation of 1.17% (yoy), down from the previous month's inflation of 0.64% (yoy).
 - Administered prices (AP) inflation stood at 1.36% (yoy), slightly higher than the 1.25% (yoy) in May 2025.
- Inflation will remain under control within the 2.5%±1% target corridor in 2025 and 2026 underpinned by monetary policy consistency, and the strong synergy through the Central and Regional Inflation Control Teams (TPIP and TPID), as well as the implementation of the National Movement for Food Inflation Control (GNPIP).

2025 Inflation Projection

Institutions	Inflation (% yoy)
2025 Budget	2.5
Bank Indonesia	2.5%±1%
Consensus Forecast (May 2025) – average	1.9
IMF (April 2024) – end of period	1.7
ADB (April 2024)	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



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



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



Smooth Distribution

- Facilitating the distribution of strategic food commodities



- Optimizing the sea toll program to reach 3TP areas
- Providing assistance for logistics costs



Effective Communication



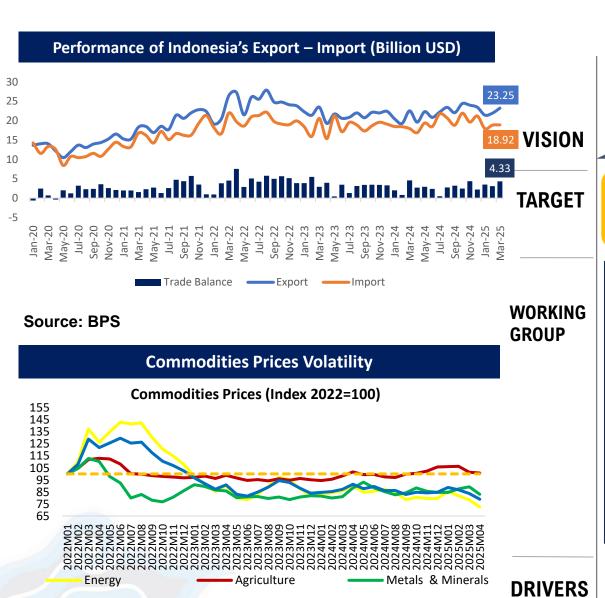
- Orchestration of TPID for regional inflation control efforts by the Ministry of Home Affairs through weekly coordination meetings
- Implementation of TPIP-TPID Coordination Meetings per region which are carried out backto-back with GNPIP.



INFLATION 2025
MAINTAIN WITHIN THE
TARGET

Task Force for Increasing National Exports to Strengthen Trade Balance





Source: World Bank

Total Index

— — Index

TASK FORCE FOR INCREASING NATIONAL EXPORTS

"MAINTAIN AND IMPROVE NATIONAL EXPORT PERFORMANCE"

STRENGTHENING THE TRADE BALANCE
TO DRIVE NATIONAL ECONOMIC GROWTH

WG I WG II WG III **WG IV** WG V WG VI Simplify. **Export** Diplomacy. Increasing Increasing Regula **Financing MSME Synchronize** Promotion. **Productivity** tions , and **Exports** and and Competitive **Developme** Integrate of nt of Export ness of **Export's** Market **Processes Export Industries** and Services

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



INSTRUMENTS FOR DHE SDA PLACEMENT:

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



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



SANCTIONS FOR NON-COMPLIANCE:

Suspension of Export Services

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.

2

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

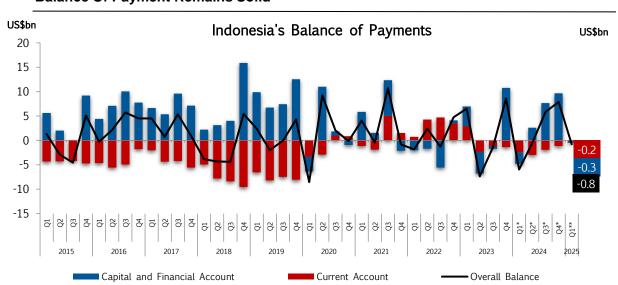
Expanding the use of LCT and Payment Transactions between countries



External Sector Remains Resilient ... Supported by Adequate Reserves and Sound Balance of Payments

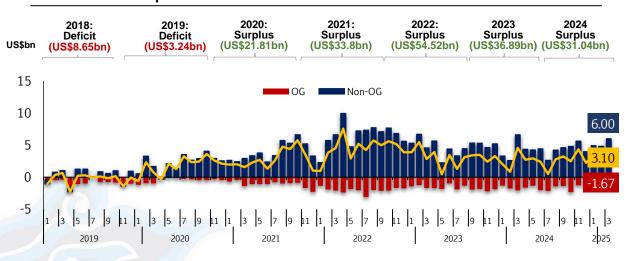


Balance Of Payment Remains Solid

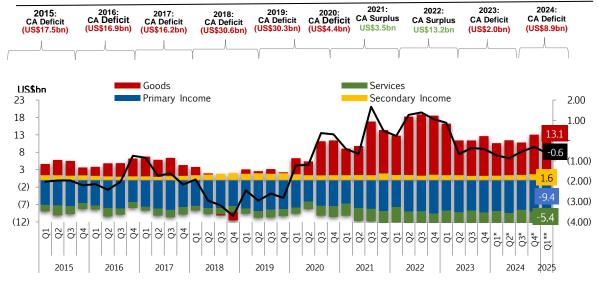


Source: Bank Indonesia

Trade Balance Surplus Continues

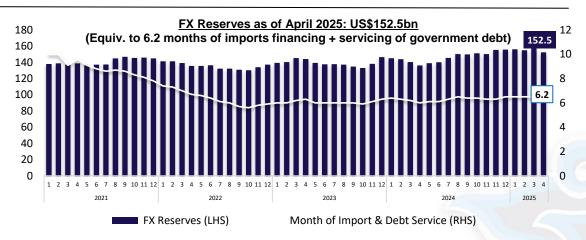


Current Account Recorded Low Deficit



Source: Bank Indonesia

Official Reserve Assets Increased to Reinforce External Sector Resilience



23

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 of April 2025: **US\$152.5** bn

Swap Arrangement

per 2024
anuary 2025
024
h 2023
ool created under
ŀ

IMF Global Financial Safety Net - GSFN

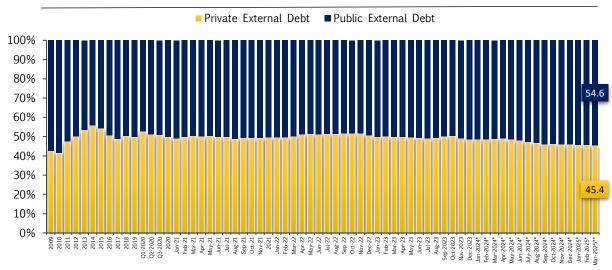
- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

24

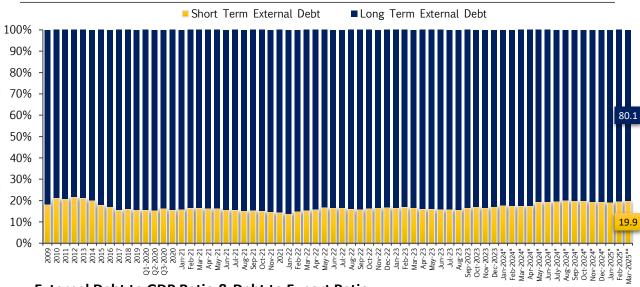
Healthy External Debt Profile

E

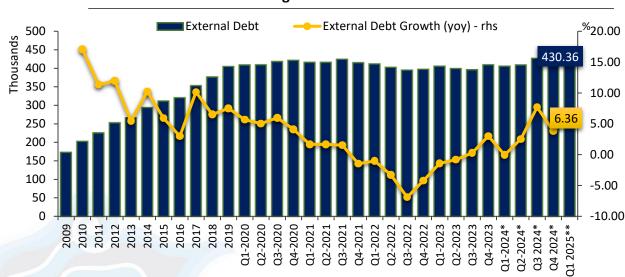
External Debt Structure



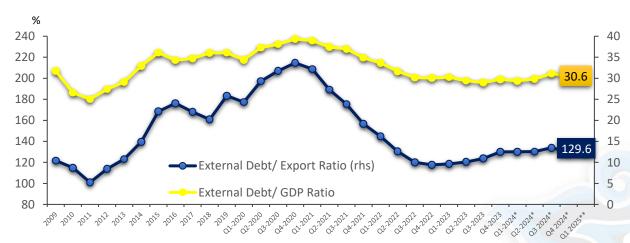
The Structure of External Debt is Dominated by Long-Term Debt



External Debt Remains Manageable



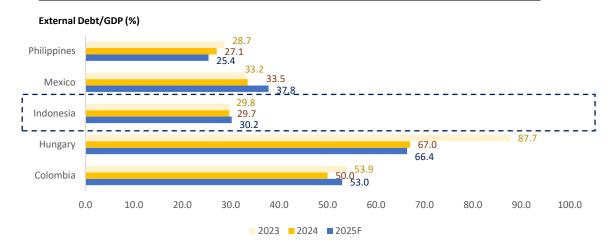
External Debt to GDP Ratio & Debt to Export Ratio



Strengthened Private External Debt Risk Management



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

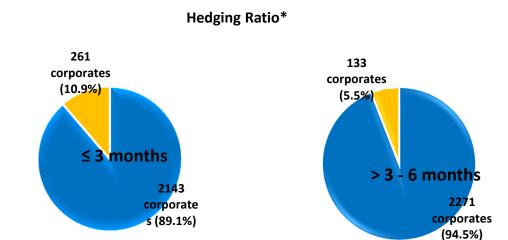


Source: Moody's Credit View Fundamental Data, May 2025

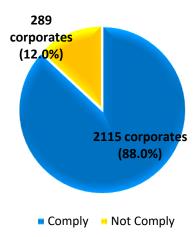
Regulation on Prudential Principle in Managing External Debt

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

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio



Liquidity Ratio*



^{*}Data as of Q3-2024, with total population 2,412 corporates Source: Bank Indonesia

26



Fiscal Discipline Continues to be Maintained

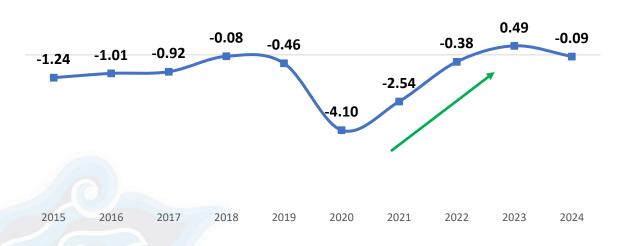


Continue robust economy growth and tax reform has been able to offset the adverse impact of the moderating commodity prices

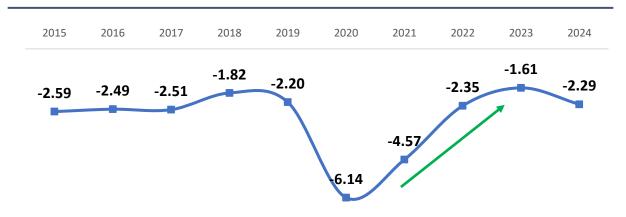
Revenue and Tax ratio increases in line with stronger recovery (% GDP)



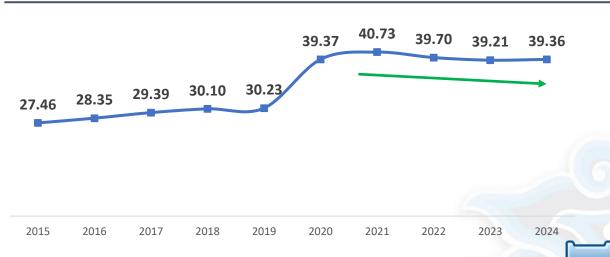
Surplus Primary Balance (% GDP)



Overall budget position improved significantly (% GDP)



Debt Ratio Declines(% of GDP)







Macroeconomic Assumption for the Budget

			Assumptions	
	Indicator	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
\iff	Exchange rate (IDR/US\$, average)	15,000	15,847	16,000
	Oil Price/ICP (USD/barrel, average)	82	78.1	82
Ħ	Oil Lifting (tbpd)	635	571.1	605
M	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

















	2024		2025	
Indicator	Budget	Realization	Budget	April Realization
Economic Growth (%)	5.2	2024: 5,03%	5.2	4,87 (yoy)
Inflation (%, yoy)	2.8	1.57	2.5	1,95 (yoy) 1,17 (mtm)
Exchange rate* (IDR/USD average)	15.000	16.162 (eop) 15.847 (ytd)	16.000	16.406 (eop)* 16.460 (ytd)*
10Y T-Bonds Rate (%, average)	6.7	7.0 (eop) 6.8 (ytd)	7.0	6,85 (eop)** 6,96 (ytd)**
ICP Indonesia (USD/barel, average)	82	71.6 (eop) 78.1 (ytd)	82	65,3 (eop) 71,9 (ytd)
Oil Lifting (tbpd)	635	579.7	605	573,9***
Gas Lifting (tboepd)	1.033	978.8	1.005	985,7***

Economic Growth

The economy continues to grow amid global turmoil, driven by household consumption and the manufacturing sector.

Inflation Rate

April inflation was within range, supported by stable food prices.

Rupiah Value and SBN Yield

- Exchange Rate was still impacted by global turmoil and financial sector volatility due to US policy direction.
- SNY Yield was relatively stable despite global financial market fluctuation.

Indonesia Crude Oil Price (ICP)

- Oil prices are influenced by geopolitical factors but tend to decline due to weak demand and U.S. policy sentiment.
- OPEC+ is expected to respond with production cuts to maintain price levels.

Oil and Gas Lifting

Oil and gas lifting is being optimized through increased investment and technological development.

The 2025 State Budget Performance as of April Still on Track State Budget posted a IDR4,3T Surplus. Revenue and spending still contracted, but revenue improved from last month





	2025		
Account (IDR trillion)	Budget	Realization as of Apr 30	% of Budget
Revenue	3,005.1	810.5	27.0
Tax Revenue	2,490.9	657.0	26.4
1. Tax	2,189.3	557.1	25.4
2. Costume and Excise	301.6	100.0	33.1
Non Tax Revenue	513.6	153.3	29.8
Expenditure	3,621.3	806.2	22.3
Central Government Expenditure	2,701.4	546.8	20.2
1. Line Ministries Spending	1,160.1	253.6	21.9
2. Non-Line Ministries Spending	1,541.4	293.1	19.0
Transfer to Region	919.9	259.4	28.2
Primary Balance	(63.3)	173.9	(274.6)
Surplus (Deficit)	(616.2)	4.3	(0.7)
% to GDP	(2.53)	0.02	
Financing	616.2	279.2	45.3

REVENUE IDR810.5 T

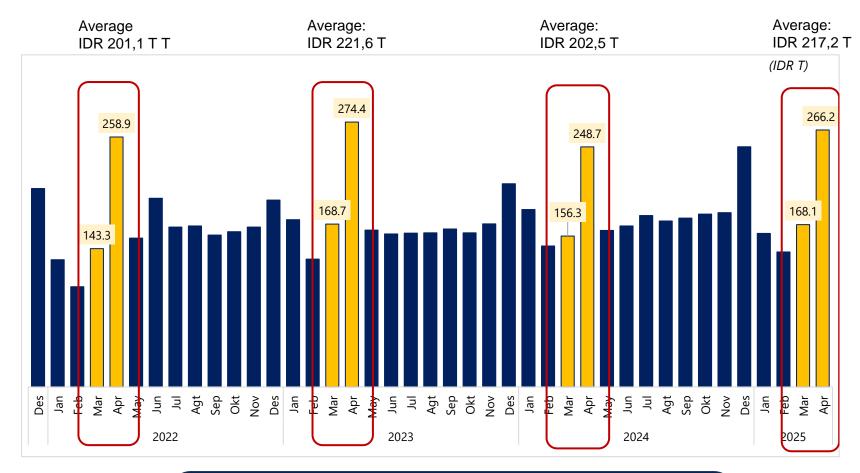
EXPENDITURE IDR806.2 T

SURPLUS 0.02% of GDP

PRIMARY BALANCE IDR173.9 T

Strong Growth in Gross Tax Revenue Continues through April 2025



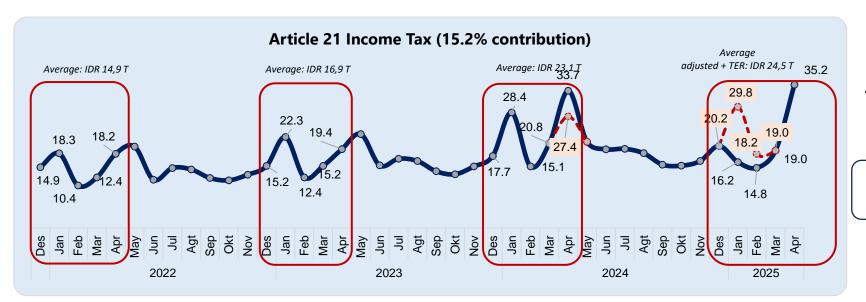


- In April 2025, gross tax revenue reached IDR266.2 trillion, growing 7.0% year-on-year and continuing the positive trend from March.
- 2. Net tax revenue also **grew positively by 3.5%** in March and 5.8% in April.
- 3. Growth was driven by **strong** annual corporate income tax **performance,** reflecting 2024 tax year profitability, along with solid growth in domestic and import VAT, linked to consumption.



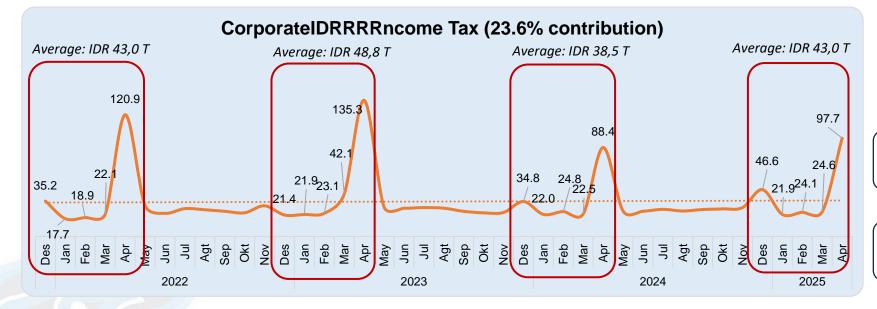
Sustained Positive Growth in Income Tax Revenues Reflecting Improved Economic Activity



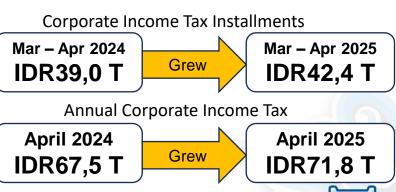


In April 2025, Article 21 Income Tax grew, boosted by **THR payments, recovering from earlier declines due to TER**



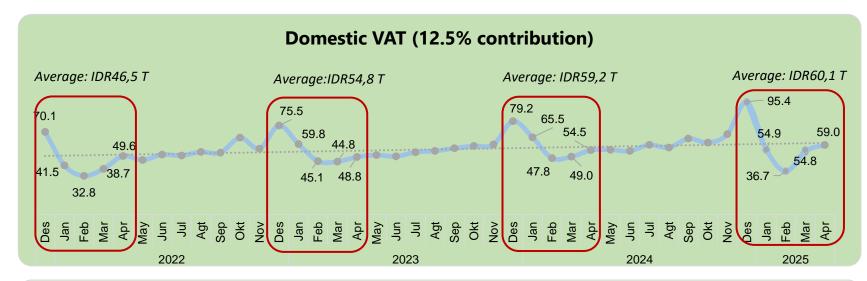


Corporate income tax grew well in line with the profitability performance of corporate taxpayers

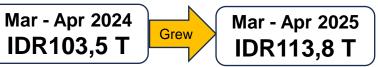


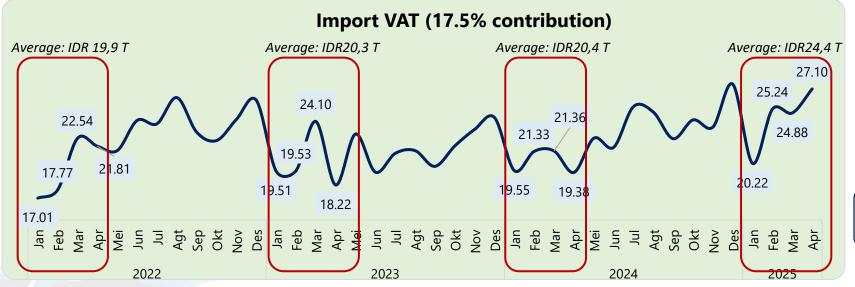
Continued Positive Growth in Value Added Tax Collections





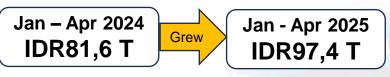
Domestic VAT, a tax on consumption, reflects public purchasing power. In April 2025, it grew by 8.3%, continuing March's positive trend, driven by strong growth in oil refining, natural gas mining, metal ore mining, and non-store retail sectors.





In April 2025, import VAT grew strongly, driven by wholesale machinery, household goods, and motor vehicle sectors.

Manufacturing import VAT rose 19.1%, supported by higher imports of raw materials and capital goods across key industries.



Non-tax State Revenue Realization Remains Well-maintained



Realization up to April 2025



29,8% of Target



Oil & Gas

IDR 34,0 T

28,1% of target



Non-Oil & Gas

(Minerals and Coal, Forestry, IDR 36, 7 T

37,9% of target



Other Tax Revenues

IDR**48,0**

37,6% of target

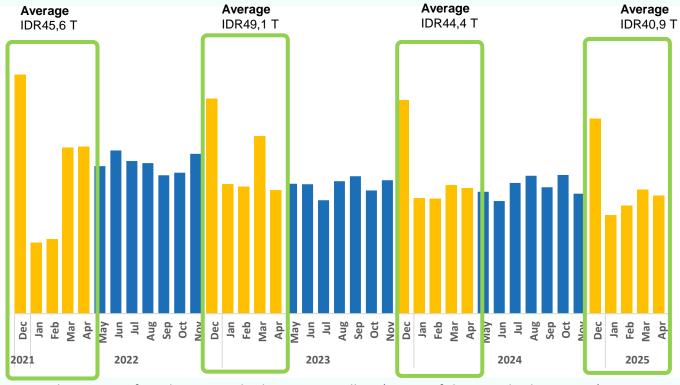


Public Service Agencies IDR 23,6

30,3% of target

Note:: Government Owned Entities revenue is not presented following the enactment of Law No. 1/2025 concerning State-Owned Enterprises (SOEs)

Non-Tax State Revenue Realization as of April 30, 2022-2025 Period IDR Trillion



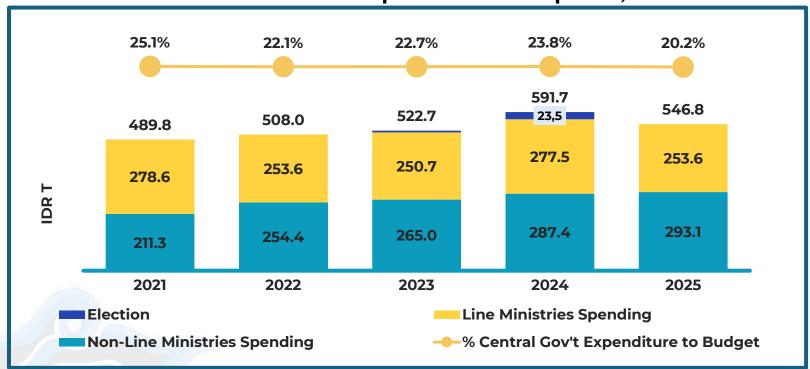
- 1. Realization as of April 2025 reached IDR 153.3 trillion (29.8% of the 2025 budget target).
- 2. The April 2025 realization follows the monthly non-tax revenue payment pattern seen in previous years, showing a decline compared to March.
- 3. Non-tax revenue performance up to April 2025 was influenced by fluctuations in commodity prices and natural resource production volumes.
- 4. Non-recurring revenues from the previous year also affected non-tax revenue performance from Ministry/Agency services.

Central Government Spending Shows Improvement



- Grew by 32.3% compared to April 2024 and has reached 20.2% of the total budget
- In 2024, spending reached 23.8% of the state budget, mainly due to the general election (IDR23.5 trillion)
- Nominally higher compared to the same period in 2021–2023.

Realization of Central Government Expenditure as of April 30, 2021 – 2025





Line Ministries Spending IDR253.6 trillion

(employee spending & goods spending, and the disbursement of social assistance, government data system validation for improving targeting accuracy)

Non-Line Ministries
Spending
IDR293.1 trillion
(subsidies & pensions)

Free Nutricious Meal (MBG) Program

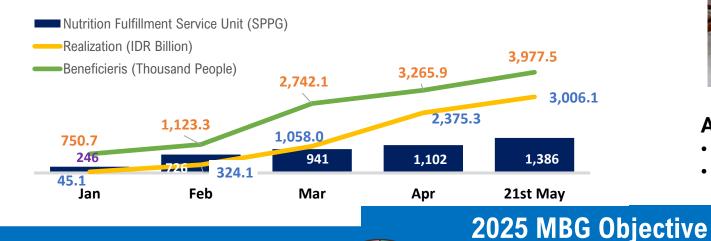


Expenditure Realization of Badan Gizi Nasional (BGN)/ National Nutrition Agency

IDR3.0 T

Realization as of 21 May 2025

Progress of the Free Nutritious Meal Program, January to May 2025





As of May 21, 2025:

- 3.98 million beneficiaries (students and pregnant women)
- Served by 1,386 active nutrition units/community kitchens

Target Beneficiaries 2025: 17,9 million people

- 15.5 Million schoolchildren
- 2.4 million pregnant/breastfeeding women and toddlers.



Budget Allocation IDR71 T

Target Beneficiaries: 82.9 million people, served by 32 thousands SPPG



Budget Allocation IDR171 T

Priority Program Realization: Advancing Education for Future Growth





Flagship School

IDR2 T

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

Progress

In the groundbreaking and early construction phase



Public School

Phase I

65 Location IDR396 Bio

- Renovation of the Social Rehabilitation Center building, Ministry of Social Affairs Training Center, and local government buildings.
- The number of students to be admitted in 2025 is 5,275.

Progres

Signing of Phase I contract

Phase II

85



School Improvement



IDR16,97T

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



Ministry of Public Works ((Revitalization of Madrasahs)

IDR2,52T

Progress:

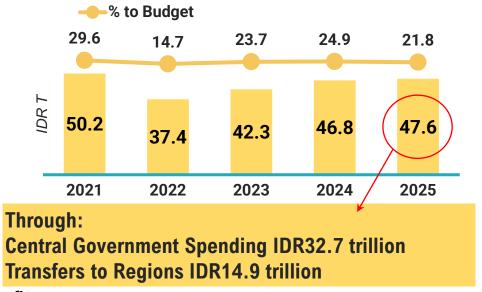
Procurement process for 2,120 madrasahs
Phase I entering the tender stage: 45 locations (2025)
Phase II completing detailed engineering design (DED):
40 locations (2026)

Health Budget Realization IDR47.6 Trillion: Providing Essential Benefits and Services



Acceleration of the implementation of the Free Nutritious Meal (MBG) program and Health Operational Assistance (BOK)

Realization as of April 30, 2025



Benefit:

- IDR15.4 T JKN contributions for 96.7 million PBI
- IDR861.6 B for immunization vaccines
- Supplemental food for 12,700 pregnant women and 27,600 underweight toddlers
- Free nutritious meals for 3,536 pregnant women, 5,104 breastfeeding mothers, and 12,380 toddlers
- IDR4.1T health coverage for ~4.6 million civil servants, military, police, pensioners, and veterans
- IDR9.9T for health operational funds, including 10,161 community health centers (Puskesmas)

Free Health Check-up Program (PKG)

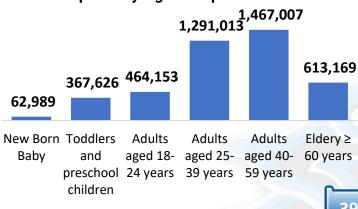
4,265,957 registrants attended

- The Free Health Checkup Program began on February 10, 2025,and
- Being conducted at 9,346 community health centers (Puskesmas) across Indonesia.

Number of PKG Participants (in thousands)



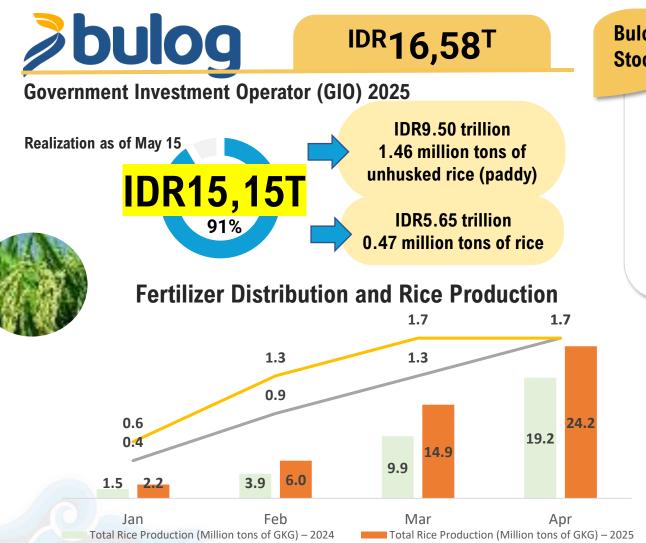




Realization of Rice Procurement Support and Fertilizer Subsidy



Increasing Food Production & Stock, and Improving Farmers' Welfare



Fertilizer – 2025

Fertilizer - 2024

Bulog Rice Stock

3.73 million tons The highest record in the last 57 years

National rice production for January–April 2025 is estimated to increase by 25.7% year-on-year

Year	PSO/CBP Rice Stock (tons)
2020	956.138
2021	807.919
2022	325.871
2023	810.526
2024	1.792.331
2025	3.729.949

Note: 2025 figures are as of May 15, 2025

Source: Perum BULOG

- Presidential Regulation Number 6 of 2025 on the Management of Subsidized Fertilizers
- Simplifies the management of subsidized fertilizers by cutting 145 regulations, ensuring availability and affordable prices of fertilizers, which contributes to increased productivity and farmers' welfare.

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



Expenditure Refocusing and keep the deficit under control at 2.53% of GDP

REVENUE IDR 3,005.1 T

EXPENDITURE IDR 3,621.3 T

Presidential Instruction NO.1/2025 Expenditure Efficiency for APBN & APBD 2025

Refocusing

DEFICIT IDR 616.2 T (2.53% PDB) Expenditure Efficiency IDR 306,695 T Line Ministries Expenditure IDR 256.10 T

Transfer to Region IDR 50.59 T

To maximize revenue, key strategies include:

- Improving tax compliance and expanding the tax base (joint program, core tax and extra effort)
- Leveraging data analytics for better revenue forecasting
- Implementing a technology-driven and effective revenue system (tax and non-tax revenue)

Refocusing Expenditure to Accelerate Priority Programs:

- Increasing efficiency in travel expenses, seminars, office supplies, and workshops
- Prioritizing investments in human capital, job creation, productivity growth, food and energy security, and technological breakthroughs

Budget Efficiency does not include:

- a) Employee Expenditure,
- b) Employee Services (Basic Operations), and
- c) Public Service/Social Assistance



UPDATE as of April 25, 2025

IDR 86.6 Trillion

The release of budget reserves/blocks and the reallocation of expenditure efficiency gains are carried out in line with the President's directives to support national development priorities

Debt Financing

as of April 30th 2025



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

Debt Financing Realization

Rp 304.0 (39.2%)

Government Securities (Net)

^{Rp} 319.0

Foreign Loan (Net)

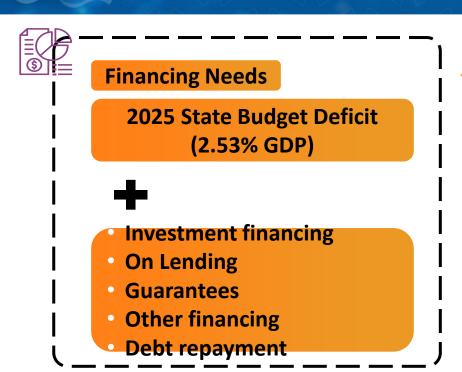
^{Rp} (14.9)

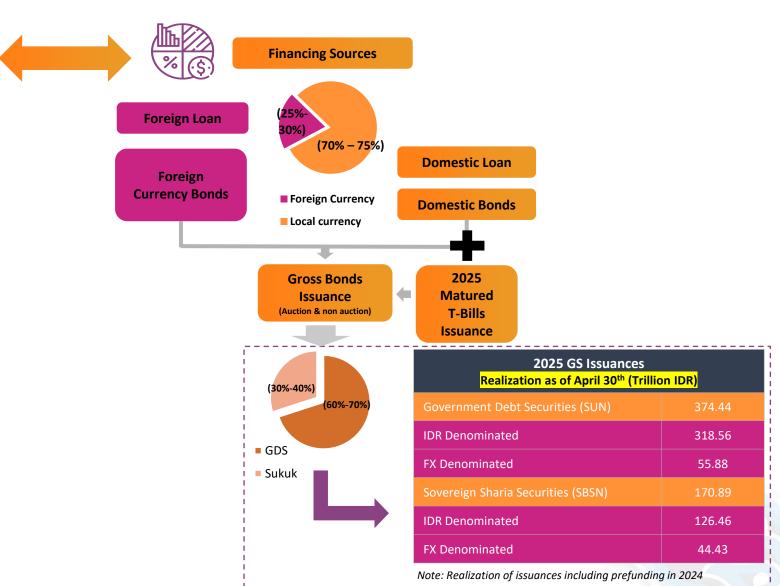
Note:

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

2025 Financing Needs & Sources



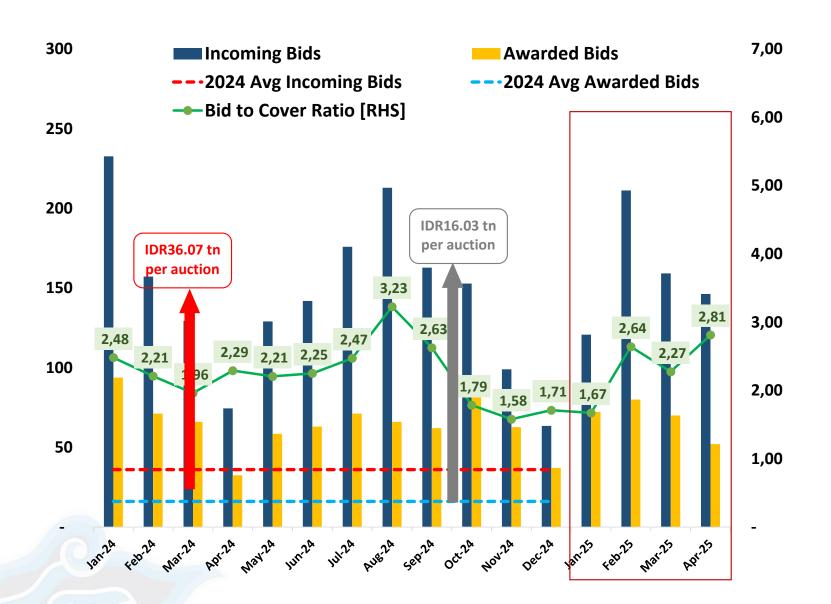




Primary Market Performance 2024 - 2025

Government Securities (GS)





<u>In 2025 :</u>

- Average incoming bid is IDR45.53 tn/auction
- Average awarded bid is

Ownership of Tradable Domestic GS



Description	Dec-2	20	Dec-2	1	Dec-2	2	Dec-2	3	Dec-2	4	Apr-2	5
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%	1.132,07	18,06%
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%	1.644,82	26,25%
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%	1.553,90	24,80%
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%	(90,92)	-1,45%
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%	3.489,78	55,69%
Mutual Funds	161,32	4,17%	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	190,42	3,04%
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%	1.189,89	18,99%
Foreign Holders	973,91	25,16%	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	899,66	14,36%
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%	267,63	4,27%
Individual	131,21	3,39%	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	568,25	9,07%
Others	231,57	5,98%	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	641,57	10,24%
Total	3.870,76	100%	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.266,67	100%

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

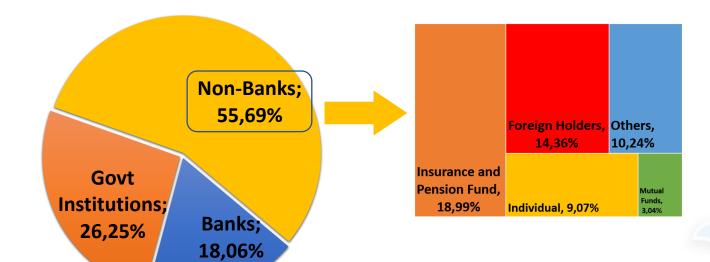
IDR1,092.02

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.

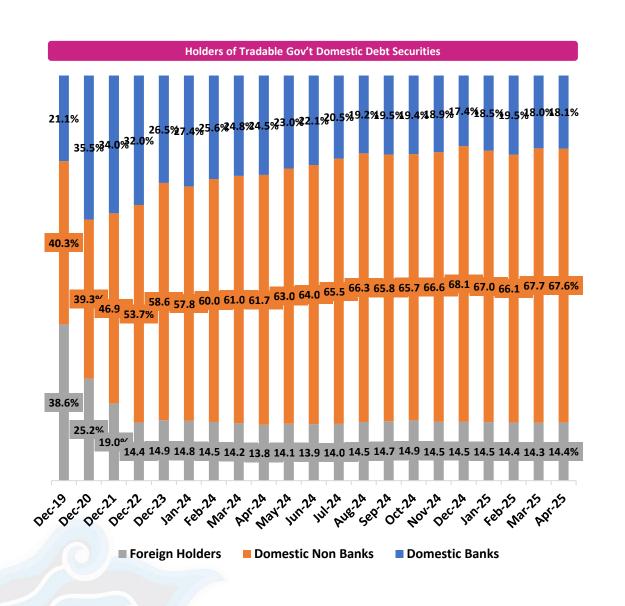
Source : SI-BISSSS

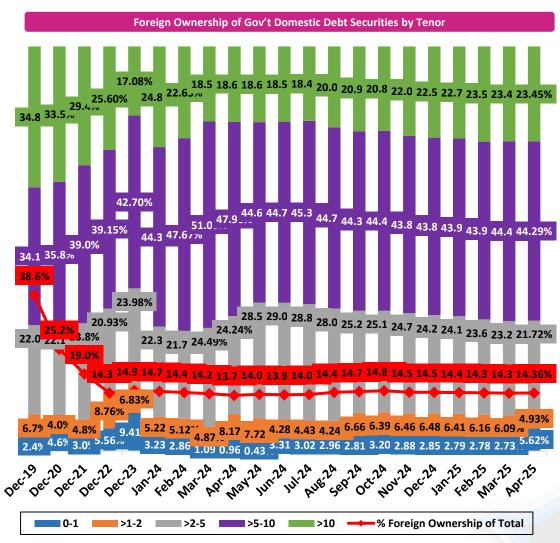


Holders of Tradable Government Secuirities



More Balance Ownership In Terms of Holders and Tenors





Government Guarantee For Infrastructure Development





Government Guarantee Program

Credit Guarantee

Business Viability Guarantee

PPP Guarantee

(BVG)

Political Risk Guarantee

Infrastructure – Guarantee for infrastructure risk of National Strategic Projects (Presidential Decree No.58/2017) which are not covered by other type of guarantees

Power (Electricity) - Full credit guarantee for PT PLN's debt payment obligations under FTP 1 10.000MW and

Clean water - Guarantee for 70% of PDAM's debt principal payment obligations

35GW programs*

- **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.

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*

Infrastructure – Guarantee for Government-related entities obligations ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements

Contingent Liabilities from Government Guarantee as of Q4 2024**

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

- 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 arises from the guarantees.

^{*)} MOF provides both credit guarantees and BVGs for 35GW program

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

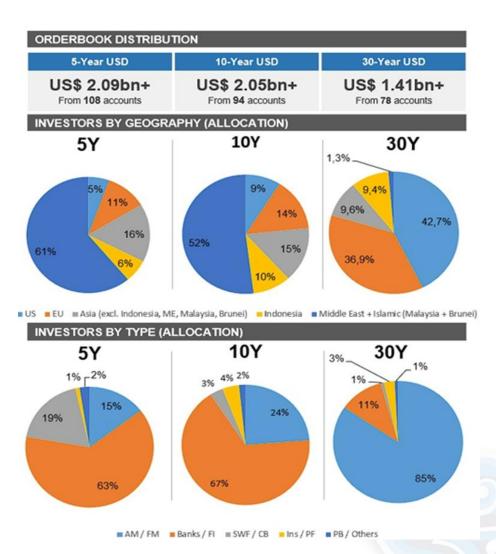
2025 Global Sukuk Transaction Summary

(Prefunding)



- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2024 and successfully priced a US\$ 2.75 billion Sukuk offering comprising of US\$ 1,100 million 5.5-year, US\$ 900 million 10-year, and a 30-year US\$ 750 million tranche.
- The transaction received positive response from investors since the start of bookbuilding, generating a combined final order book exceeding US\$ 5.5 billion reflecting an oversubscription of 2.0x. The transaction is priced at 5.0% for 5.5-year, 5.25% for 10-year, and 5.65% for 30-year tranche.
- Several notable achievements of this transaction include:
 - 1. 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.
 - 2. The final price represents the tightest ever print on a spread basis compared to U.S. Treasuries across the 10-year and 30-year tenorsfrom the Republic for both its Conventional and Sukuk issuances historically.
 - 3. 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.
 - 4. Higher allocation to investors from Middle East, Malaysia, and Brunei on the 5.5-year and 10-year tranche.

ssue Format		secured, Wakala US\$ Trust Certificat on Trust Certificate Issuance Program						
ssuer Ratings		Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)						
ssue Ratings		a2 (Moody's) / BBB (S&P) / BBB (Fit						
Pricing Date		18 November 2024						
ssue Date		25 November 2024						
enor	5.5Y Sukuk	USD 10Y Sukuk	USD 30Y Sukuk					
faturity Date	25 May 2030	25 Nov 2034	25 Nov 2054					
ranche Size	USD 1.1 billion	USD 900 million	USD 750 million					
rofit 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					
44A ISIN	US71567TAD46	US71567TAE29	US71567TAF93					
Jse of Proceeds	The Obligor will use the net proceeds financing requirements	s it receives from the issue of Certifica	ites to meet part of its general					
Other Details	USD200k/1k denoms., English / Indoo	nesian Law						
isting	Singapore Exchange Securities Tradir							
oint Bookrunners	Deutsche Bank, Dubai Islamic Bank, J		chartered Bank (B&D)					
o-Managers	PT BRI Danareksa Sekuritas and PT	Trimegah Sekuritas Indonesia Tbk						
			Confidential					

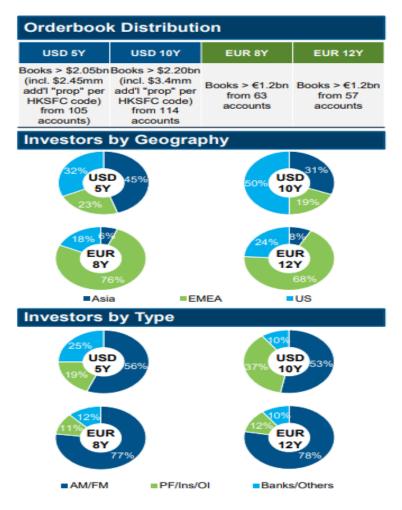


SEC16 - Global Bond Transaction Summary



- 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 U	Insecured, Fixed Rate N	otes off SEC Shelf						
Issuer Ratings	Baa2 (Stable) / BBB (Stal	ble) / BBB (Stable) (Mood	dy's / S&P / Fitch)						
Issue Ratings	Baa2 / BBB / BBB (Mood	y'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 denomination	ns (USD), EUR100k/1k o	denominations (EUR), New '	York Law					
Listing	SGX-ST and Frankfurt St	ock Exchange							
Use of Proceeds	The Republic intends to u Republic	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the							
Joint Lead Managers	ANZ, BofA Securities (B&	D), HSBC, J.P. Morgan a	and Standard Chartered Bar	nk					
Co-Managers	PT BRI Danareksa Sekur	itas and PT Trimegah Se	kuritas Indonesia Tbk						



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





EDUCATION

IDR724.3 T

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



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



SOCIAL PROTECTION

IDR503.2 T

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

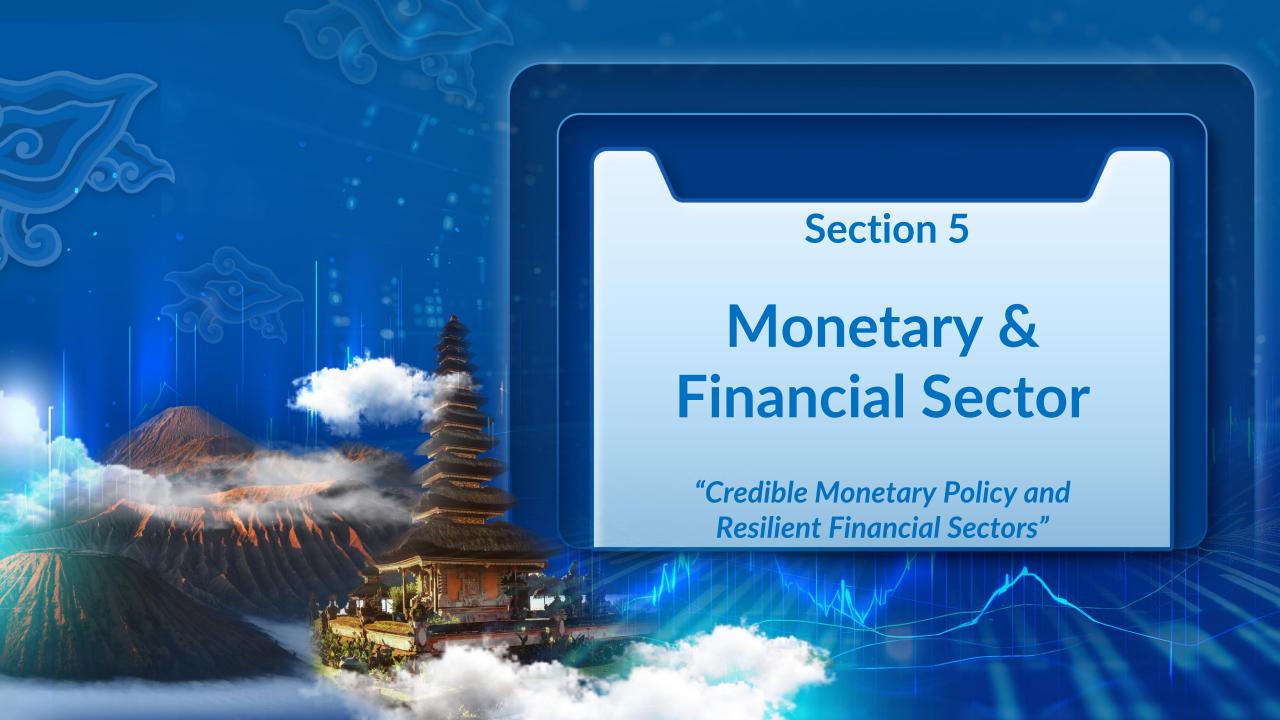


FOOD SECURITY

IDR144.6 T

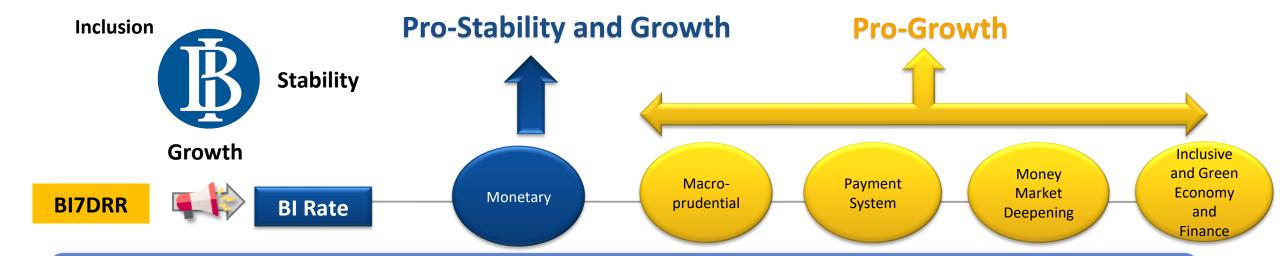
- Intensification and extensification of agricultural land, strengthening agricultural facilities and infrastructure (e.g., dams and irrigation)
- Food barns & increasing farmers' access to financing
- Strengthening national food reserves (availability and affordability of food)

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Bank Indonesia Policy Mix: May 2025 Maintaining Stability, Strengthening Economic Growth





The Bank Indonesia Board of Governors decided on 28-21 May 2025 to lower the BI-Rate by 25 bps to 5.50%, while also lowering the Deposit Facility (DF) rate and the Lending Facility (LF) rate by 25 bps to 4.75% and 6.25% respectively. This decision is consistent with the low projected and controlled inflation in 2025 and 2026 within the 2.5±1% target corridor, maintaining the Rupiah exchange rate stability in line with its fundamentals, and continued support for economic growth.





Strengthening the rupiah exchange

economic fundamentals, primarily

rate stabilisation strategy in line with

through intervention in offshore non-

as well as domestic foreign exchange

market intervention with a focus on

spot and domestic non-deliverable

forward (DNDF) transactions, while

(SBN) in the secondary market to

sufficient liquidity in the banking

industry;

also purchasing government securities

maintain financial market stability and

deliverable forward (NDF) transactions





- 1. Managing the structure of monetary instrument interest rates and FX swap rates to strengthen the effectiveness of interest rate transmission, while maintaining the attractiveness of foreign portfolio inflows into domestic
- Strengthening the strategies for term-repo and forex swap transactions to maintain sufficient liquidity in the
- Strengthening the function of Primary Dealers (PD) to increase Bank Indonesia Rupiah Securities (SRBI) transactions in the secondary market and repurchase agreement (repo) transactions between market players



- Increasing the Foreign Funding Ratio (RPLN) policy by raising the maximum RPLN threshold from 30% to 35% of bank capital. This policy enhancement aims to expand banks' sources of foreign funding in line with economic financing needs, while maintaining prudential principles, through the application of countercyclical parameter as an increase the RPLN by 5%. The enhanced RPLN policy will take effect starting 1 June 2025 and will be further regulated in the forthcoming provisions concerning RPLN.
- Liquidity easing by reducing the Macroprudential Liquidity Buffer (PLM) ratio by 100 bps from 5% to 4% for Conventional Commercial Banks (BUK), with repo flexibility of 4%, and the sharia PLM ratio of 100 bps from 3.5% to 2.5% for Sharia Commercial Banks/Sharia Business Units (BUS/UUS), with repo flexibility of 2.5%. This policy aims to enhance banks' flexibility



Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by KLM policy priority sector;



- Expanding digital acceptance through accelerating preparations for the implementation of Indonesia-Japan QRIS and initiating the Indonesia-China QRIS trial;
- Strengthening and expanding international cooperation in the area of central banking, including payment system connectivity and transactions using local currency, as well as facilitating the implementation of investment and trade promotions in priority sectors in collaboration with relevant agencies.

Lower the BI-Rate by 25 bps to 5.50%.

financial assets: . money market and banking industry, and

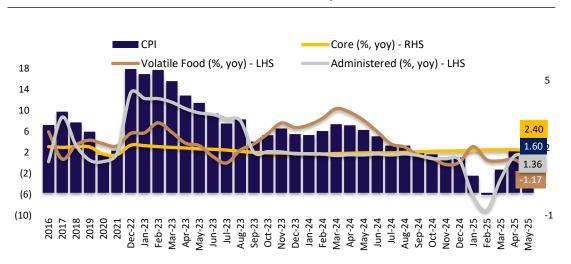
in liquidity management, effective from 1 June 2025;

Source: Bank Indonesia

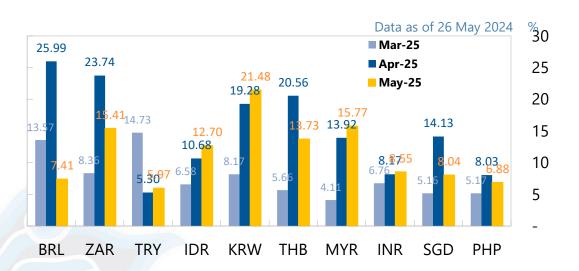
Manageable Monetary Environment Amid Heightened Global Uncertainty



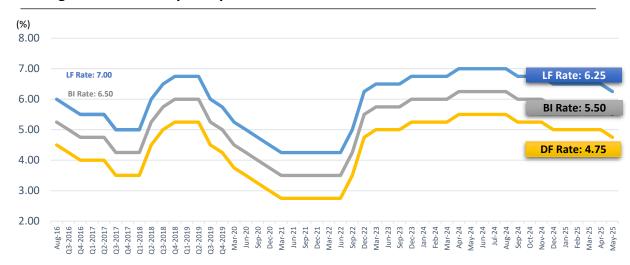
Well Maintained Inflation Ensured Price Stability



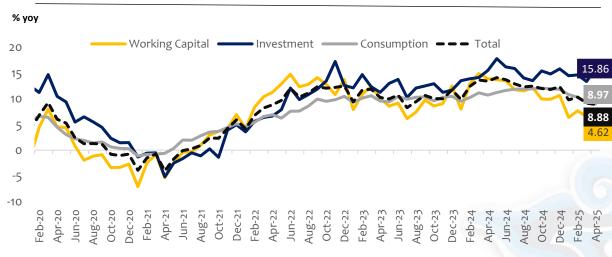
Rupiah Exchange Rate Volatilty



Strengthened Monetary Policy Framework



Credit Growth Profile

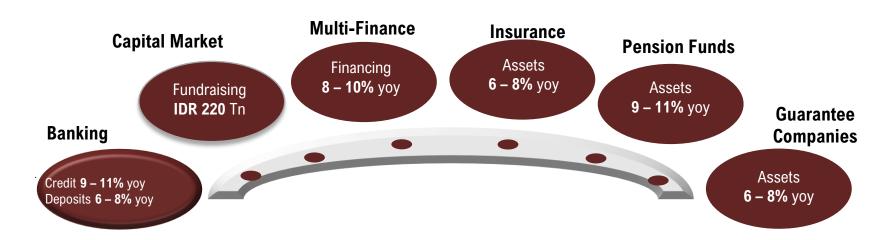


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2025 Financial Services Sector Outlook and Policy Directions



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.

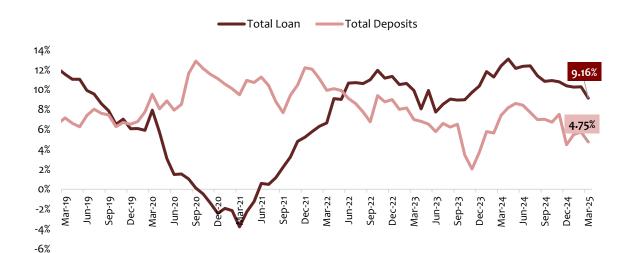
Banking Intermediation



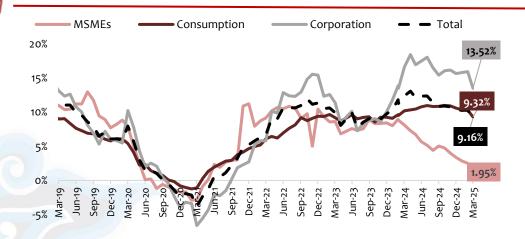




In **March 2025**, bank credit grew moderately by **9.16**% **(yoy)** and total deposits grew moderately by **4.75**% **(yoy)**, respectively.

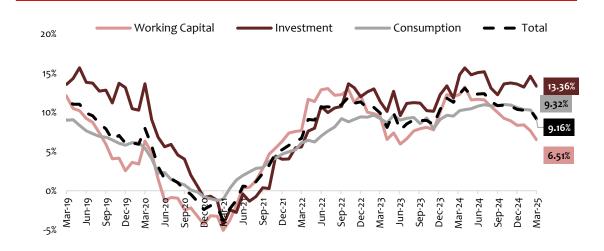


Loan growth remained stable in **March 2025**, with major contribution from **Corporation loans**, with 13.52% (yoy) moderate growth.



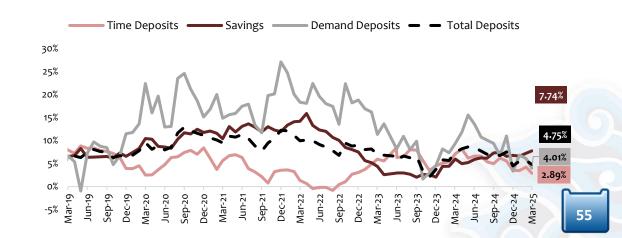


Majority types of loans maintained a positive trend in **March 2025**, with **investment loans**, in particular, grow moderately by **13.36%** (yoy).



-10%

Total deposits grew in March 2025 driven by Savings growth of 7.74% (yoy).



Banking Risk Profile and Profitability



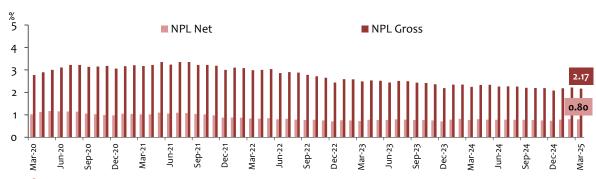
The banking industry has ample liquidity, resilient capitalization, and manageable credit risk, while maintaining a consistent level of profitability

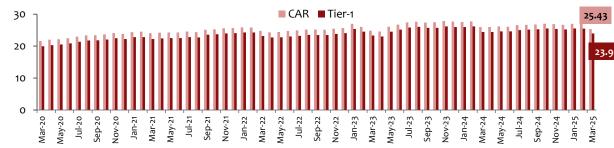


The banking NPL ratios grew in **March 2025**, recorded at **2.17**% **gross** and **0.80**% **net**, significantly below the threshold.



The banking sector's Capital Adequacy Ratio (CAR) remained strong at 25.43% as of March 2025.

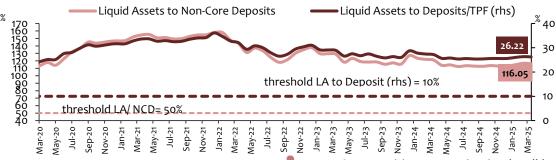




Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.

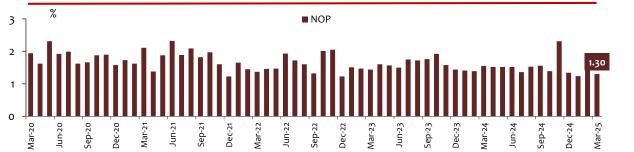


The banking industry's profitability remained stable with NIM grew at 4.51% while ROA grew at 2.58%, as of March 2025.





Net Open Position was maintained well below the maximum limit of 20% and grew moderately at 1.30% in March 2025.



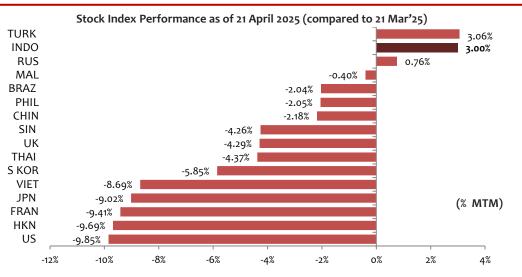
Domestic Capital Market Performance

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



[†]φ[†]φ[†]

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



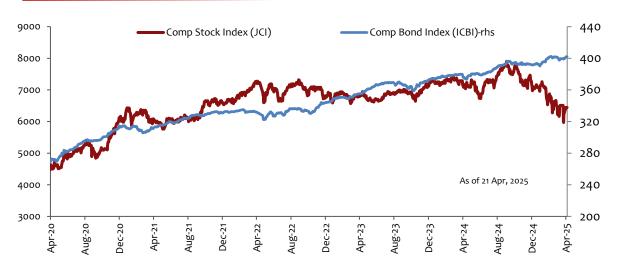


Indonesian government bond yields for 5-year tenor increased as of 21 April 2025.



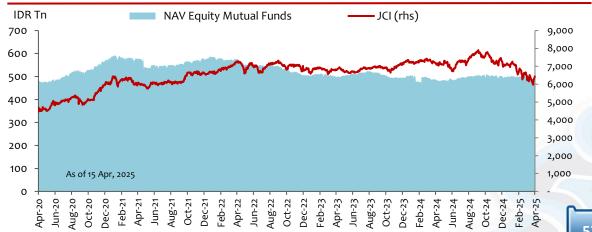


As of **21 April 2025**, the composite bond and composite stock index experienced positive growth





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



Domestic Capital Market Performance

Several capital market indicators remained positive

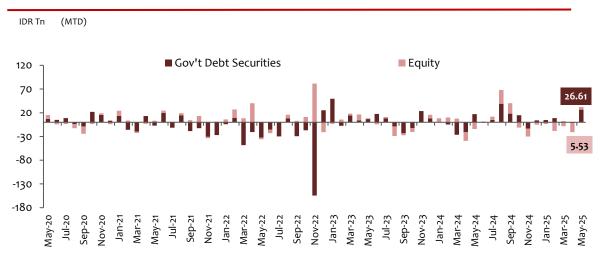


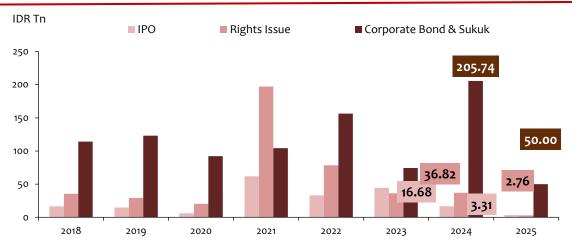


Non-resident portfolios of government bonds recorded a YTD net buy of IDR49.63 Tn, while equity market recorded a YTD net sell of IDR 45.19Tn, as of May 2025.



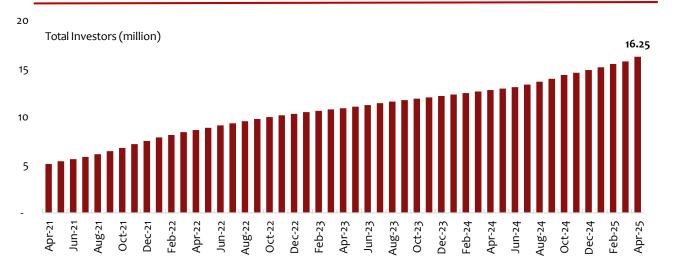
Total securities issuance reached IDR259.24 Tn (YTD) as of 30 December 2024, and IDR56.06 Tn as of April 2025.







Capital Market Investors continued to grow to 16.25 million by the end of April 2025, representing a 27.12% (yoy) increase.



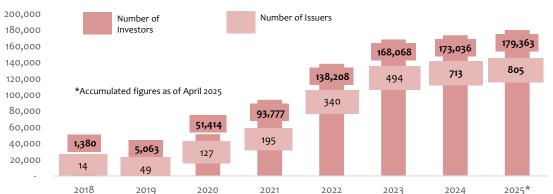
Securities Crowd Funding and Carbon Exchange

Securities Crowdfunding (SCF) and Carbon Exchange grew steadily

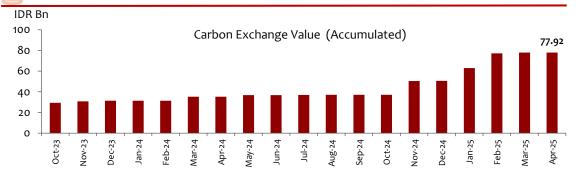




The total number of investors and issuers in Securities Crowdfunding increased to 179,363 and 805, respectively, as of April 2025.

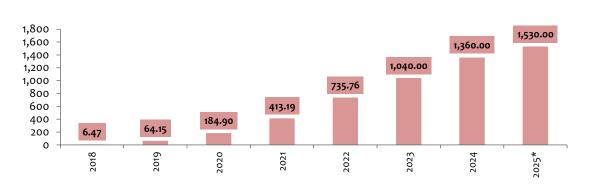


Since its launch in September 2023, the Carbon Exchange has achieved an accumulated transaction value of IDR77.92 billion as of April 2025.

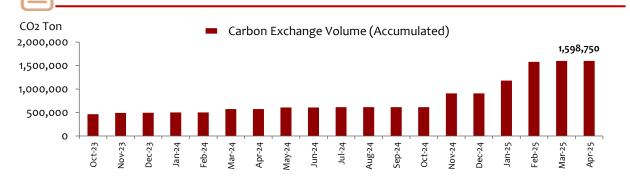




Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.53 Tn** as of **April** 2025.



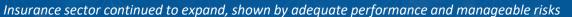
The traded volume in Carbon Exchange recorded a total of 1,598,750 CO2 Ton as of April 2025.







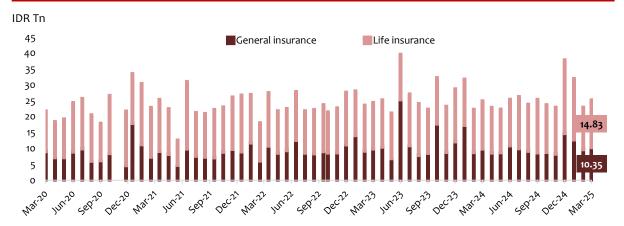
Insurance Sector





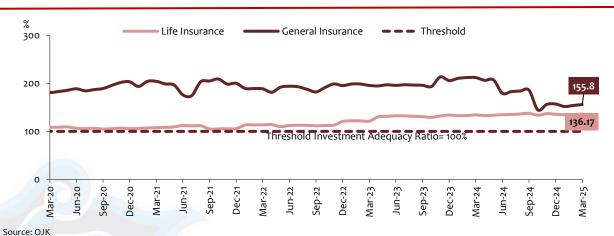


In March 2025, insurance premiums marked a total increase of IDR25.14 Tn (mtm) with General and Life insurance added premiums grew at IDR10.35 Tn and IDR14.83 Tn, respectively.





In **March 2025,** the Investment Adequacy Ratio of both Life Insurance and General Insurance increased above the threshold of **136.17**% and **155.8**%, respectively.

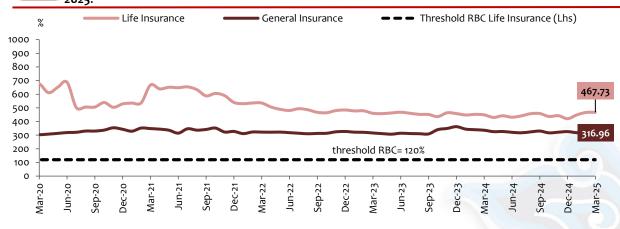




Life Insurance Premium Growth increased to **5.20**% in **March 2025**, while General & Reinsurance slowed at **-1.30**%.



Risk-Based Capital (RBC) of the insurance industry increased well above the minimum threshold with Life Insurance grew at 467.73% and General Insurance grew moderately at 316.96% in March 2025.



Pension Funds and Guarantee Institutions Performance



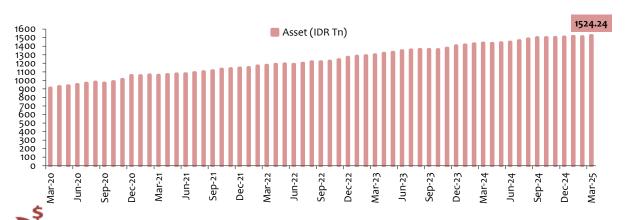




In March 2025, Pension funds total asset increased at IDR1,524.24 Tn.



In **March 2025,** Guarantee Institutions Accumulated Return Value grew moderately at **IDR2.09 Tn YTD.**





Number of Participants in Pension Funds reached to 29.04 Million in March 2025.

Pension Funds	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25	Mar-25
Number of Participants (Million)	26.23	27.27	28.09	28.94	28.86	29.04

In March 2025 Guarantee Asset Value reached IDR47.12 Tn and grew at a slower rate by -0.52% (yoy).

Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25	Mar-25
Assets Value (IDR T)	36.90	39.12	46.41	46.39	46.59	47.12
Growth YoY	46.66%	6.00%	18.64%	-0.05%	-0.30%	-0.52%

Source: OJK, KSEI

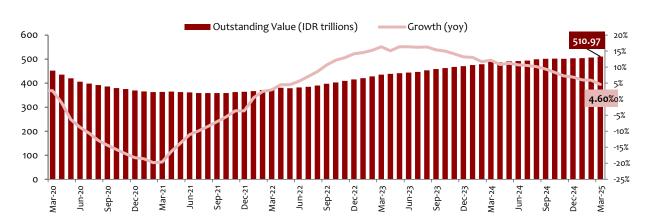
Financing, P2P Lending, Venture Capital, Microfinance Institutions



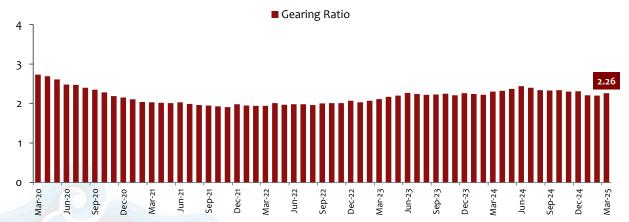
The performance of financing institutions continue to improve, as shown by growing net financing, a stable gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio



In March 2025, net financing continued to grew at a moderate level by 4.60% (yoy) to IDR507.02 Tn.

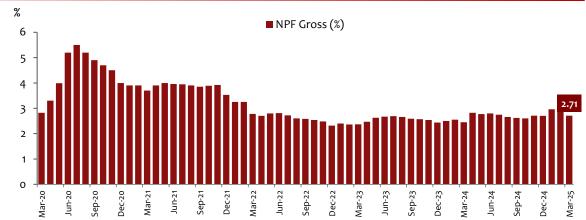


The gearing ratio of financing institutions stood at 2.26 times below the 5 times threshold in March 2025.

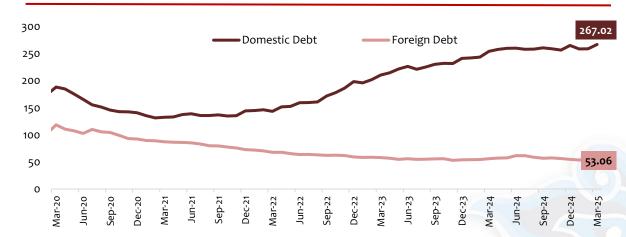




The Gross Non-Performing Financing (NPF) ratio of financing institutions grew moderately at **2.71**% in **March 2025**, well below the 5% threshold.



The debt exposure of financing institutions increased at IDR267.00 Tn for domestic debt and IDR53.06 Tn for foreign debt, as of March 2025



Financing, P2P Lending, Venture Capital, Microfinance Institutions

T.

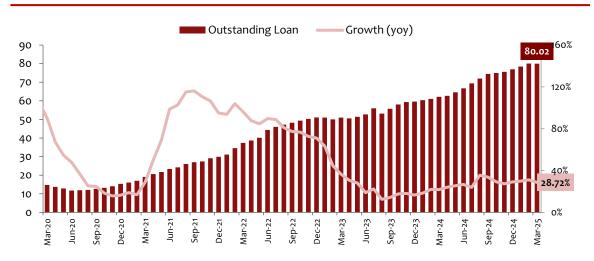
Peer to Peer Lending (P2PL) Fintech intermediation remains positive with a manageable NPL ratio

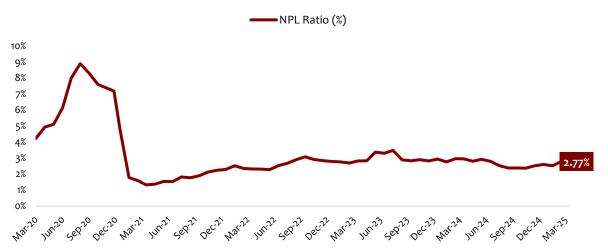


The outstanding loan of P2PL Fintech increased to **IDR80.02 Tn** or increased by **28.72**% (yoy) as of **March 2025**.



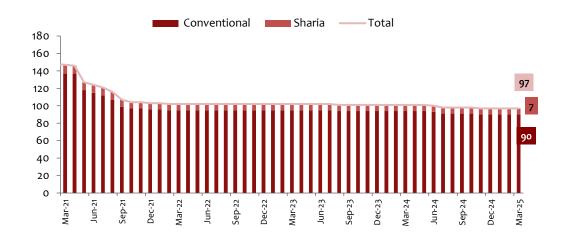
The Non-Performing Loan ratio (TWP90) of P2PL grew moderately at 2.77% in March 2025.







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



Financing, P2P Lending, Venture Capital, Microfinance Institutions

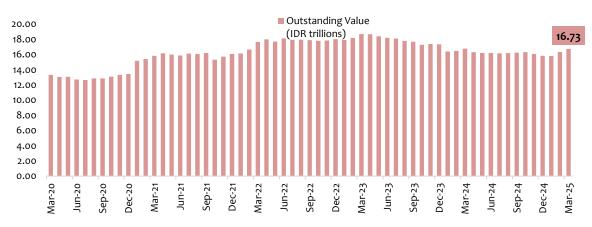


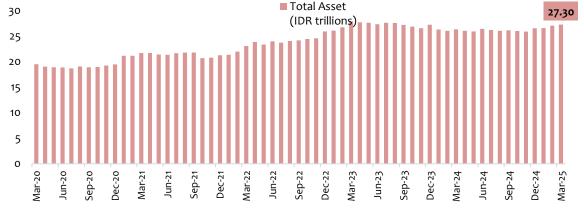


The venture capital corporation experienced stable performance, with financing reaching IDR16.73 Tn as of March 2025.



Total assets in the venture capital corporation increased at IDR27.30 Tn in March 2025, reflecting a steady position.







Microfinance assets remained stable at IDR1.65 Tn, with growth of 4.31% (yoy) in December 2024.



Microfinance loans remain stable at IDR1.02 Tn in December 2024





Financial Services Technology Innovation and Crypto-Assets





Based on OJK Regulation No. 3/2024 concerning the Regulatory Sandbox, the number of sandbox applications reached 16 (YTD), with six accepted participants as of April 2025.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Mar-25	Apr-25
Number of Sandbox Applications Request	114	71	87	52	14	15	16
Number of Sandbox Participants	28	14	20	18	5	5	6

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Jan-25	Mar-25	Apr-25
Innovative Credit Scoring	2	4	5	7	10	10
Aggregators	4	6	9	10	16	18
Total	6	10	14	17	26	28



In March 2025, the crypto-assets market recorded a total transaction value of IDR32.45 Tn.

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

Financial Literacy, Consumer Protection and Illegal Financial Activities





OJK conducted 1,913 financial education activities, reaching 5,550,988 participants nationwide as of April 2025 (YTD).



From 1 January 2025 to 30 April 2025, Sikapi Uangmu, published 106 financial education contents, attracting 514,770 viewers, and 3,004 users accessed the Learning Management System for Financial Education (LMSKU)

Financial Education	1,913 Activities	· Sikapi Uangmu	106 Contents
rilialicial Education	5,550,988 Participants	Sikapi Valigiliu	514,770 Viewers
Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities	Financial Education Learning Management - System (LMSKU) OJK	3,004 Access
Tillalicial Access (TPARD)	100% District/Municipalities	System (LINDRO) OJR	1,178 Certificates



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

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



From 1 January 2025 to 17 April 2025, OJK had received 12,759 service requests through the Consumer Protection Portal Application (APPK).

Number of Service Requests	144,559
Number of Service Requests on Consumer Protection Portal Application (APPK)	12,759
Banking	4,653
Fintech	4,895
Financing Institutions	2,628
Insurance	425
Capital Market and other NBFIs	158
Service Requests Completed	82.66%



National Transformation Strategy: Towards A Golden Indonesia 2045



1

Asta Cita: The 8 Quick Impact Programs

8 National Priorities 2025-2029

- 1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
- 2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
- 3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
- 4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities

- 5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added
- 6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
- 7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
- 8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society

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



INDONESIA GOLD VISION 2025-2045



5 GOLD VISION TARGETS OF INDONESIA



- 1. Income per capita equivalents to developed countries
- 2. Poverty declines and inequality decreases
- 3. Leadership positions and international influence increase
- 4. HR competitiveness increases
- 5. GHG emission intensity towards NZE

Development Phase

First Phase (2025-2029)

Strengthening the foundation of transformation

Second Phase (2030-2034)

With the establishment of a strong foundation, Indonesia is set to accelerate its economy

Third Phase (2035-2039)

Indonesia starts steps to expand globally

Fourth Phase (2040-2045)

Indonesia succeeds in realizing Indonesia Gold 2045 vision

8
DEVELOPMENT
MISSIONS



17
DEVELOPMENT
DIRECTIONS



45 MAIN INDICATORS OF DEVELOPMENT

TRANSFORMATION

- **1. Social Transformation:** Focusing on the development of outstanding Indonesian individuals;
- **2. Economic Transformation:** Aiming for the nation to become high-income;
- **3. Governance Transformation:** Emphasizing adaptive and principled regulations, as well as governance that is characterized by integrity, agility, and collaboration.

FOUNDATION OF TRANSFORMATION

- 4. Legal Supremacy, Stability, & Diplomatic Strength
- 5. Socio-Cultural and Ecological Resilience

TRANSFORMATION IMPLEMENTATION FRAMEWORK

- 6. Equal and Quality Territorial Development
- 7. Quality and Environmentally Friendly Facilities and Infrastructure
- 8. Development Sustainability

69

Source: RPJPN 2025-2045

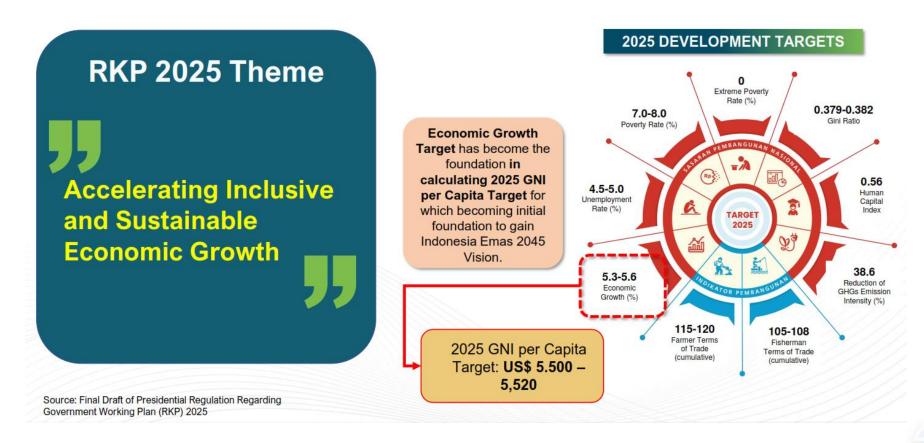
National Development Priorities 2025



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"



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.

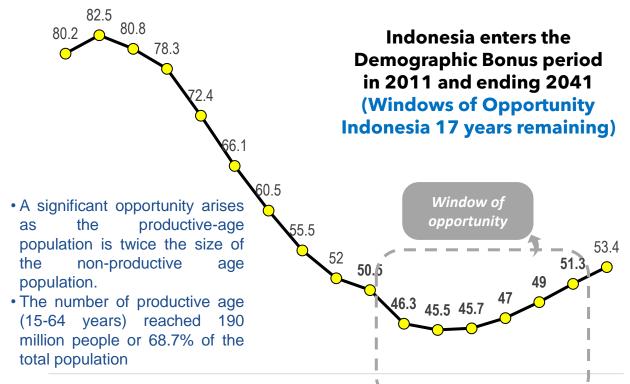


Import grows higher than export to bolster development program through foundation enhancement.

Indonesia Has A Demographic Bonus And Abundant Natural Resources



THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020 2025 2030 2035 2040 2045

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

Geographical Location Advantages



The largest mangrove forest 3.36 million hectares



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 ENGINEBuilding a New Economic Engine



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

ENABLER FOR ECONOMIC GROWTH







Efficiency & Investment Climate Support



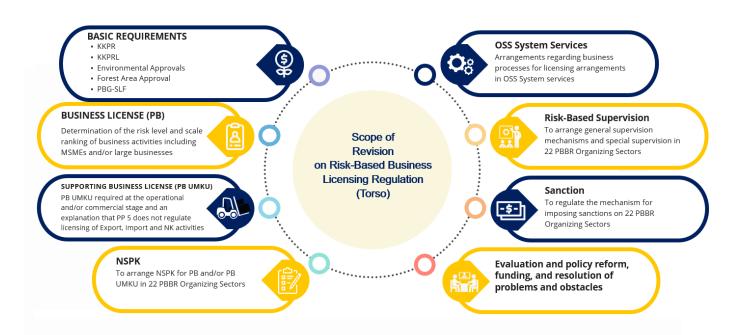
Strengthening & Deepening the Financial Sector



Enhancing Social
Security & Social Safety
Nets

Improvement of Risk-based Business Licensing





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

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

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

Certainty in issuing business permits:

issuance must comply with the Service Level Agreement/SLA;

01

- 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

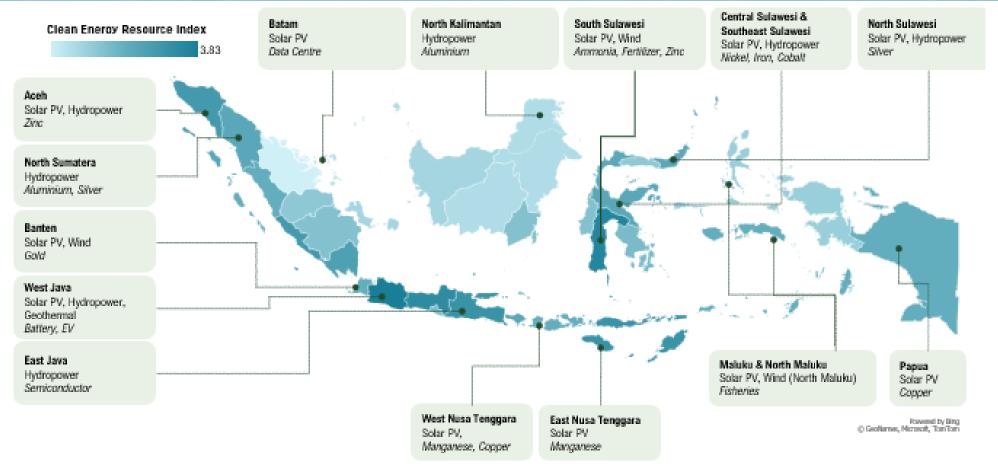
Simplify the issuance of business permits

Special arrangements regarding PB-UMKU

74

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.

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.
- Indonesia's Accession Roadmap's hand over at the OECD MCM in May 2024 made INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN.
- Indonesia is developing **32 CHAPTERS OF INITIAL MEMORANDUM**, containing Indonesia's self assessment on its policy, regulations, and standard alignment to **240 OECD LEGAL INSTRUMENTS**.

Structural Reform through OECD Membership (Domestic Reform Catalyst)

Strengthening competitiveness and economic resilience

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

Improved policy quality and institutional governance

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

Reform Credibility

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

Signaling Indonesia's readiness as a global player

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

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

Best Practices from Recently Joined Countries

Costa Rica

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

Colombia



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

Chile

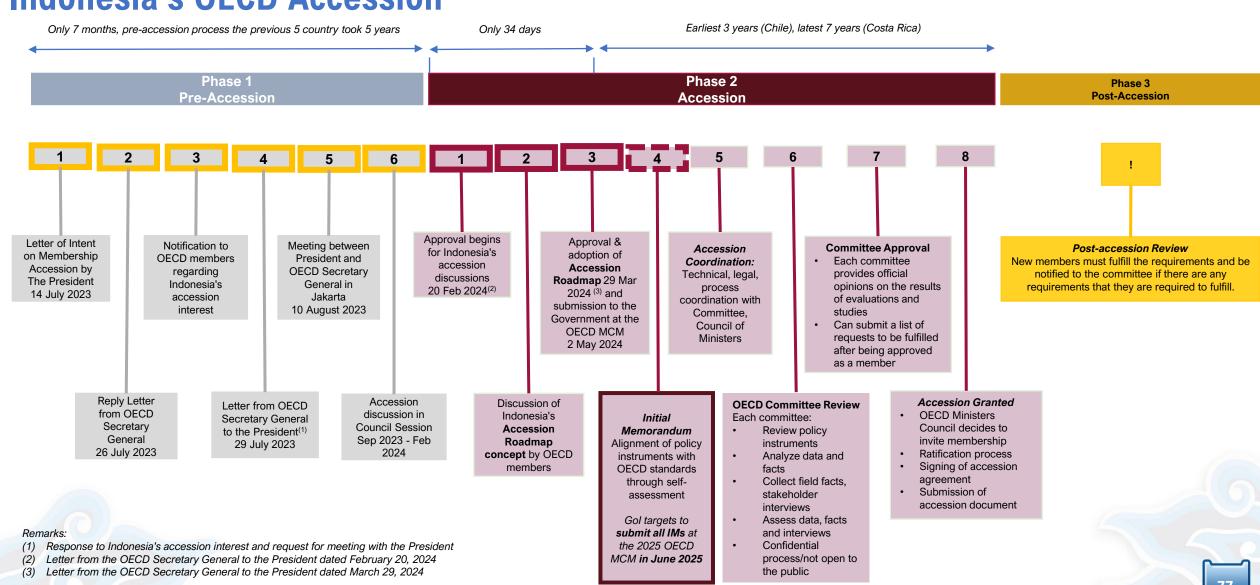


After joining the OECD in 2010, there was an increase in the value of GDP and FDI to Chile.

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



Indonesia's OECD Accession



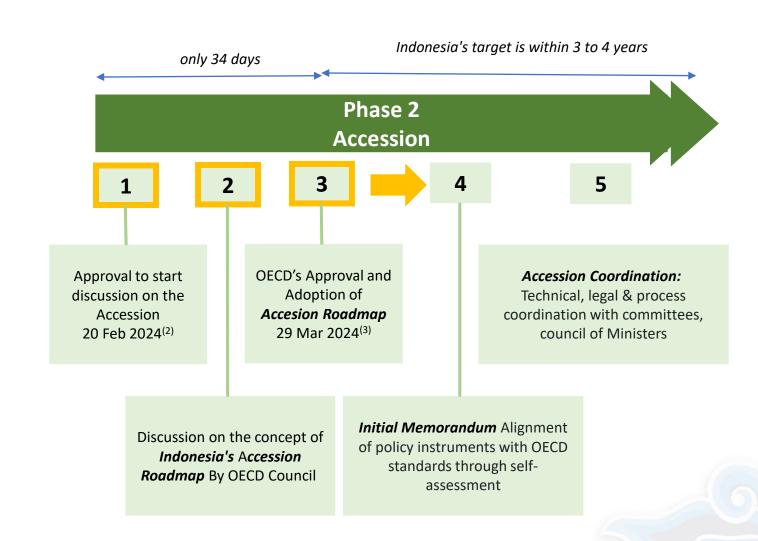
5, 6, 7, 8: Targeted in 3-4 years

Indonesia's One of Fastest Country to Obtain the Accession Approval from OECD



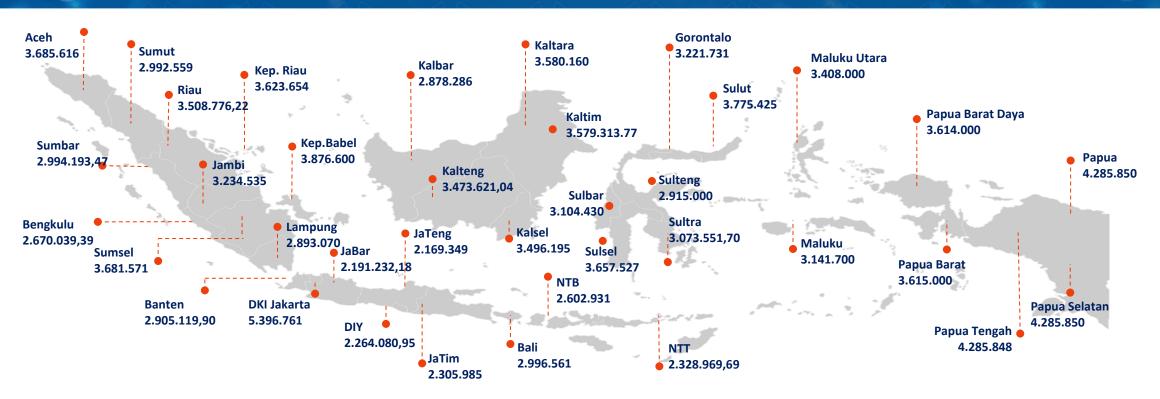
Indonesia's OECD Accession

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



The 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.

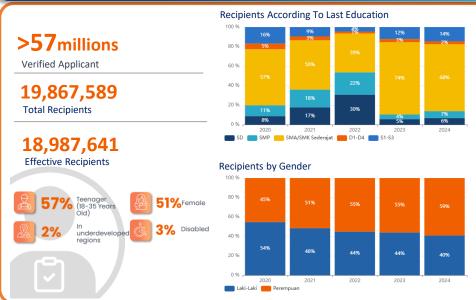
Large-Scale and Inclusive Skilling, Reskilling and Upskilling Program through Kartu Prakerja



Distribution of Prakerja Recipients (2020- Des 2024)



Total Demographic Recipients (2020- Des 2024)



Implementation in 2024 (Normal Scheme)

Recipients

1,232,339

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

971,123 Completed Courses*

911,176

Rp579 Billion

Receive Incentives*

Incentives Distributed*

Courses Progress 2024 Online System

3.39% Webinar 55.53%

Courses By Type

> Self Learning Sys 41.08%

> > 2.690 Courses

222 Courses

With

Active Training Institution

New Courses in 2024

Positive Impact

Financial Inclusion

Work Competency

Employment/ Entrepreneurship

Life Long Learning

Effective Social Protection

Collaborative Ecosystem

> **Public Private** Partnership

100% End to End Digital

Integrated Data, Transparent, Without Bureaucracy

*Data until 1st Semester 2024

Source: Manajemen Pelaksana per 25 Januari 2025

3,636

Courses

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

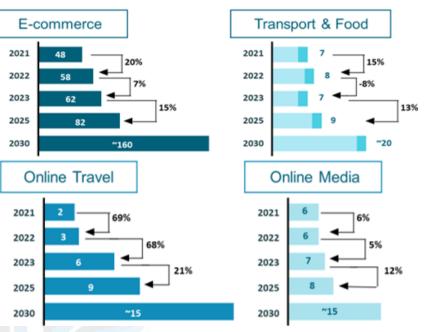
Digital Economy as a New Growth Engine



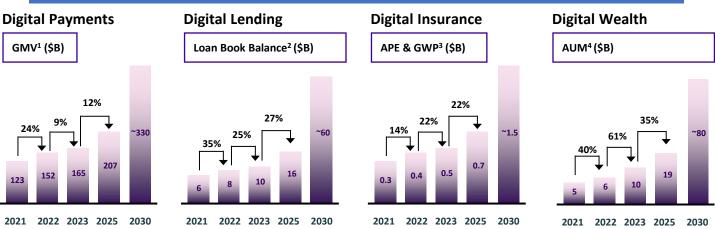


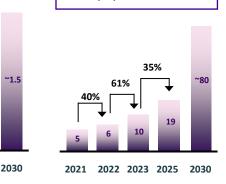
In 2023, around 37 – 40% of the ASEAN internet economy market share will be in Indonesia

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

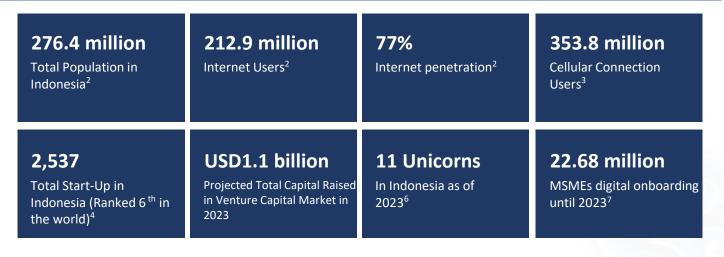


Digital Financial Services as a Prospective Sector of the Digital Economy in Indonesia 1





The enablers of Digital Economy Development in Indonesia



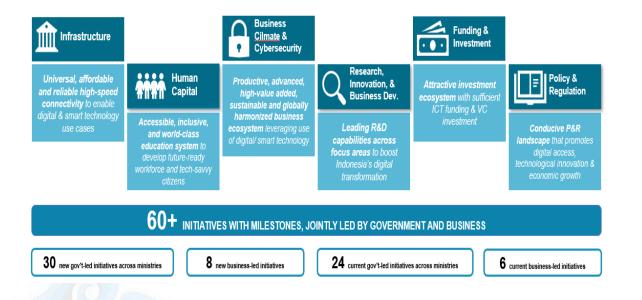
Digital Economy's Policy



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:

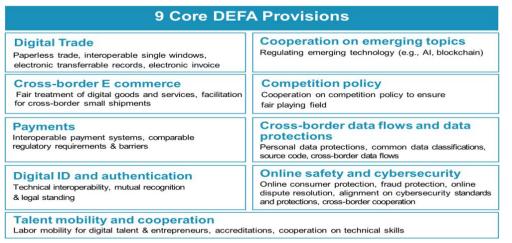
 (1) Infrastructure;
 (2) Human Resources;
 (3) Business Climate and Cybersecurity;
 (4) Research, Innovation, and Business Development;
 (5) Funding and Investment; and (Policies and Regulations)



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



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.



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





9 Proyek













Plantation

2 Provek



Energy

18 Proyek





15 Proyek





SEZ

Acces





Ecocity







Electricity





Toll Road

Opertaing System

















Sugar & Palm

Strategic



Flood Control, Congestion



Economic

Border



Airport

Tourism 2 Proyek

Education 1 Proyek

Seawall 1 Provek

Technology 6 Proyek

Housing 2 Provek

Food Estate

Tourism

Waste to Energy

Smelter

Management and Habitability

Superhub

Regional Development

Tourism and Aviation Industry

Development Area

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.



Direct labor absorption nationally

*Based on LPEM FEB UI Studies. Desember 2023



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

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

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





- 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

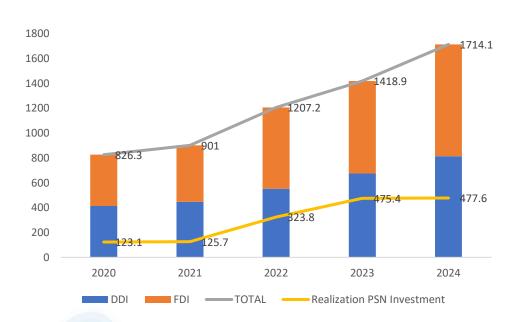


Accelerating Investment Target by the Development of the New Capital City and National Strategic Infrastructure Projects



Indonesian Investment Realization (in Trillion IDR)

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



Source: Ministry of Investment, KPPIP

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.

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.)





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

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Fundamental sectors:

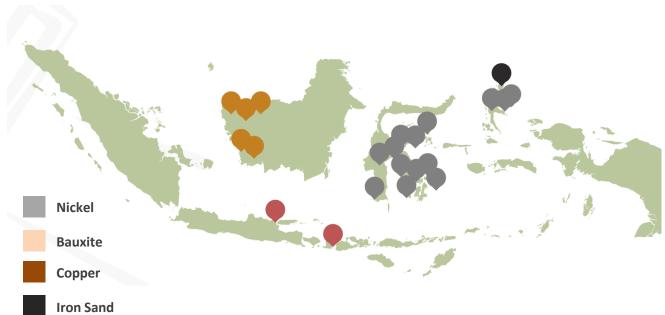
- 1. Renewable Energy
- 2. Telecommunications Network
- 3. transportation
- 4. Housing
- 5. Water Treatment
- 6. Waste Management

- 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

2025

ALREADY OPERATIONAL

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

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

1 Smelter (Rp 38,35 T)

2024

• PT Freeport Indonesia

 PT Aneka Tambang P3FH

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

4 Smelter (Rp 35 T)

- PT Ceria Nugraha Indotama
- PT Wanxiang Nickel Indonesia
- PT Artabumi Sentra Industri
- PT Artha Mining Industry

3 Smelter (Rp 95,29 T)

> 2025

- 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)

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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 earlystage 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 sociocultural 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

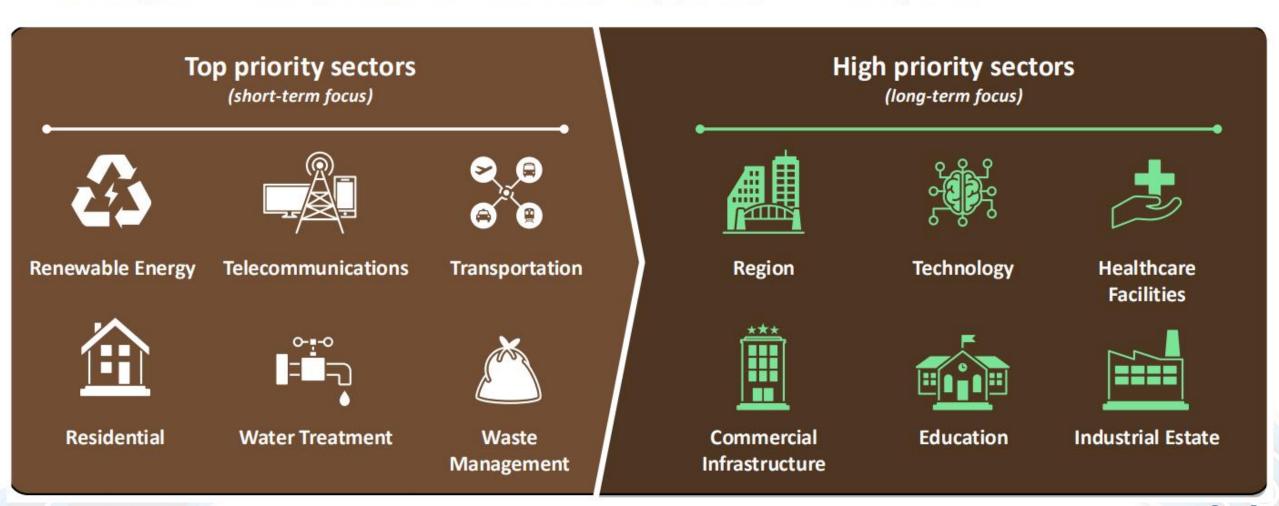
Strengthening reputation as a "World City for All"

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

Nusantara's (IKN) 9 Development Zones Sectors



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



Source: Otorita Ibu Kota Nusantara, 2025

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















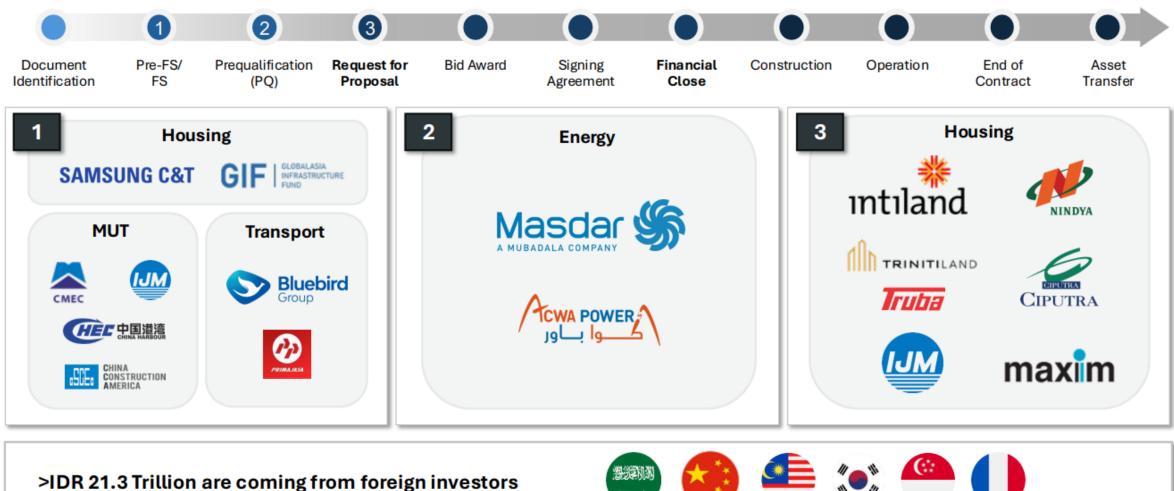


Source: Otorita Ibu Kota Nusantara, 2025

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







Source: Otorita Ibu Kota Nusantara, 2025

Indonesia's Increasing Role in the Global Semiconductor Supply Chain



DOMESTIC SEMICONDUCTOR PRODUCT INDUSTRY ECOSYSTEM



Fabrication

Materials &

Chemicals

Manufactur

ing

Equipment

Currently, Indonesia only has 3 industries

that play a role in the semiconductor supply

chain, namely in the design and assembly

Design

Design Intellectual Software **Property**

The industry already exists in Indonesia

The industry does not yet exist in Indonesia

Integrated Circuit (IC) Design House Assembly & Test

Semiconductor Assembly & Test



PT. Tata Sarana Mandiri



PT. Xirka Darma Persada

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

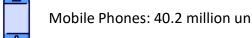


International Technology Security and Innovation (ITSI) Fund - DOS Amerika Serikat

- 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 downstreaming ecosystem (Assembling, Testing, and Packaging) of the semiconductor industry.

and test sectors

Mobile Phones and Laptop Production 2022











Total production realization: 125.03 million

units.









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

Solar Capacity Target

Semiconductors act one of them as a constituent

component in the inverter in the solar panel unit.

KBL BB Production Target

Solar capacity target 2030:

4680 MWP



INCENTIVES AND FACILITIES

Tax Holiday



Tax Allowance



Super Deduction



Special Economic Zones

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

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

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

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 fabless start-ups in 2024 in accordance with the use case specific needs of the industry in Indonesia.

Human Resource development partnerships supporting fabless, frontend 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





DOMESTIC INDUSTRY DEMAND FOR SEMICONDUCTORS

Mobile Phones: 40.2 million units

Laptop: 4 juta unit

Produksi Home Appliances 2022







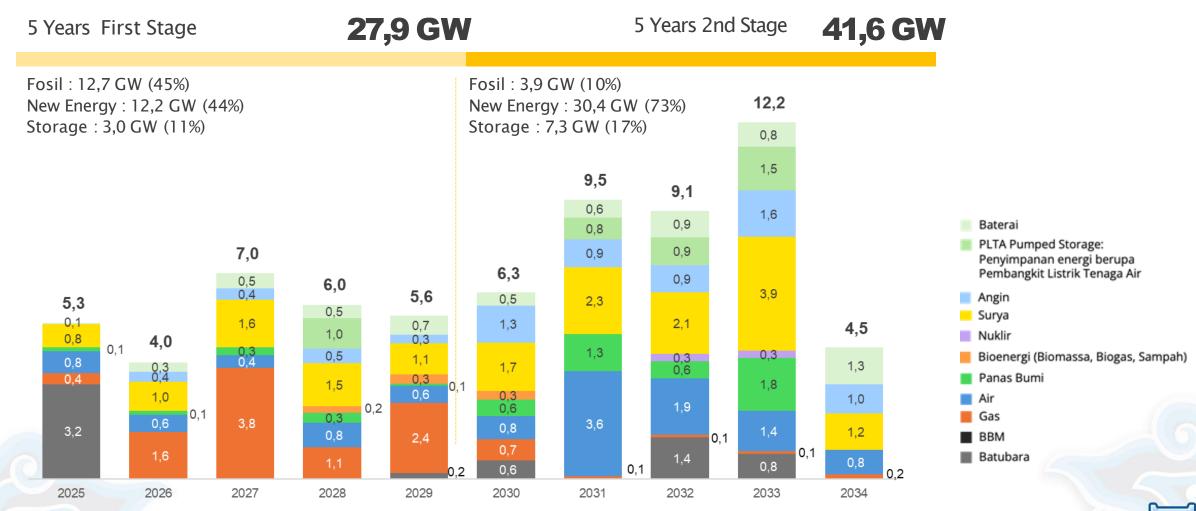
Two and three wheeled KBL BB target by 2035: 12 million units

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; 85414500; 85415900

PLN Energy Plan 2025-2034: Improving National Energy Security and Sustainability

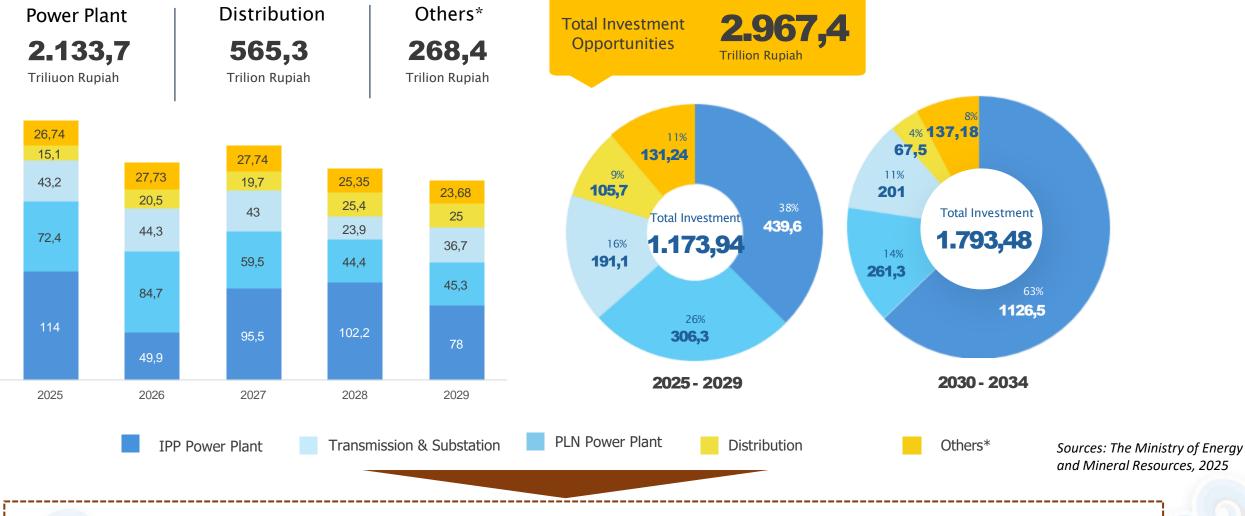


Power Plant Addition Plan 2025-2034



Investment Opportunities in the electricity sector 2025-2034





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



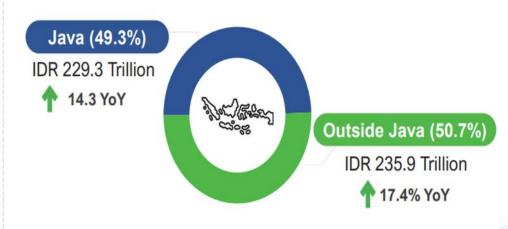
Investment Realization Q1 2025



(Excluding upstream oil and gas and financial services sectors)

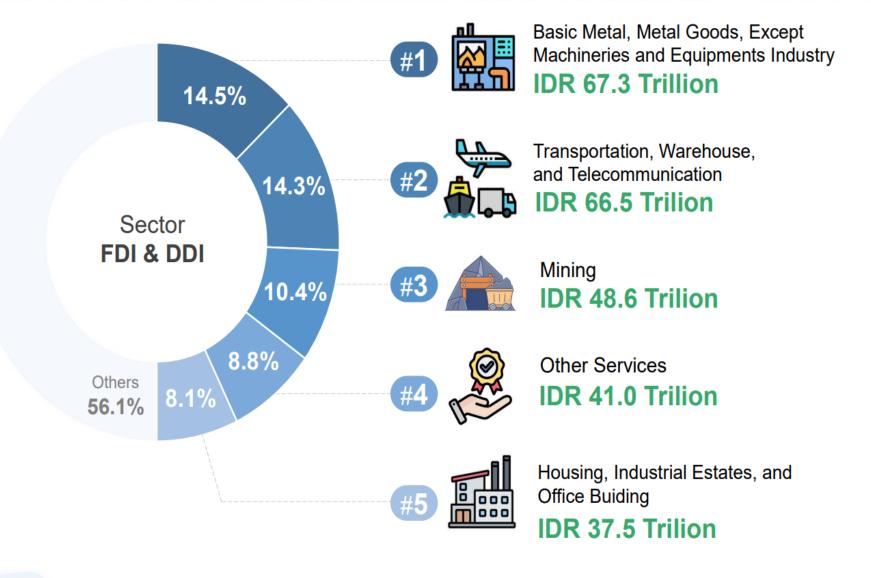






Investment Realization in Q1 2025: Top 5 Subsectors (FDI + DDI combined)





Investment Realization in Q1 2025: Top 5 FDI Countries





