



# Presentation Book Republic of Indonesia

*“Maintaining Stability, Driving Economic Growth, and  
Strengthening Credibility amid Global Uncertainty”*

**May 2026**



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Section 1

# Indonesia's Story

*“Strong Resilience Amidst Global  
Uncertainties”*



# Solid Policy Framework to Safeguard Stability and Support Sustainable Growth

*Amid global challenges, Indonesia continues to demonstrate strong and resilient economic performance, supported by solid domestic demand, low and stable inflation, and a sound external position with ample foreign exchange reserves. Fiscal discipline remains intact, with the deficit projected at 2.68% of GDP in 2026, supporting a sound debt trajectory. Policy coordination between fiscal and monetary authorities, alongside ongoing structural reforms, is expected to sustain macroeconomic stability and support medium-term growth prospects.*

- **New Paradigm to achieve growth:** Indonesia's new economic paradigm strengthens macroeconomic stability through prudent fiscal and monetary policy and a resilient financial system, while leveraging Danantara's catalytic role to mobilize private investment and achieve high and sustainable growth target.
- **Solid growth:** Indonesia's economy continues to demonstrate resilience, sustaining growth above 5% despite global pressures from geopolitical tensions, trade fragmentation, and tighter financial conditions. Growth reached 5.61% (yoy) in Q1-2026, up from 5.39% in the previous quarter, Looking ahead, economic growth in 2026 is projected to strengthen further to a range of 4.9–5.7% year-on-year, underpinned by stronger domestic demand. To sustain this momentum, the government continues to respond proactively to near-term growth dynamics, formulating and rolling out targeted stimulus packages on a quarterly basis to support growth and job creation into 2026.
- **Under control inflation:** Inflation remains under control, with CPI inflation stood at 2.42% (yoy) in April 2026, with annual inflation in 2026 and 2027 will remain within the 2.5%±1% target range.
- **Sound external sector:** The external sector remains sound, supported by a sound Balance of Payments and a trade surplus of USD3.32 billion in March 2026, increasing from a surplus of USD1.27 in February 2026. The continued trade surplus was primarily driven by a non-oil and gas trade surplus. Foreign exchange reserves remained high at USD146.2 billion, equivalent to 5.8 months of imports or 5.6 months of imports and the servicing of government external debt.
- **Fiscal Discipline:** The fiscal stance is supporting priority development goals while maintaining fiscal discipline. The 2026 fiscal deficit is projected at 2.68% of GDP, well below 3% threshold, alongside a low debt-to-GDP ratio. Policy priorities focus on improving spending quality, strengthening human capital, advancing food and energy security, and driving structural transformation through downstreaming and investment facilitation.
- **Central Bank Policy Mix:** Despite persistently high global uncertainty, Bank Indonesia has implemented accommodative monetary policy through reducing the policy rate by 150 bps to 4.75% since September 2024, its lowest level since 2022, This policy is reinforced by strengthened macroprudential and liquidity measures to safeguard financial system stability while promoting prudent credit and financing. Monetary policy is primarily directed towards maintaining stability, particularly Rupiah exchange rate stability and inflation within the target range, while maintaining close synergy with fiscal policy to support sustainable economic growth.
- **Structural Reforms:** The Government remains committed to structural reforms within the Asta Cita agenda. The key priorities focus on strengthening human capital and technology, improving governance and inclusion, and advancing industrial and sustainability transformation. Reforms in education, health, innovation, and bureaucracy aim to boost productivity and the business climate, while regional, downstreaming, and green-economy initiatives enhance value creation and resilience. Recent development shows that Downstream industries continue to attract strong investment of Rp 147.5Trillion in Q1 2026 or 29.6% of total investment, driven primarily by Mineral and Coal.
- **Danantara:** Danantara supports Indonesia's macroeconomic management by acting as a strategic investment catalyst, with focus on generating sustainable commercial returns, strengthening the private sector's role and supporting Indonesia's priority programs.

# Indonesia Economic Growth Framework 2026



*Priority Sectors, Presidential Priority Programs, and Productivity Acceleration as Key Growth Drivers, aligned with Government Work Plan 2026 "Food and Energy Sovereignty, and Economic Transformation toward an Advanced Indonesia"*

## PRIORITY SECTORS

### Agriculture

- downstream industrialization
- food security

### Manufacturing Industry

- National automotive
- Semiconductor
- Labor-intensive revitalization

### Digital

- Data Center : FDI
- Gig economy

### Energy

- Energy security
- Clean energy

2026  
ECONOMIC GROWTH  
TARGET

5,4%

## PRESIDENTIAL PRIORITY PROGRAMS

Nutritious Meal Program (MBG) — Demand Creation & Human Capital Development

Red-and-White Cooperatives (KDKMP) — Investment & Local Competitiveness

3 Million Housing Program

## PRODUCTIVITY ACCELERATION

- Stronger labor–industry linkages (link & match initiatives)
- Improved ease of doing business
- Financial sector reform
- Expanded financing access for productive and export-oriented sectors

## FINANCING:

Foreign direct investment (FDI) and non-state budget financing through the Danantara

## SUPPORT:

Deregulation and bottleneck removal, Fiscal and monetary policy synergy, Financial sector stability

**GROWTH POTENTIAL: 5,4% - 5,6%:**

- Execution of strategic investment projects under Danantara
- Effective implementation of government priority programs

# Budget Realization as of May 31, 2026



*Tax revenue increased strongly (growth: 20.7% yoy). State expenditure accelerated (growth: 31.4% yoy). Deficit remained under control. The State Budget (APBN) continues to be directed towards supporting domestic economic growth*

Description (in trillion rupiah)	2025				2026			
	Budget (APBN)	Real. as of Mar 31	% of Budget	Growth (%)	Budget (APBN)	Real. as of Mar 31	% of Budget	Growth (%)
<b>A. REVENUE</b>	<b>3.005,1</b>	<b>520,4</b>	<b>17,3</b>	<b>(17,5)</b>	<b>3.153,6</b>	<b>574,9</b>	<b>18,2</b>	<b>10,5</b>
I. Taxation Revenue	2.490,9	404,7	16,2	(14,5)	2.693,7	462,7	17,2	14,3
1. Tax Revenue	2.189,3	327,0	14,9	(18,8)	2.357,7	394,8	16,7	20,7
2. Customs & Excise	301,6	77,6	25,7	9,8	336,0	67,9	20,2	(12,6)
II. Non Tax Revenue	513,6	115,6	22,5	(26,3)	459,2	112,1	24,4	(3,0)
III. Grants	0,6	0,1	19,2	(72,5)	0,7	0,1	17,2	2,8
<b>B. EXPENDITURE</b>	<b>3.621,3</b>	<b>620,3</b>	<b>17,1</b>	<b>1,4</b>	<b>3.842,7</b>	<b>815,0</b>	<b>21,2</b>	<b>31,4</b>
I. Central Govt. Exp	2.701,4	413,2	15,3	(3,4)	3.149,7	610,3	19,4	47,7
1. Line Ministries	1.160,1	196,1	16,9	(11,8)	1.510,5	281,2	18,6	43,4
2. Non-Line Ministries	1.541,4	217,2	14,1	5,7	1.639,2	329,1	20,1	51,5
II. Transfers to Region	919,9	207,1	22,5	12,3	693,0	204,8	29,5	(1,1)
<b>C. PRIMARY BALANCE</b>	<b>(63,3)</b>	<b>21,9</b>	<b>(34,6)</b>	<b>(83,5)</b>	<b>(89,7)</b>	<b>(95,8)</b>	<b>106,8</b>	<b>(537,7)</b>
<b>D. SURPLUS/ (DEFICIT)</b>	<b>(616,2)</b>	<b>(99,8)</b>	<b>16,2</b>	<b>(632,2)</b>	<b>(689,1)</b>	<b>(240,1)</b>	<b>34,8</b>	<b>140,5</b>
<b>% GDP</b>	<b>(2,53)</b>	<b>(0,41)</b>			<b>(2,68)</b>	<b>(0,93)</b>		
<b>E. FINANCING</b>	<b>616,2</b>	<b>252,5</b>	<b>41,0</b>	<b>194,8</b>	<b>689,1</b>	<b>257,4</b>	<b>37,3</b>	<b>1,9</b>

**Revenue** **Rp574,9 T**  
▲ 10,5% (yoy)

**Spending** **Rp815,0 T**  
▲ 31,4% (yoy)

**Deficit** **Rp240,1 T**  
0,93% GDP








**Primary Balance Deficit** **Rp95,8 T**



# Macroeconomics Assumption and Development Indicators Target 2026

*Built on resilient economic fundamentals, the 2026 Budget demonstrates Indonesia's ability to balance growth objectives with fiscal discipline, ensuring macroeconomic stability.*

## Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2025 Budget	2025 Realization	2026 Budget
 <b>Economic Growth (%)</b>	5.2	5.04	5.4
 <b>Inflation (% yoy)</b>	2.5	2.92	2.5
 <b>10Y T-Bonds Rate (% average)</b>	7.0	6.01	6.9
 <b>Exchange rate (IDR/US\$, average)</b>	16,000	16,782	16,500
 <b>Oil Price/ICP (USD/barrel, average)</b>	82	67.95	70
 <b>Oil Lifting (tbpd)</b>	605	577.6	610
 <b>Lifting Gas (tboepd)</b>	1,005	965.5	984

## The 2026 Budget Posture

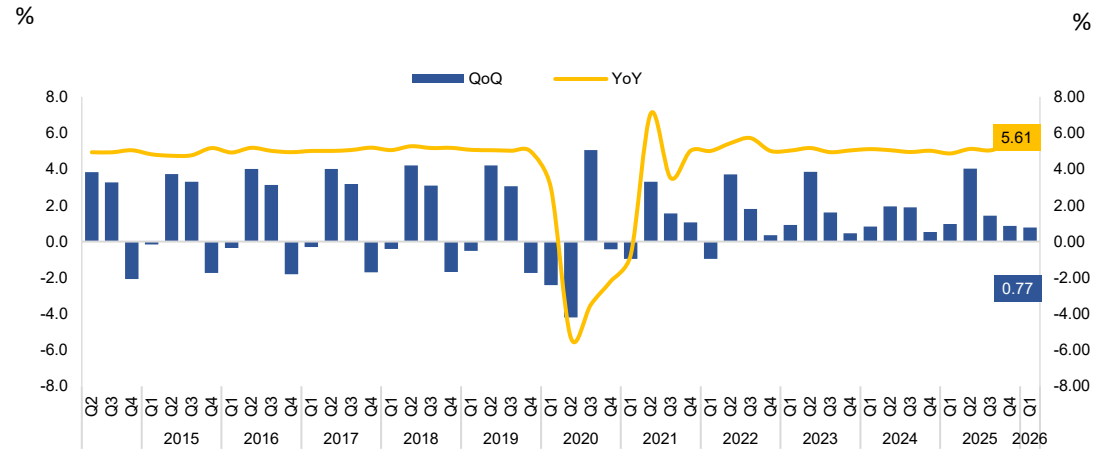
	Budget
<b>A. Revenue</b>	<b>3,153.6</b>
I. Tax Revenue	2,693.7
1. Tax	2,357.7
2. Custom and Excise	336.0
II. Non-Tax Revenue	459.2
III. Grants	0.7
<b>B. Expenditure</b>	<b>3,842.7</b>
I. Central Government Expenditure	3,149.7
1. Line Ministries Expenditure	1,510.5
2. Non-Line-Ministries Expenditure	1,639.2
II. Transfer to Region	693.0
<b>C. Primary Balance</b>	<b>(89.7)</b>
<b>D. Surplus/(Deficit)</b>	<b>(689.1)</b>
<b>E. Financing</b>	<b>689.1</b>

# Indonesia's Macroeconomic Fundamentals Remain Strong and Resilient

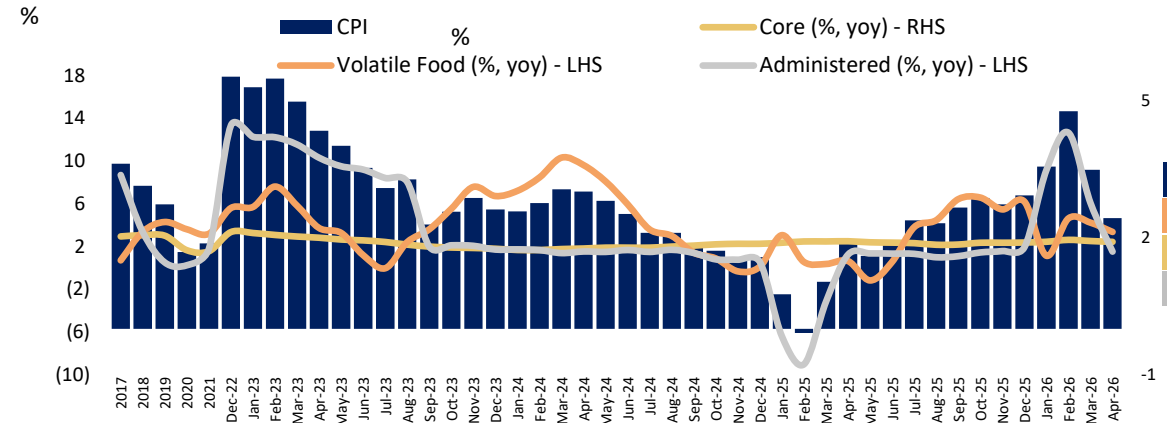


Indonesia's robust macroeconomic fundamentals are reflected in resilient growth of 5.11% in 2025, supported by stable inflation, exchange rate stability, and prudent monetary easing, reinforcing the economy's capacity for sustained long-term expansion.

## Economic Growth in 2025 was solid at 5.11%, and is projected to increase in 2026



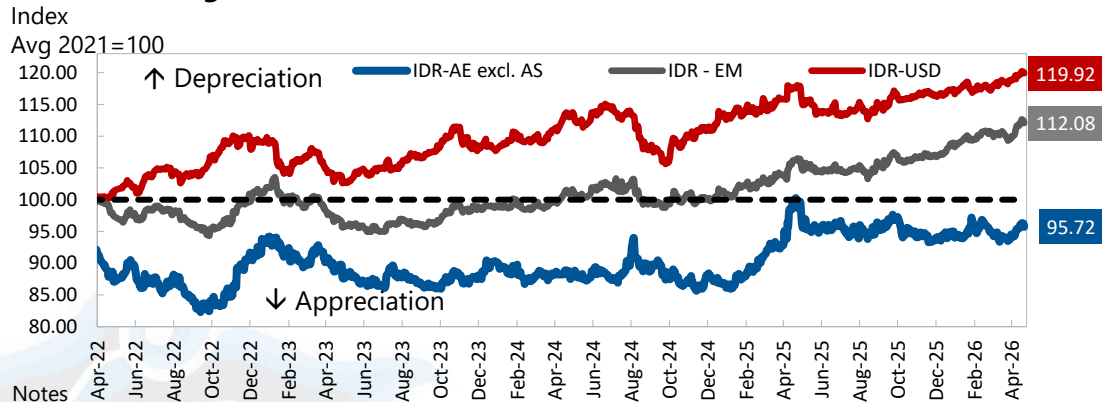
## Well Maintained Inflation Ensured Price Stability



Source: BPS

## Stable Rupiah Exchange Rate

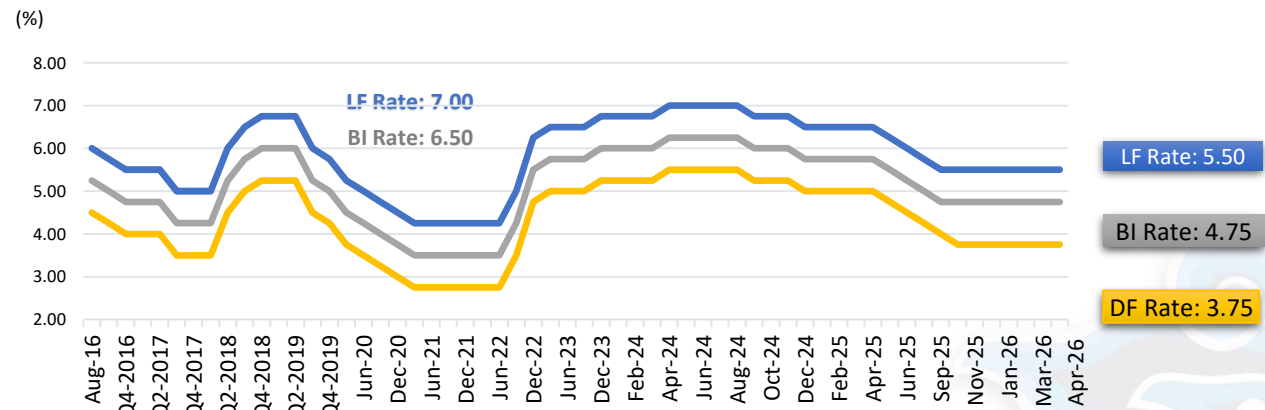
### IDR Indexes Against USD, excl US, and EM



Notes  
 - Based on daily data  
 - Composite indexes on trade weights :: SGD (13%), CNY (52%), INR (11%), KRW (9%), THB (7%), MYR (9%)  
 - Data as of 21 April 2026

Source: Bank Indonesia

## Strengthened Monetary Policy Framework

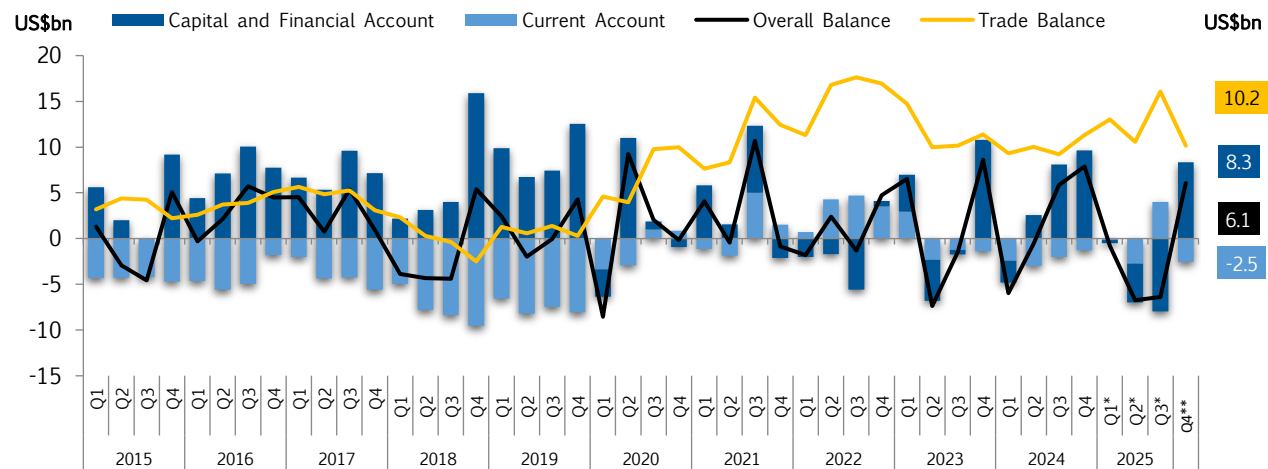




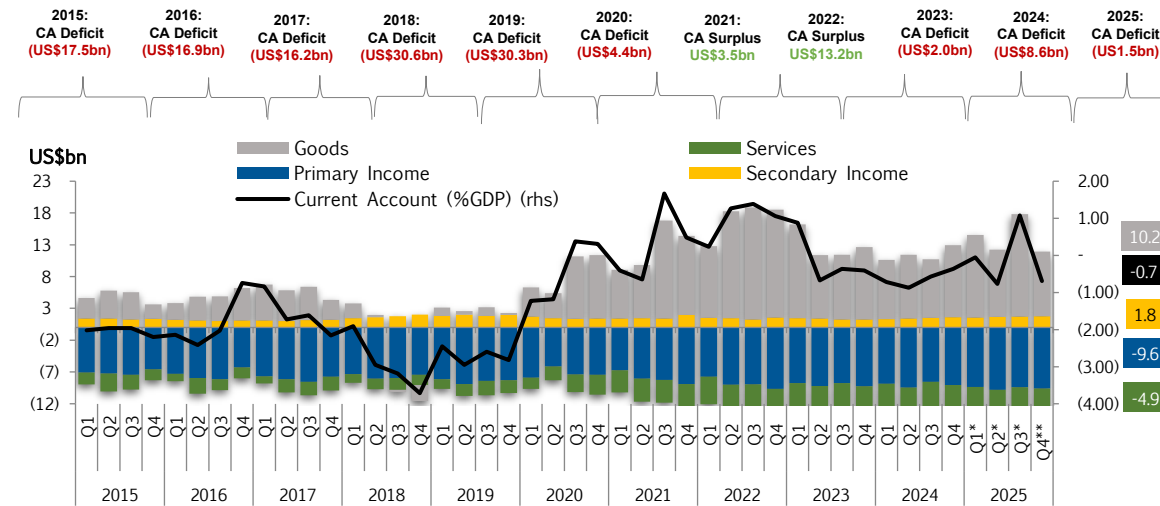
# External Sector Remains Sound Amid Global Uncertainty

**Indonesia's external resilience remains strong, supported by a solid balance of payments, a low current account deficit, a persistent trade surplus, and rising foreign exchange reserves that continue to bolster macroeconomic stability.**

## Balance Of Payment Remains Solid

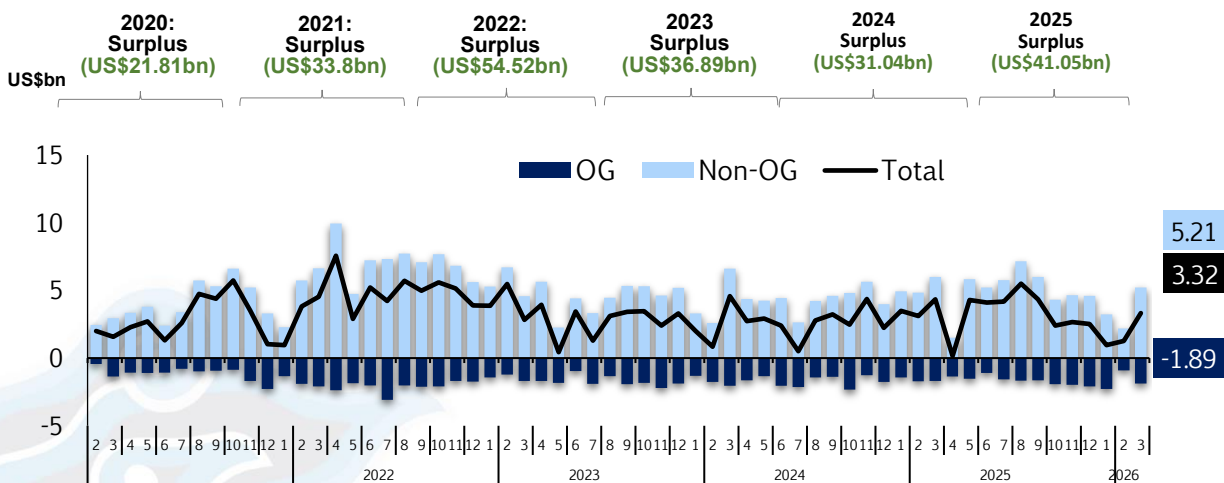


## Current Account Recorded Low Deficit



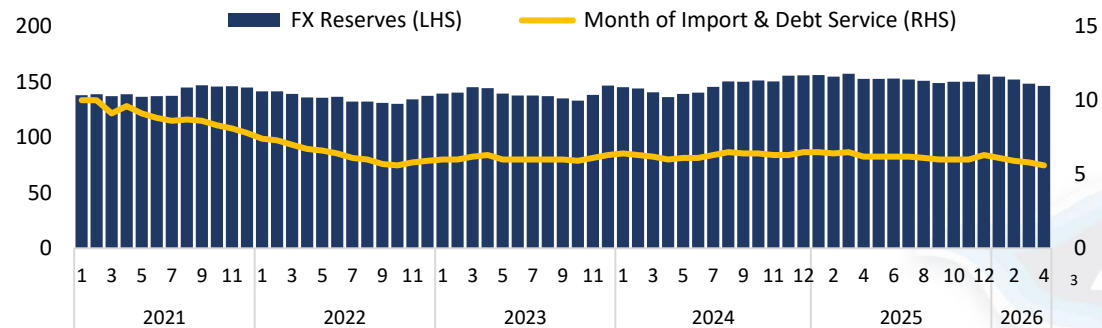
Source: Bank Indonesia

## Trade Balance Surplus Continues



## Official Reserve Assets Increased to Reinforce External Sector Resilience

**FX Reserves as of April 2026: US\$146.2bn**  
(Equiv. to 5.6 months of imports financing + servicing of government debt)



Source Central Bureau of Statistics of Indonesia

\* Preliminary Figure

\*\* Very Preliminary Figure

Source: Bank Indonesia



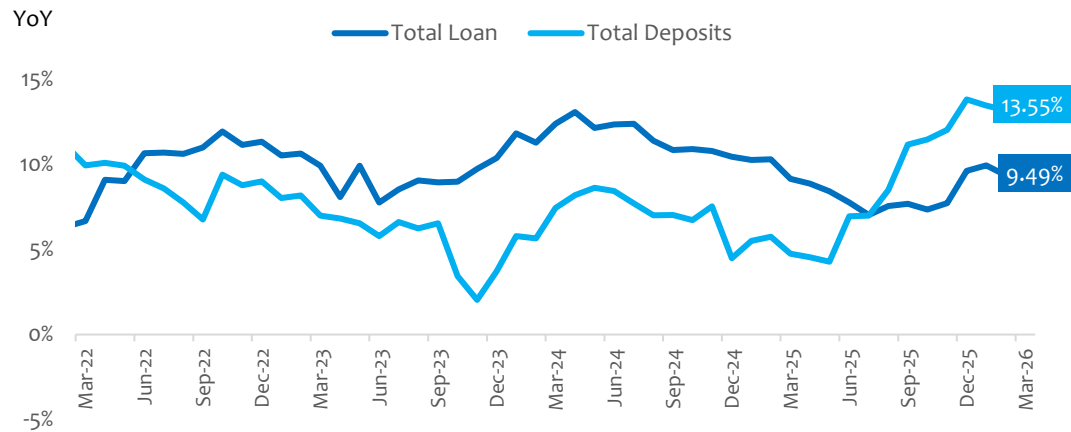
# Banking Intermediation

**Amid moderation in global economic performance, Indonesia's banking intermediation remained stable, supported by continued expansion in both credit and deposits.**

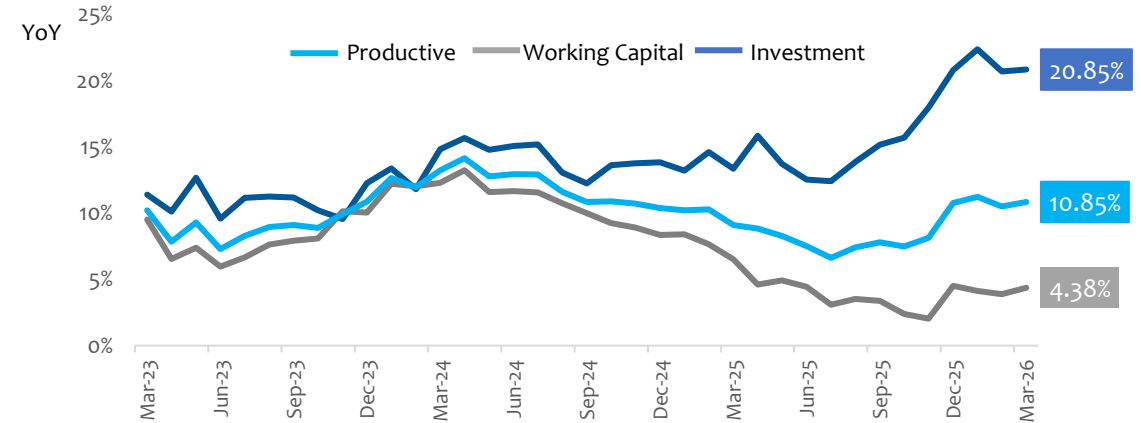
**The loan-to-deposit ratio (LDR) also remained within the prudent range of 78%–92%.**



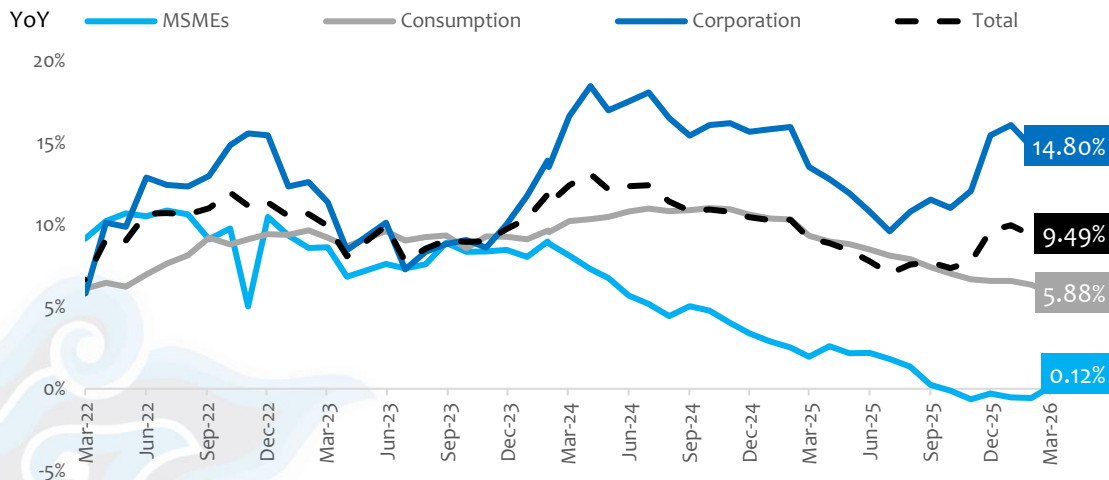
As of **March 2026**, bank loans continued to grow at a solid pace of **9.49% (yoy)**, while deposits maintained double-digit growth at **13.55% (yoy)**.



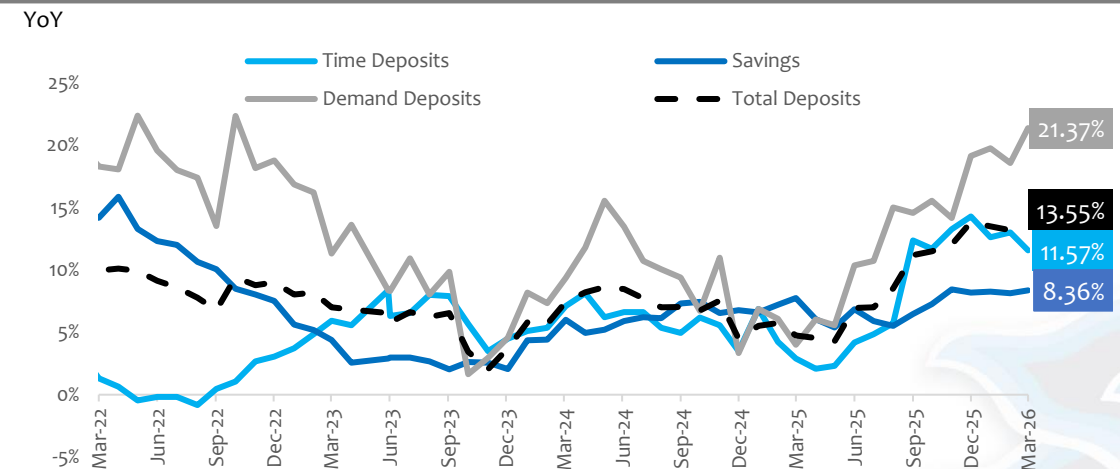
The improvement in loan growth was driven by continued expansion in productive lending, especially **investment loans, which rose to 20.85% (yoy)**.



Across borrower segments, loan growth was primarily supported by **corporate lending, which remained strong at 14.8% (yoy)**. While, **MSME loans returned to positive growth at 0.12% (yoy)**, indicating a gradual recovery momentum.



In **March 2026**, deposits grew at a higher rate of **13.55% (yoy)**, with demand deposits continuing to grow by **21.37% (yoy)**, followed by time deposits and savings, which grew by **11.57% and 8.36% (yoy)**, respectively.



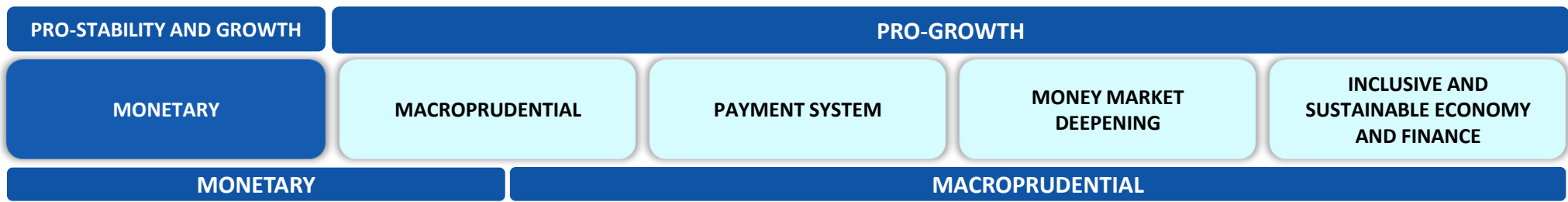


# Bank Indonesia Policy Mix Framework for Economic Resilience

Bank Indonesia's policy mix is calibrated to reinforce economic growth while maintaining stability through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



BI – Rate <sup>(1)</sup>	4.75%	➔
Deposit Facility (DF) rate <sup>(1)</sup>	3.75%	➔
Lending Facility (LF) rate <sup>(1)</sup>	5.50%	➔



The Bank Indonesia Board of Governors agreed on 21st-22nd April 2026 to hold the **BI-Rate at 4.75%**, **while also maintaining the Deposit Facility (DF) rate at 3.75% and the Lending Facility (LF) rate at 5.50%**.

- The effectiveness of monetary policy implementation to maintain Rupiah exchange rate stability and maintain inflation in 2026 and 2027 within the 2.5% ± 1% target range by:
  - strengthening Rupiah exchange rate stabilization through intervention in offshore NDF transactions as well as spot and DNDF transactions in the domestic market,
  - strengthening the interest rate structure of pro-market monetary instruments to continue attracting foreign portfolio investment inflows to domestic financial assets to support Rupiah stability, and
  - maintaining primary money growth above 10%, consistent with monetary expansion, to ensure adequate liquidity in the money market and banking industry, including through measured secondary-market transactions of government securities (SBN).

- Enhancing the effectiveness of accommodative macroprudential policy by publishing the assessment of prime lending rate (PLR) transparency**, with a focus on interest rates based on priority sectors in accordance with the scope of KLM policy (Appendix 1) as well as strengthening synergy with the Government and other stakeholders to boost higher lending/financing through the Indonesian Intermediation Acceleration Program (PINISI).

## PAYMENT SYSTEM

- Strengthening the implementation of payment system digitalization measures in accordance with the Indonesia Payment System Blueprint (BSPI) 2030** to accelerate national digital economic and financial transformation by:
  - launching the Indonesia Digital Innovation Center (PIDI): Hackathon and Digdaya (Digital Talenta Berdaya dan Berkarya) and QRIS Cross-Border between Indonesia and China on 30th April 2026, and
  - synergizing the Capacity Building and Literacy Synergy Program (KATALIS) to accelerate and expand regional digitalization (P2DD) with PIDI-Hackathon-Digdaya by expanding the latest payment system innovations to enhance the efficiency of local government transactions.
- Strengthening measures to deepen the money and foreign exchange markets in accordance with the Money Market and Foreign Exchange Market Development Blueprint (BPPU) 2030** to support stability as well as national economic financing through:
  - exemptions on the restrictions against selling transactions of foreign currency NDF against the Rupiah in offshore markets for selected Primary Dealers that meet Bank Indonesia's requirements to support Rupiah exchange rate stability and domestic financial market deepening, and
  - the expansion of foreign exchange MO instruments with offshore spot and swap instruments in Chinese renminbi (CNH) against the Rupiah to support Rupiah exchange rate stability and expand trade and investment transactions using local currency transactions (LCT).



# Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of Rp 147.5 trillion in Q1 2026, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.



## Mineral (Total IDR 98.3 T)

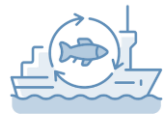
Nickel	Rp 41.5 T	Iron & Steel	Rp 13.7 T
Copper	Rp 20.7 T	Tin	Rp 2.5 T
Bauxite	Rp 17.0 T	Others	Rp 2.9 T*

\*) Others: Silica Sand, Gold, Silver, Cobalt, Manganese, Coal, Buton Asphalt, LTJ



## Oil & Natural Gas (Total Rp 17.6 T)

Petroleum	Rp 13.6 T
Natural Gas	Rp 4.1 T



## Marine and Fisheries (Total Rp 6.4 T)

Commodities in this sector include salt, fish (Tuna, Skipjack, Mackerel) , shrimp, seaweed, crab, and tilapia.



## Plantations & Forestry (Total Rp 29.8 T)

Palm Oil	Rp 18.3 T	Rubber	Rp 2.4 T
Logs	Rp 7.0 T	Others*	Rp 2.1 T*)

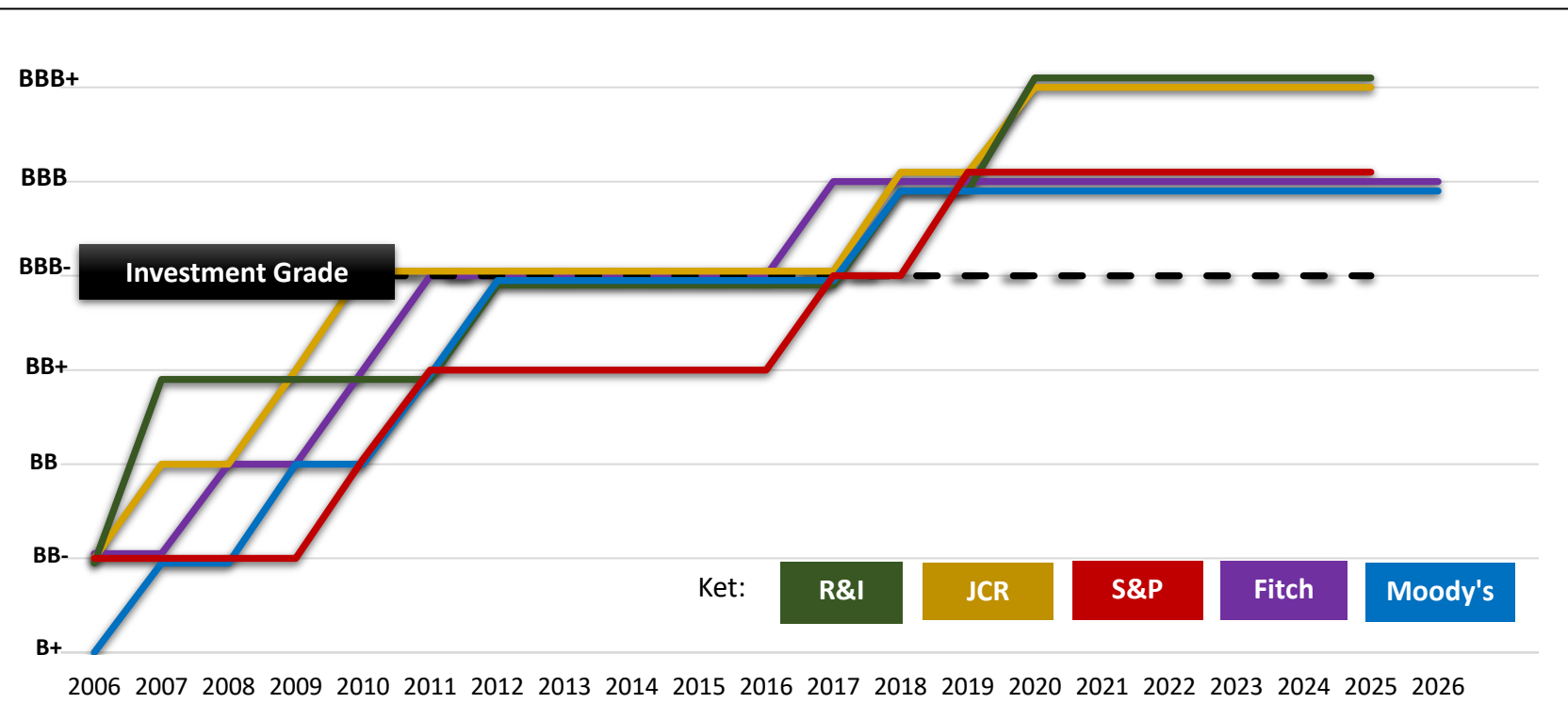
\*) Other : Nutmeg, Pine, Coconut, Cocoa, and Biofuel

Investment Realization of Downstream Industry Sectors

**Rp 147.5 Trillion** ▲ 8.1% (YoY)

29.6% of Total Investment Realization Q1 2026

# Affirmation on Indonesia's Sovereign Credit Rating



**Fitch Ratings** BBB / Negative

**March 2026, Rating Affirmed at BBB/Negative Outlook**

*The rating affirmation reflects Indonesia's record in maintaining macroeconomic stability, favourable medium-term growth, a modest government debt/GDP ratio and moderate external buffers. The outlook revision reflects increasing policy uncertainty and erosion of Indonesia's policy mix consistency and credibility amid growing centralisation of policymaking authority.*

**S&P Global** BBB / Stable

**July 2025, Rating Affirmed at BBB/Stable Outlook**

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

**R&I** BBB+ / Stable

**October 2025, Rating Affirmed at BBB+/Stable Outlook**

*Indonesia's economic fundamentals remain resilient, supported by demographic expansion, abundant natural resources and growing manufacturing sectors. The economy has been on a relatively stable trajectory, with the inflation rate kept in check. The government debt ratio remains at a low level, reflecting the government's fiscal policy in accordance with fiscal rules. R&I has a view that prudent fiscal and monetary policies have been maintained so far under the Prabowo administration.*

**JCR** BBB+ / Stable

**September 2025, Rating Affirmed at BBB+/Stable Outlook**

*The ratings mainly reflect the country's solid domestic demand-led economic growth and restrained public debt. On the other hand, they are constrained by its weak revenue base. The economy's real GDP growth in 2024 remained at around 5%, the same level as the previous year. JCR holds that the government debt-GDP ratio, which rose due to measures aimed to combat the pandemic, will be maintained at current levels amid the ongoing fiscal consolidation efforts through tax reforms and budget allocation revisions.*

**MOODY'S** Baa2 / Negative

**February 2026, Rating Affirmed at Baa2/Negative Outlook**

*The rating affirmation highlights Indonesia's economic resilience, supported by solid growth, structural strengths, and a track record of credible monetary and prudent fiscal policies that underpin macroeconomic and financial stability. The outlook revision reflects the assessment of rising risks to policy predictability, which have not yet materially affected credit fundamentals but could weigh on performance if prolonged.*



Section 2

# Macroeconomic

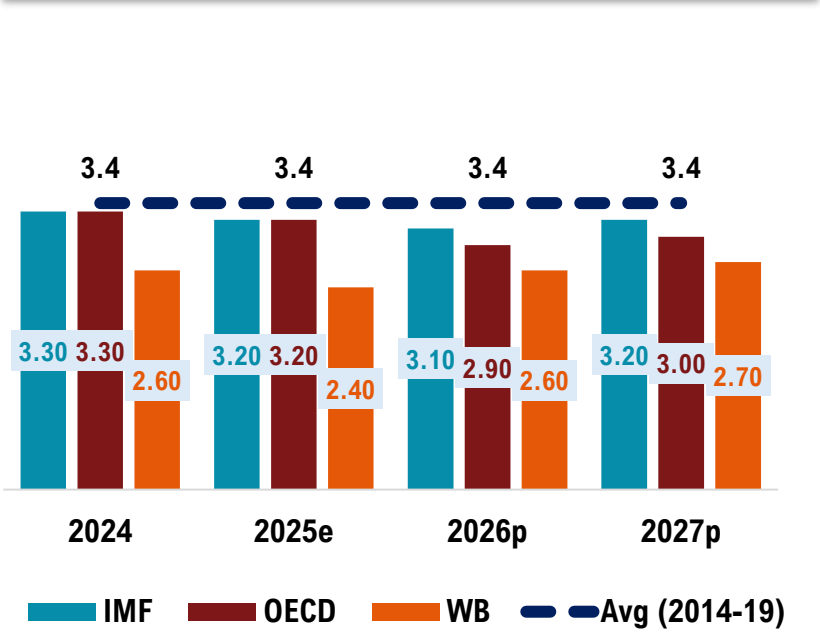
*“Promising Growth Prospects  
Supported by Continued Economic  
Recovery Momentum”*



# Indonesia's Projected Robust Resilience Amidst Evolving Global Dynamics

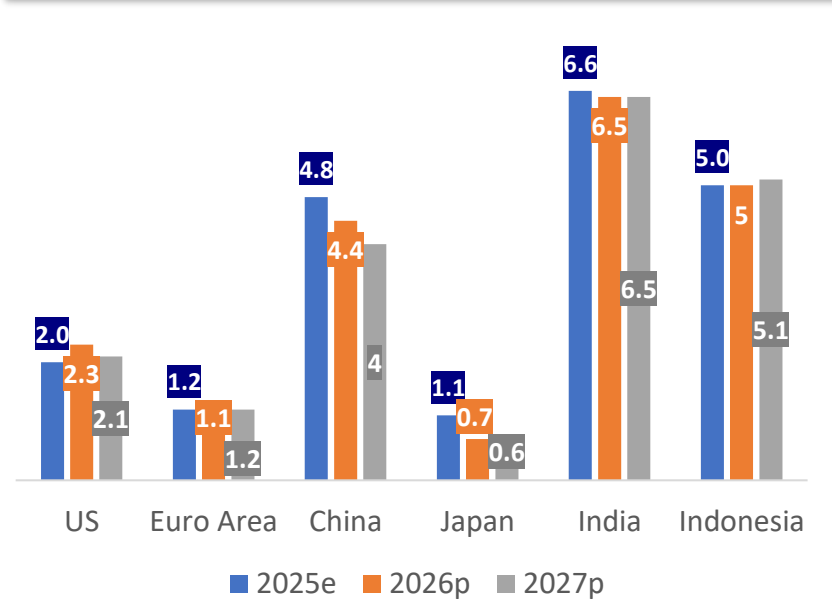
Indonesia continues to demonstrate superior economic resilience, maintaining a strong projected growth trajectory that consistently outperforms global and regional performance. While the global economy is projected to stabilize amid evolving structural dynamics and external challenges, Indonesia's solid fundamentals and strategic policy framework ensure a sustainable and resilient economic outlook through 2027.

### Global GDP Growth Projection (% YoY)



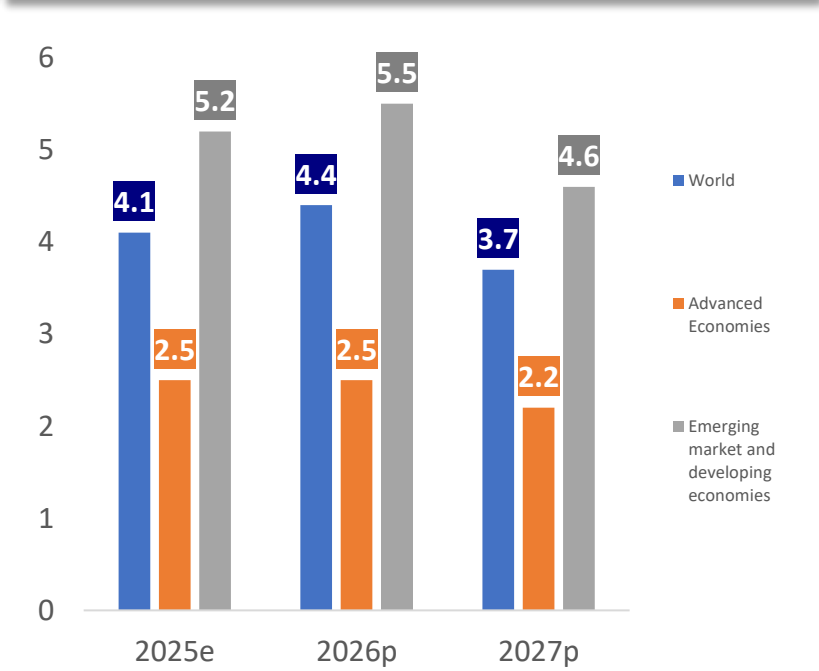
Source: GEP WB Jan'26, OECD Mar'26, WEO IMF Apr'26

### Estimated GDP Growth of Selected Country 2025-2027 (% YoY)



Source: WEO IMF Apr'26

### Global Inflation Projection (Average CPI) (% YoY)



Source: WEO IMF Apr '26

## DOWNSIDE RISKS

- Escalation of Geopolitical Tensions
- Reevaluation of Technology Expectations
- Escalating Trade Barriers & Policy Uncertainty
- Tighter Global Financial Conditions
- High Public & Private Debt
- Weak Domestic Demand in Key Economies

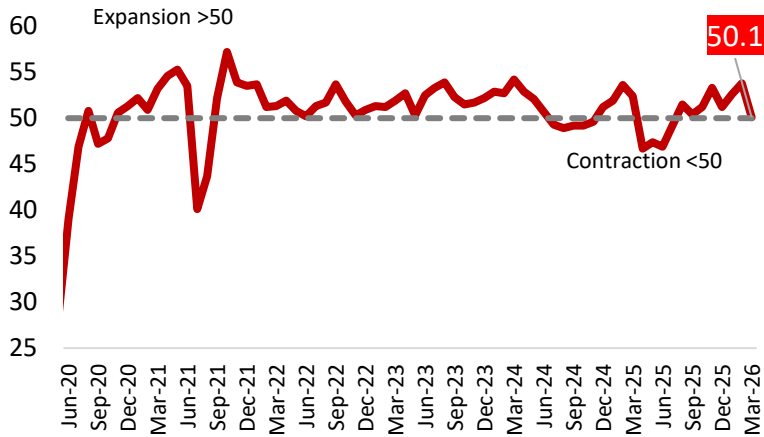
Source: WEO IMF Apr '26.

# Indonesia's Leading Indicators Sustain Strengthening Momentum for Q1-2026

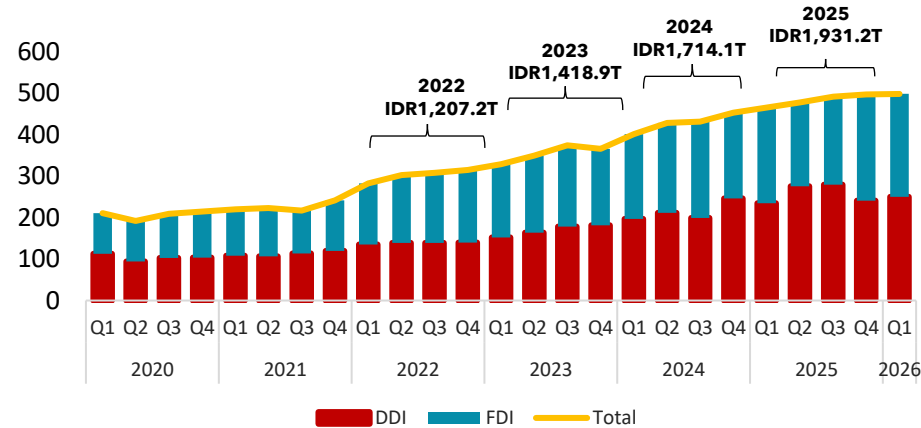


Indonesia's economic performance remains on a trajectory of solid growth as the progress through Q1-2026, anchored by a high Consumer Confidence Index of 122.9 and resilient Retail Sales growth. The manufacturing sector maintains its expansionary momentum with a PMI of 50.1, while Total Investment continues to show a strong upward trend. Supported by a consistent trade surplus and Foreign Exchange Reserves, Indonesia possesses a formidable financial buffer to navigate the shifting dynamics of the global economy.

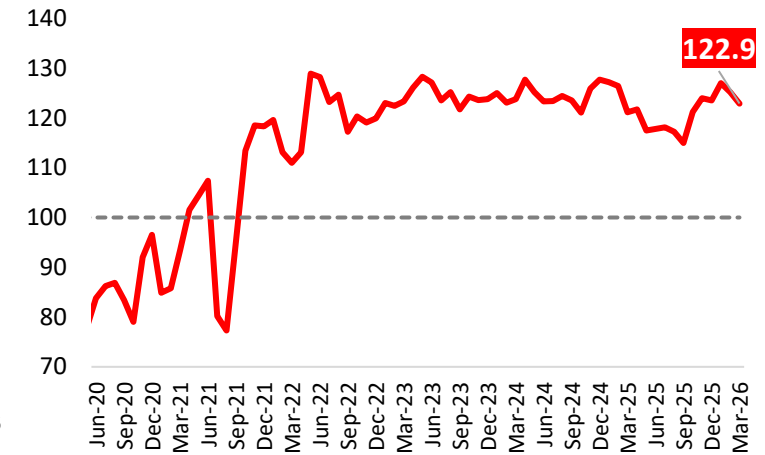
### Manufacturing PMI



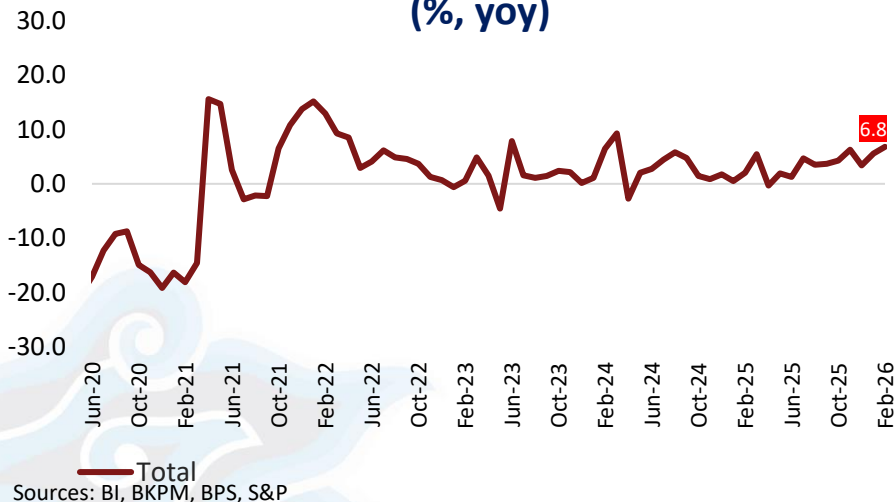
### Total Investment (IDR Tn)



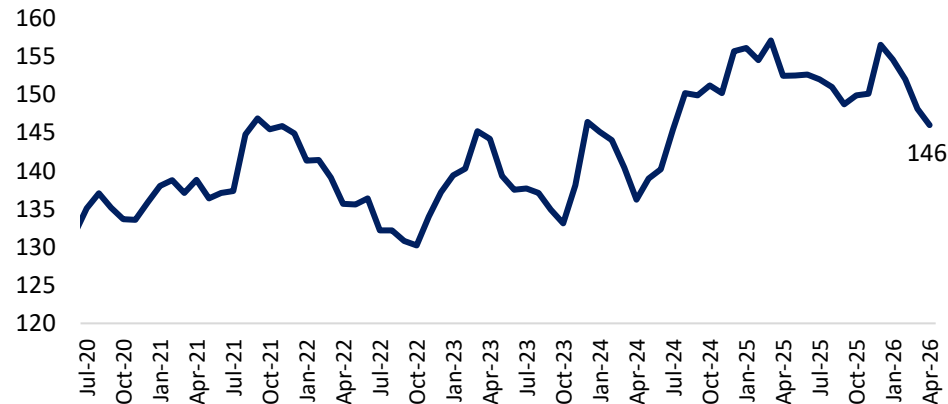
### Consumer Confidence Index



### Retail Sales (% yoy)



### Foreign Exchange Reserves (USD Bn)



Sources: BI, BKPM, BPS, S&P



# Indonesia Economic Growth Framework 2026

*Priority Sectors, Presidential Priority Programs, and Productivity Acceleration as Key Growth Drivers, aligned with Government Work Plan 2026 "Food and Energy Sovereignty, and Economic Transformation toward an Advanced Indonesia"*

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### Digital

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ECONOMIC GROWTH  
TARGET

5,4%

## PRESIDENTIAL PRIORITY PROGRAMS

Nutritious Meal Program (MBG) — Demand Creation & Human Capital Development

Red-and-White Cooperatives (KDKMP) — Investment & Local Competitiveness

3 Million Housing Program

## PRODUCTIVITY ACCELERATION

- Stronger labor–industry linkages (link & match initiatives)
- Improved ease of doing business
- Financial sector reform
- Expanded financing access for productive and export-oriented sectors

## FINANCING:

Foreign direct investment (FDI) and non-state budget financing through the Danantara

## SUPPORT:

Deregulation and bottleneck removal, Fiscal and monetary policy synergy, Financial sector stability

GROWTH POTENTIAL: 5,4% - 5,6%:

- Execution of strategic investment projects under Danantara
- Effective implementation of government priority programs



*The 2025 Economic Package is designed to accelerate growth and strengthen employment absorption. It also ensures policy continuity, with several key measures carried forward from previous years and extended into 2026*

## **8 Programs: “8 Accelerated Programs in 2025”**

- 1. Government Assistance for College Graduates Internship Program:** Ministry of Manpower data: 4,894 companies, 44 institutions, and 92,583 vacancies, for up to 100,000 1-year fresh graduates.
- 2. Government-borne Income Tax (PPH21) incentives for the tourism sector workers:** in the Oct-Dec 2025 Period: 552,000 workers.
- 3. Food Assistance program:** Distribution progress: Rice: 6,776.2 tons (1.85%) of the ceiling of 365,541 tons. Cooking oil: 1,355.3 KL (1.85%) of the ceiling of 73,108 KL.
- 4. Discount on Work Accident Insurance (JKK) and Death Insurance (JKM) Contributions:** for non-wage recipients in the transportation sector. Government Regulation (PP) draft is being prepared.
- 5. Additional Service Benefits – Housing Program of BPJS Ketenagakerjaan:** Revision of the Minister of Manpower Regulation is under discussion; harmonisation is ongoing at the Ministry of Law and Human Rights.
- 6. Program Padat Karya Tunai (Cash for Work):** Ministry of Transportation realization: 13,163 workers; and Ministry of Public Works realization: 197,972 workers.
- 7. Deregulation Program (PP28/2025):** Acceleration of RDTR Integration into OSS Additional digital RDTR integrated into OSS: target 100 new RDTR, with 17 RDTR realized to date.
- 8. Urban Program (Jakarta Pilot Project):** Program identification is underway in each ministry/agency and SOE.

## **4 Programs: Carried Forward to 2026**

- 1. Adjustment of the Utilization Period and Beneficiaries of 0.5% Final Income Tax for MSME Taxpayers until 2029**
- 2. Extension of Government-borne Income Tax (PPH 21) Incentives for Tourism Sector Workers and Labor-Intensive Industries (2026 budget)**
- 3. Extension of the VAT DTP for the housing sector: extended until 2027**
- 4. Extension and expansion of Discount on JKK and JKM Contributions for all Non-Wage Recipients (BPU)**

## **5 Programs: Employment Absorption**

- 1. Operasional for KDKMP (Koperasi Desa/ Kelurahan Merah Putih):** Ground-breaking has been carried out at 800 locations
- 2. Value Chain Strengthening for Strategic Plantation and Agricultural Commodities, and Post-Harvest Infrastructure**
- 3. Revitalisation of Northern Coast (Pantura) Shrimp Ponds, Integrated Shrimp Area in Waingapu, and Modernisation of Fishing Vessels**
- 4. Kampung Nelayan Merah Putih” Program Stage-2 ABT process is ongoing in 35 locations**
- 5. Fish Cultivation Development to support MBG in 500 districts/cities**



# Fiscal Incentives to Boost the Economy

*Fiscal incentives support investment, job creation, and industrial development, while alignment with the Global Minimum Tax ensures policy credibility and fiscal sustainability.*

## 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

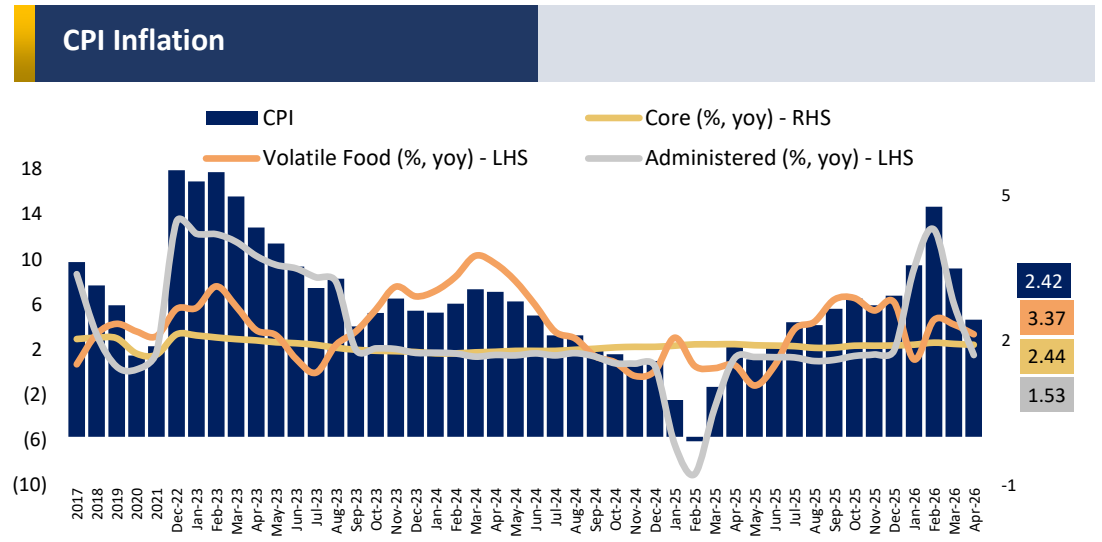
- Super Deduction for Vocational Activities
- ❑ Encourages industries to participate in vocational programs, facilitating knowledge transfer and skill development.
  - ❑ Maximum reduction of 200% in gross income for costs related to work practice, apprenticeships, and learning activities.
- R&D Super 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.

# Consumer Price Index (CPI) Inflation Remains Under Control



*Inflation remains manageable, supported by stable core inflation, easing volatile food prices, and strong policy coordination across national and regional inflation control teams.*

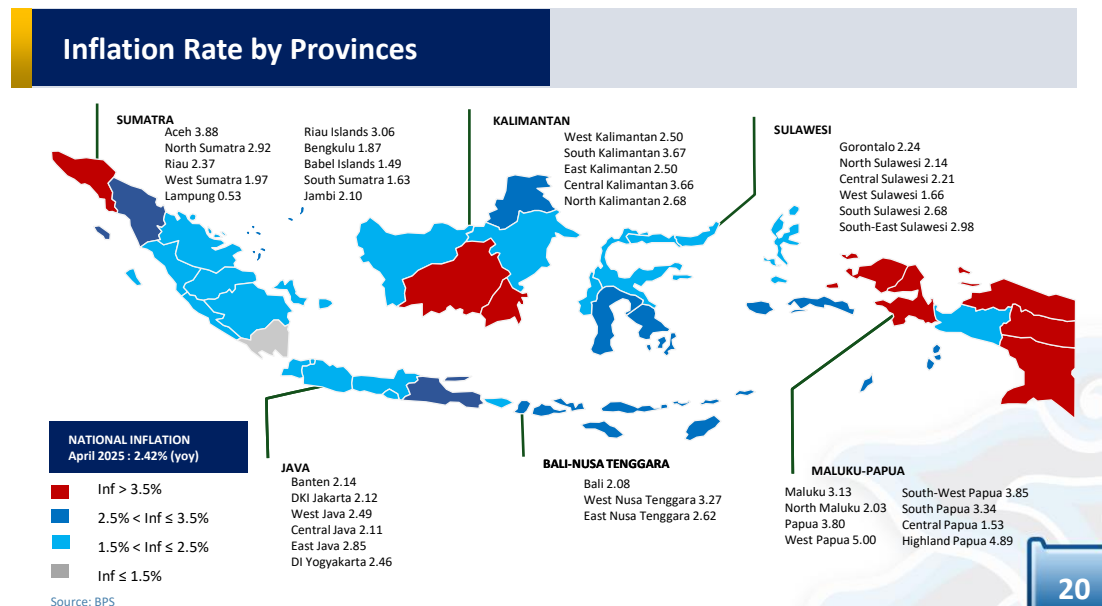
- Consumer Price Index (CPI) in April 2026 decreased to 2.42% (yoy), from 3.48% (yoy) in the previous month.**
  - Core inflation was recorded at 2.44% (yoy) in February 2026.
  - Volatile food (VF) inflation was recorded at 3.37% (yoy) in February 2026, down from 4.24% (yoy) in the previous month.
  - Administered prices (AP) inflation was recorded at 1.53% (yoy), lower than 6.08% (yoy) in February 2026.
- Bank Indonesia is confident that annual inflation in 2026 and 2027 will track a disinflationary trend and remain within the 2.5%±1% target corridor.** The projection is supported by monetary policy consistency and close inflation control synergy between Bank Indonesia and the (central and regional) Government within the Central and Regional Government Inflation Control Teams (TPIP and TPID), strengthening implementation of the National Food Security Program as well as the end of the base effect of low inflation recorded in January 2025 due to the discounted electricity tariffs introduced by the Government.



Source: BPS

## 2026 Inflation Projection

Institutions	Inflation (% yoy)
2026 Budget	2.5
Bank Indonesia	2.5%±1%
Consensus Forecast (April 2026) – average	3.2
IMF (April 2026) – end of period	3.0



Source: BPS

\*According to inflation data published by BPS-Statistics Indonesia based on the Cost-of-Living Survey (SBH) using 2022 as the new base year



# Synchronized Policies to Strengthen Inflation Controlling Efforts

*Synchronized monetary and fiscal policies, combined with targeted inflation control measures, are essential to maintain price stability and protect purchasing power. Through coordinated efforts in affordability, supply, distribution, and communication, Indonesia aims to keep inflation within the 2.5±1% target in 2026.*

## MONETARY POLICY

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

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



## FISCAL POLICY

### Optimization of State Budget as shock absorbers

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

## INFLATION CONTROL EFFORTS

K1

### Price Affordability



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

K2

### Supply Availability



- Strengthening Government Food Reserves (CPP)
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3

### Smooth Distribution



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

K4

### Effective Communication



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



CPI INFLATION  
2.5±1%

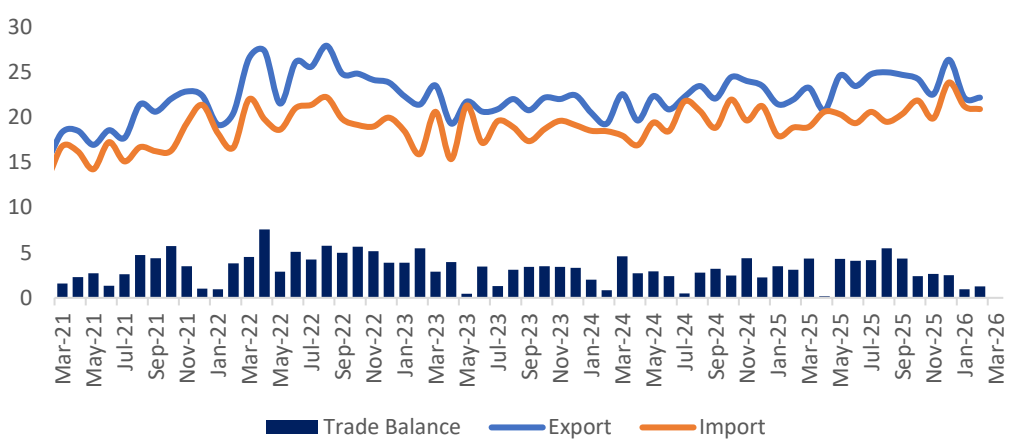
INFLATION 2026  
MAINTAIN WITHIN THE  
TARGET



# Task Force for Increasing National Exports to Strengthen Trade Balance

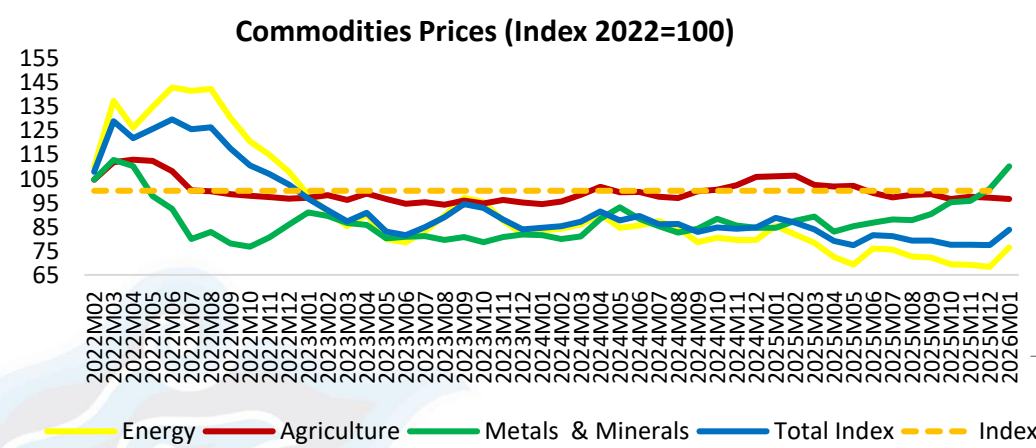
The government has established a task force to boost national exports to maintain export performance, strengthen the trade balance, and support economic growth. The initiative focuses on improving export industry productivity, expanding markets, simplifying processes, enhancing export financing, increasing MSME exports, and strengthening regulations while Indonesia continues to maintain a trade surplus for many consecutive months despite global uncertainty.

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



Source: BPS

### Commodities Prices Volatility



Source: World Bank

VISION



TARGET



WORKING GROUP



DRIVERS





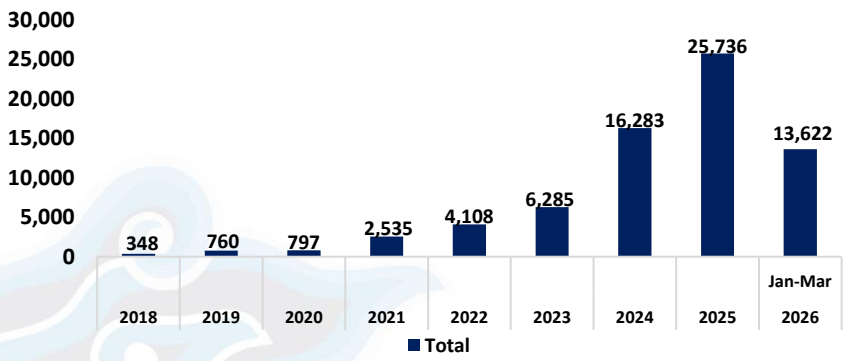
# Local Currency Transaction (LCT)

BI implemented the Local Currency Transaction Framework as an effort to improve market efficiency, to accelerate financial market development, and reduce exchange rate volatility...

## 1 LCT transaction is growing...

- a) 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.
- b) LCT Indonesia with Singapore and India is currently in the finalization stage of preparation.
- c) The total value of LCT throughout 2026 (Jan-Mar) reached the equivalent of USD 13.62 billion, representing a 155% (yoy) increase compared to transaction value in Jan-Mar of the previous year (eq. USD 5.34 billion)

## LCT transaction value (Eq. in Million USD)



Source: ACCD Banks' Report

## 2 ...by expanding line of business and participants...

Line of Business	Current Account, Capital Account, and Financial Account
Area of Cooperation	FX Market, Financial Market, and Cross-Border Payment
Expansion of Participants	a. LCT customer: Wholesale & retail b. ACCD* Banks, Payment Service Providers for Cross-Border Transaction, Portfolio Investment Company

\*Appointed Cross-Currency Dealer

## 3 ...as well as stronger strategic synergy with government agencies.



National Task Force on Local Currency Transaction



## Strategic Cooperation of National Task Force on Local Currency Transaction

- a) Trade and Direct Investment
- b) Banking and Financial Market
- c) Expansion usage of LCT and Cross-Border Payment



Section 3

# External Sectors

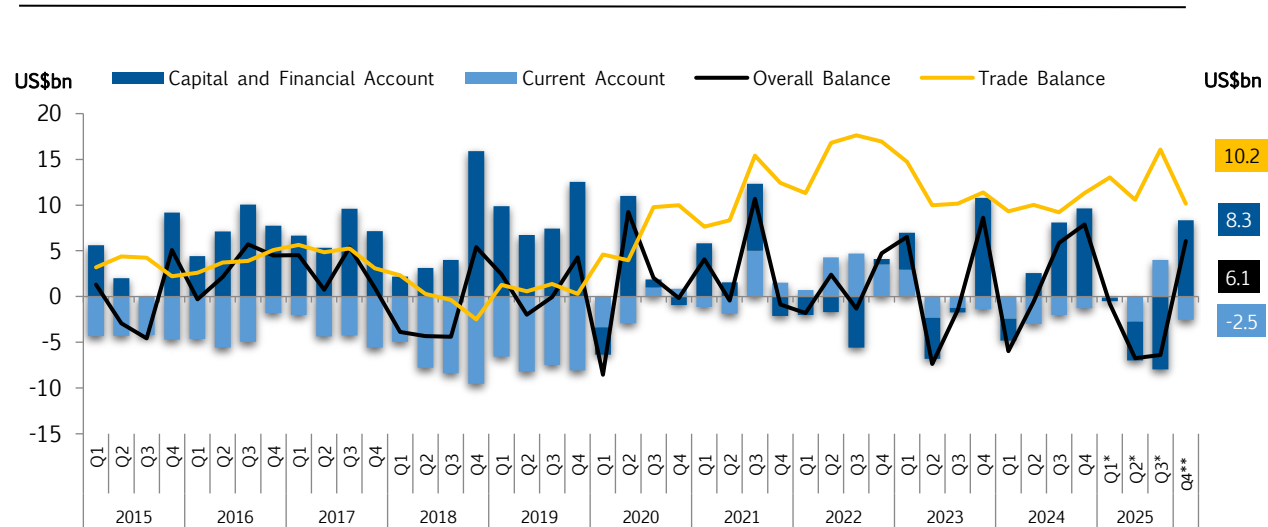
*“Strong External Resilience Supported by Sound  
Balance of Payments and High Reserves”*



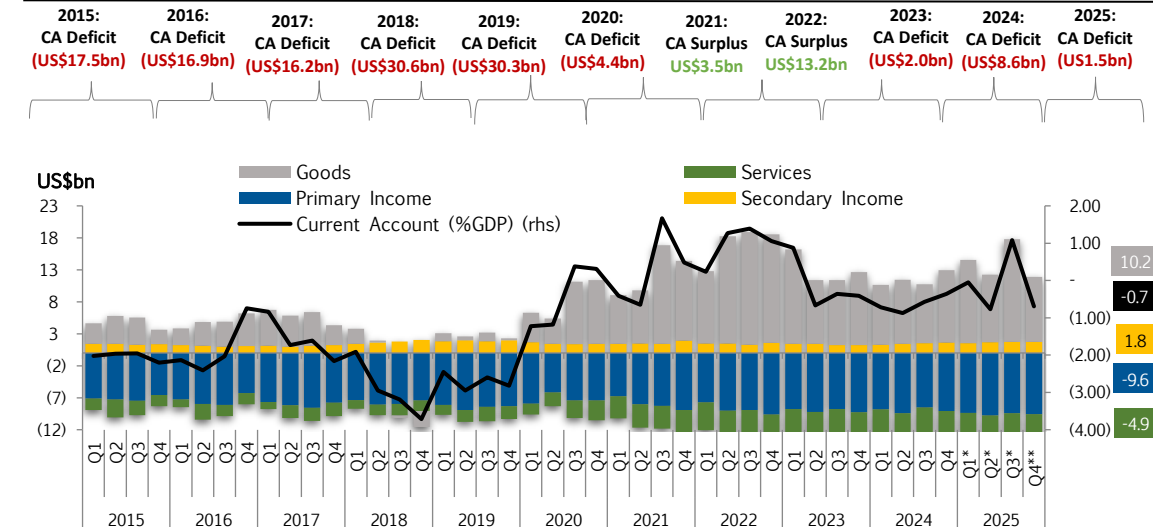
# External Sector Remains Sound Amid Global Uncertainty

**Indonesia's external resilience remains strong, supported by a solid balance of payments, a low current account deficit, a persistent trade surplus, and rising foreign exchange reserves that continue to bolster macroeconomic stability.**

## Balance Of Payment Remains Solid



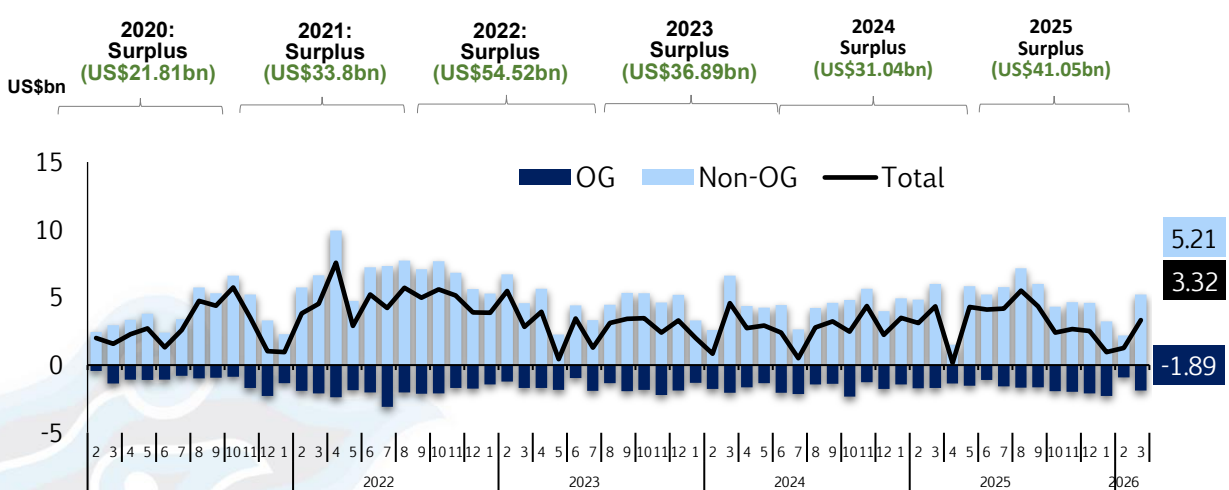
## Current Account Recorded Low Deficit



Year	CA Deficit	CA Deficit	CA Deficit	CA Deficit	CA Deficit	CA Deficit	CA Surplus	CA Surplus	CA Deficit	CA Deficit	CA Deficit
2015:	(US\$17.5bn)	(US\$16.9bn)	(US\$16.2bn)	(US\$30.6bn)	(US\$30.3bn)	(US\$4.4bn)	US\$3.5bn	US\$13.2bn	(US\$2.0bn)	(US\$8.6bn)	(US\$1.5bn)

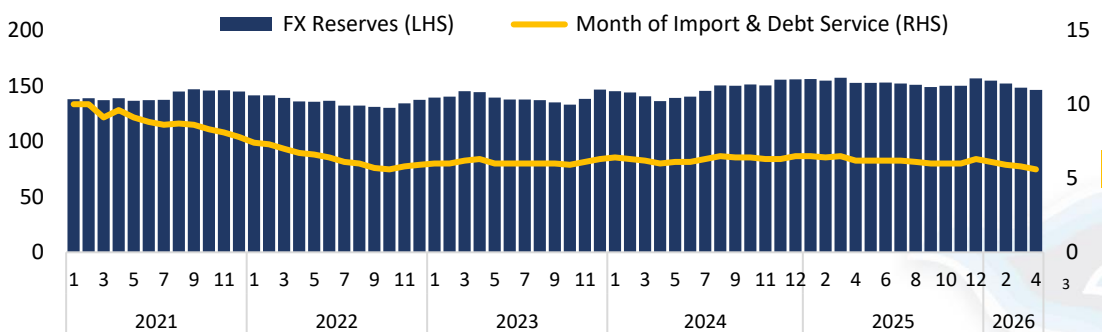
Source: Bank Indonesia

## Trade Balance Surplus Continues



## Official Reserve Assets Increased to Reinforce External Sector Resilience

**FX Reserves as of April 2026: US\$146.2bn**  
(Equiv. to 5.6 months of imports financing + servicing of government debt)



Source Central Bureau of Statistics of Indonesia

\* Preliminary Figure

\*\* Very Preliminary Figure

Source: Bank Indonesia

# Ample Lines of Defense Against External Shocks



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

## Ample Reserves

### FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of April 2026: **US\$146.2 bn**

## Swap Arrangement

### Bilateral

#### Japan

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

#### Singapore

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

#### China

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

#### Malaysia

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

#### Korea

- Renewed BCSA with the Republic of Korea amounting to KRW10.7 trillion or Rp115 trillion (equiv) for 5-years in March 2026

### Regional

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

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

### Global

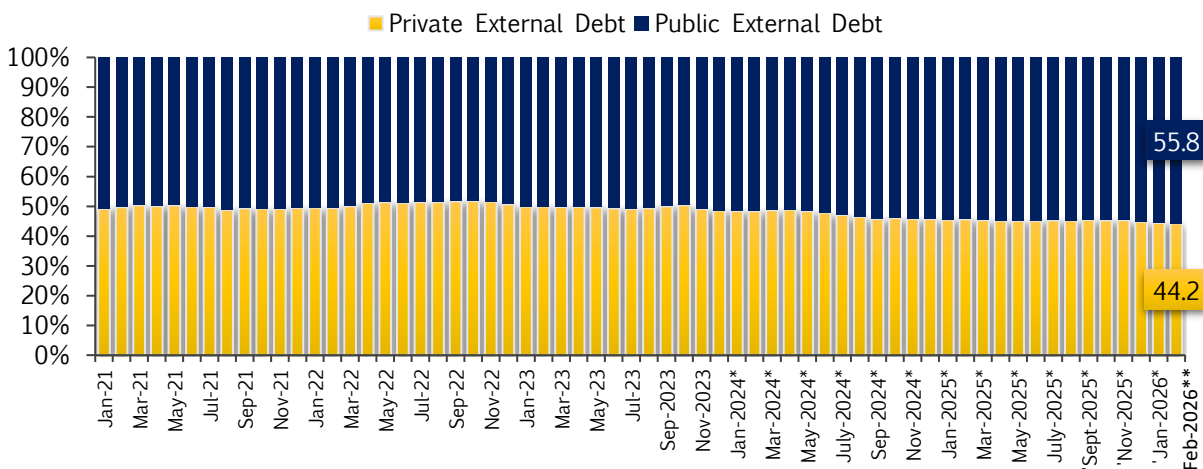
#### IMF Global Financial Safety Net - GSFN

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

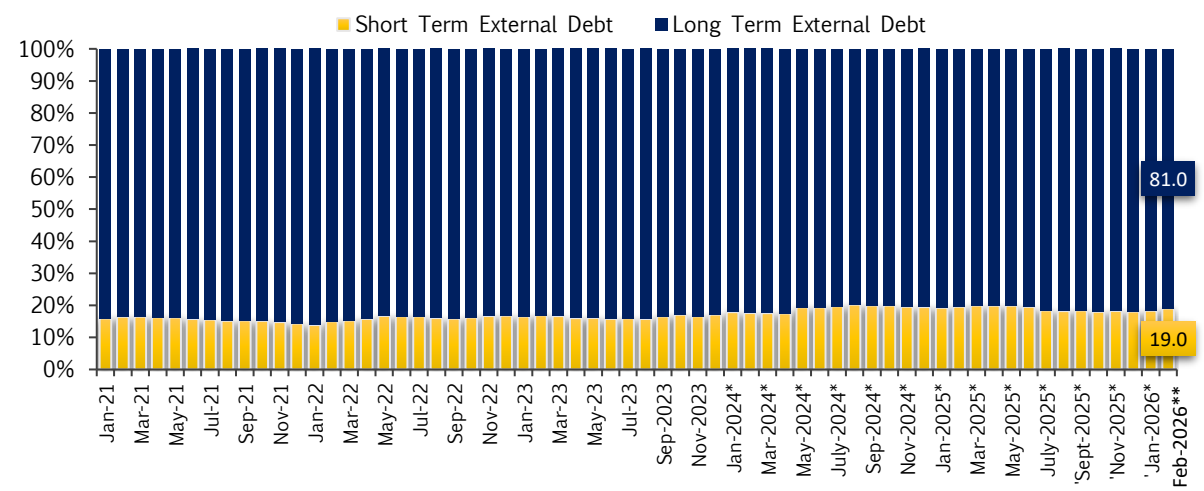


**Indonesia's external debt remains manageable, supported by a sound structure dominated by long-term debt, contained debt levels, and low debt ratios relative to GDP and exports.**

## External Debt Structure



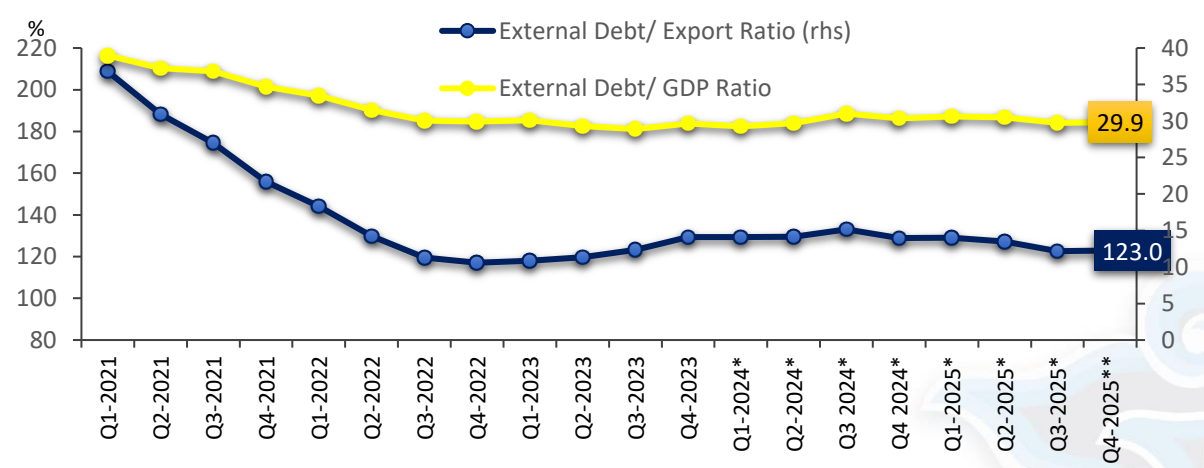
## The Structure of External Debt is Dominated by Long-Term Debt



## External Debt Remains Manageable



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



Source: Bank Indonesia, External Debt Statistics of Indonesia

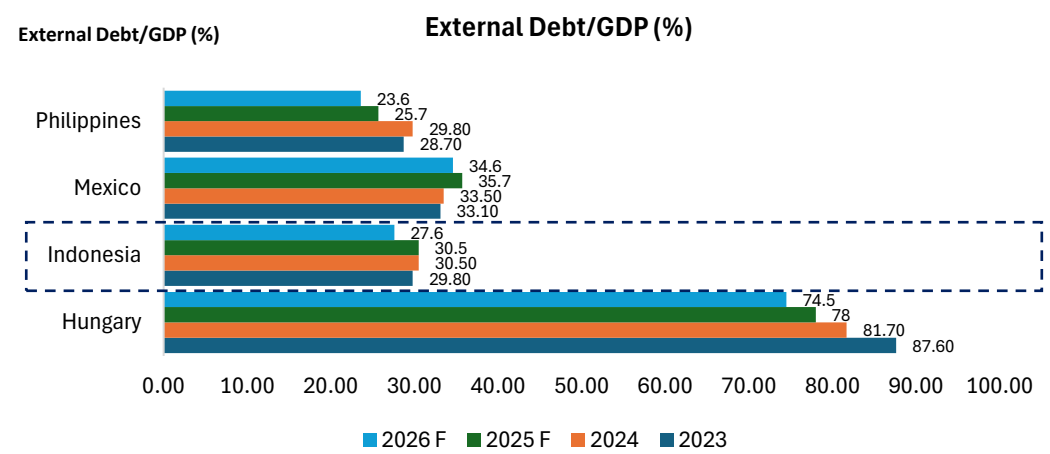
\*Provisional Figures    \*\*Very Provisional Figures



# Strengthened Private External Debt Risk Management

*Indonesia' Indonesia strengthens external stability through lower prudent private debt regulations and strong corporate compliance in hedging and liquidity requirements..*

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



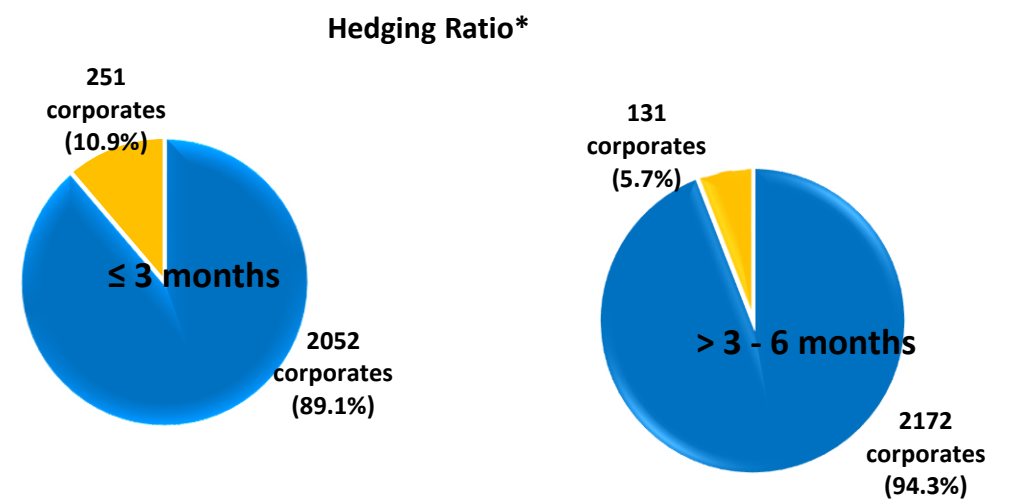
Source: Moody's Credit View Fundamental Data, Feb 2026

## Regulation on Prudential Principle in Managing External Debt

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

Source: Bank Indonesia

## Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio



\*Data as of Q3-2025, with total population 2,382 corporates  
Source: Bank Indonesia



## Section 4

# Fiscal

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

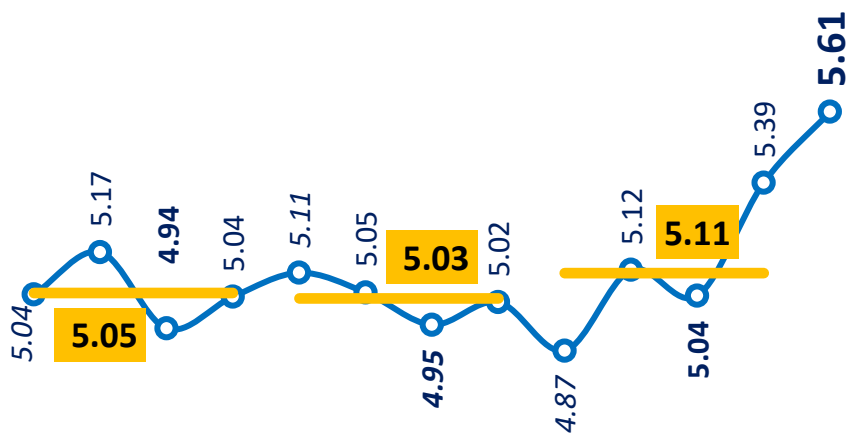


# Indonesia's Economy Grew Strongly By 5.61% (YoY) in Q1 2026

Acceleration of Government spending through priority expenditures contributed to the increase in household consumption and investment, as well as activities in the manufacturing, trade, agriculture, construction, and food-beverage accommodation sectors.

## Economic Growth (% YoY)

Source: Statistics Indonesia



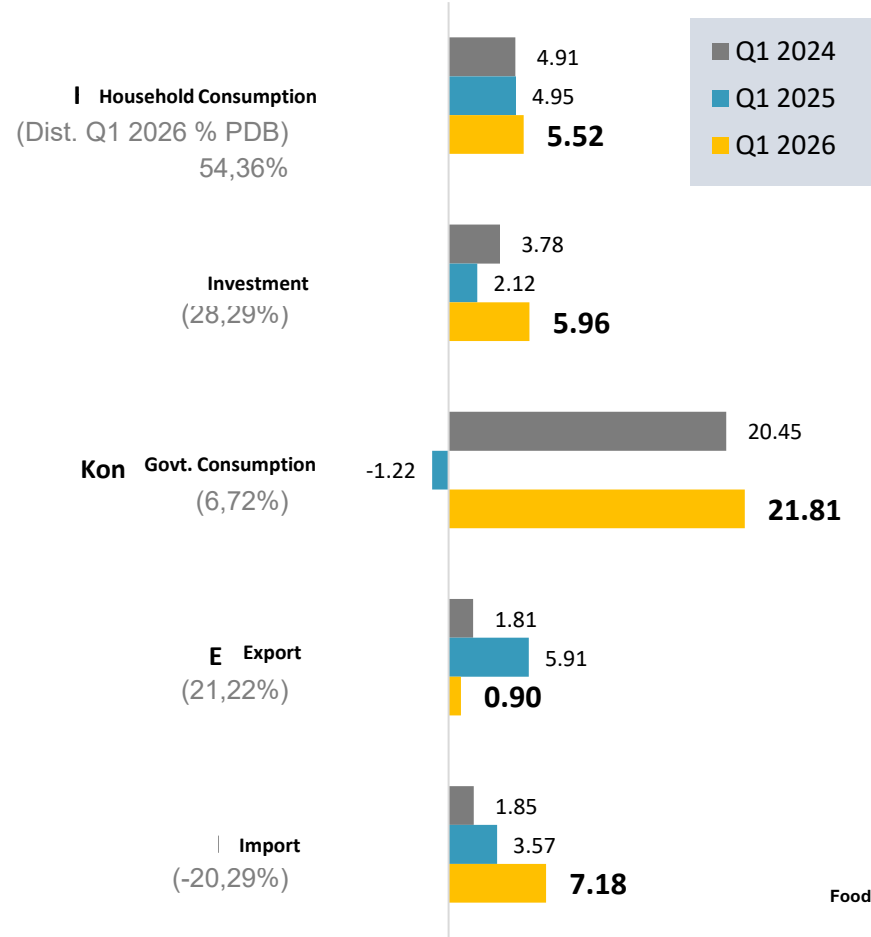
On the Demand side, economic activity was mainly driven by accelerated **Government spending**, along with rising **Household Consumption and Investment**. Investment was further supported by the acceleration of various Danantara projects.

On the Supply side, increased activity in the **Manufacturing, Trade, Agriculture, Construction, and Food-Beverage Accommodation** sectors helped meet domestic and external demand, while also supporting the implementation of Government priority programs

Year	Q1	Q2	Q3	Q4
2023	5.04	5.17	4.94	5.04
2024	5.11	5.05	5.03	5.02
2025	4.87	5.12	5.11	5.39
2026	5.61			

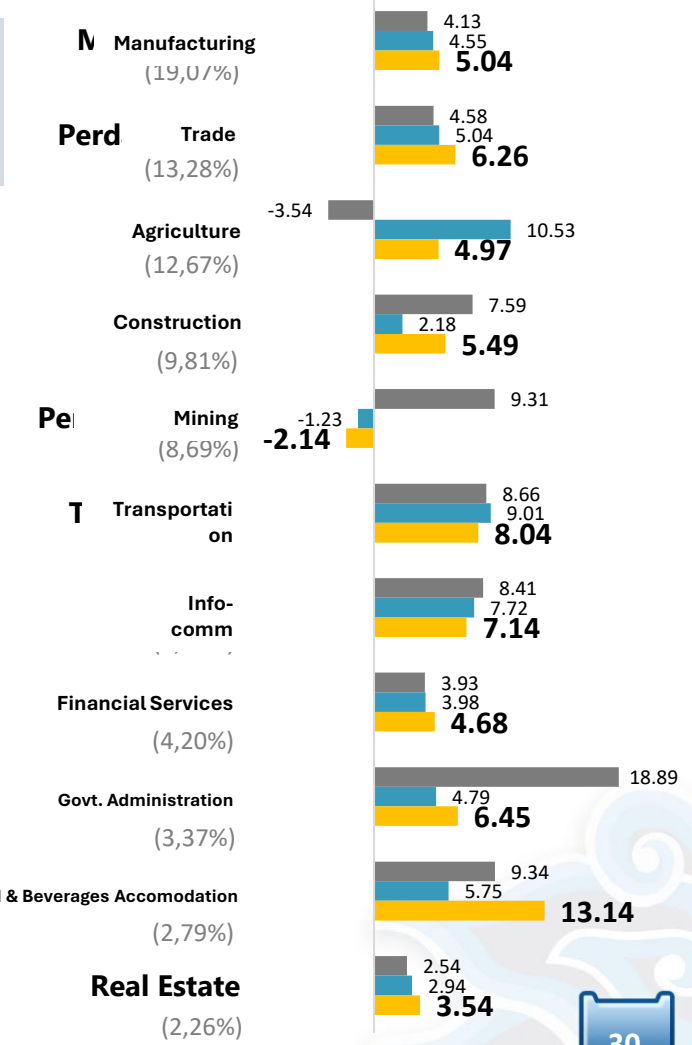
## GDP Growth : Expenditure (% YoY)

Source: Statistics Indonesia



## GDP Growth : Production (% YoY)

Source: Statistics Indonesia



# Budget Realization as of March 31, 2026



*Tax revenue increased strongly (growth: 20.7% yoy). State expenditure accelerated (growth: 31.4% yoy). Deficit remained under control. The State Budget (APBN) continues to be directed towards supporting domestic economic growth*

Description (in trillion rupiah)	2025				2026			
	Budget (APBN)	Real. as of Mar 31	% of Budget	Growth (%)	Budget (APBN)	Real. as of Mar 31	% of Budget	Growth (%)
<b>A. REVENUE</b>	<b>3.005,1</b>	<b>520,4</b>	<b>17,3</b>	<b>(17,5)</b>	<b>3.153,6</b>	<b>574,9</b>	<b>18,2</b>	<b>10,5</b>
I. Taxation Revenue	2.490,9	404,7	16,2	(14,5)	2.693,7	462,7	17,2	14,3
1. Tax Revenue	2.189,3	327,0	14,9	(18,8)	2.357,7	394,8	16,7	20,7
2. Customs & Excise	301,6	77,6	25,7	9,8	336,0	67,9	20,2	(12,6)
II. Non Tax Revenue	513,6	115,6	22,5	(26,3)	459,2	112,1	24,4	(3,0)
III. Grants	0,6	0,1	19,2	(72,5)	0,7	0,1	17,2	2,8
<b>B. EXPENDITURE</b>	<b>3.621,3</b>	<b>620,3</b>	<b>17,1</b>	<b>1,4</b>	<b>3.842,7</b>	<b>815,0</b>	<b>21,2</b>	<b>31,4</b>
I. Central Govt. Exp	2.701,4	413,2	15,3	(3,4)	3.149,7	610,3	19,4	47,7
1. Line Ministries	1.160,1	196,1	16,9	(11,8)	1.510,5	281,2	18,6	43,4
2. Non-Line Ministries	1.541,4	217,2	14,1	5,7	1.639,2	329,1	20,1	51,5
II. Transfers to Region	919,9	207,1	22,5	12,3	693,0	204,8	29,5	(1,1)
<b>C. PRIMARY BALANCE</b>	<b>(63,3)</b>	<b>21,9</b>	<b>(34,6)</b>	<b>(83,5)</b>	<b>(89,7)</b>	<b>(95,8)</b>	<b>106,8</b>	<b>(537,7)</b>
<b>D. SURPLUS/ (DEFICIT)</b>	<b>(616,2)</b>	<b>(99,8)</b>	<b>16,2</b>	<b>(632,2)</b>	<b>(689,1)</b>	<b>(240,1)</b>	<b>34,8</b>	<b>140,5</b>
<b>% GDP</b>	<b>(2,53)</b>	<b>(0,41)</b>			<b>(2,68)</b>	<b>(0,93)</b>		
<b>E. FINANCING</b>	<b>616,2</b>	<b>252,5</b>	<b>41,0</b>	<b>194,8</b>	<b>689,1</b>	<b>257,4</b>	<b>37,3</b>	<b>1,9</b>

**Revenue** **Rp574,9 T**  
▲ 10,5% (yoy)

**Spending** **Rp815,0 T**  
▲ 31,4% (yoy)

**Deficit** **Rp240,1 T**  
0,93% GDP








**Primary Balance Deficit** **Rp95,8 T**



# Macroeconomics Assumption and Development Indicators Target 2026

*Built on resilient economic fundamentals, the 2026 Budget demonstrates Indonesia's ability to balance growth objectives with fiscal discipline, ensuring macroeconomic stability.*

## Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2025 Budget	2025 Realization	2026 Budget
 <b>Economic Growth</b> (%)	5.2	5.04	5.4
 <b>Inflation</b> (%, yoy)	2.5	2.92	2.5
 <b>10Y T-Bonds Rate</b> (%, average)	7.0	6.01	6.9
 <b>Exchange rate</b> (IDR/US\$, average)	16,000	16,782	16,500
 <b>Oil Price/ICP</b> (USD/barrel, average)	82	67.95	70
 <b>Oil Lifting</b> (tbpd)	605	577.6	610
 <b>Lifting Gas</b> (tboepd)	1,005	965.5	984

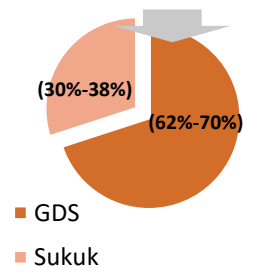
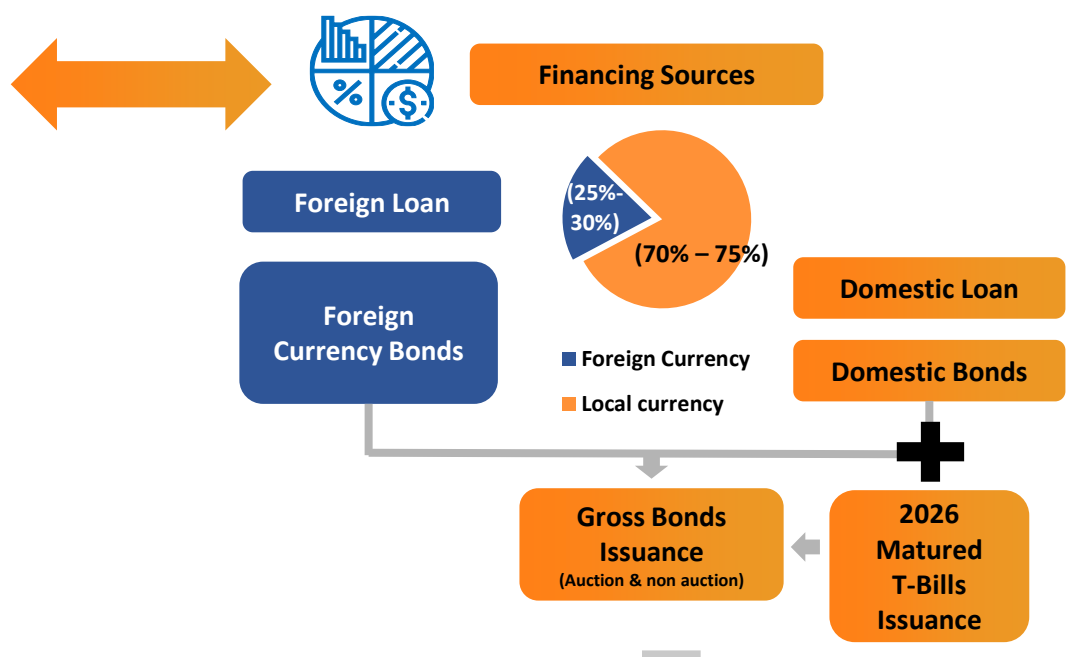
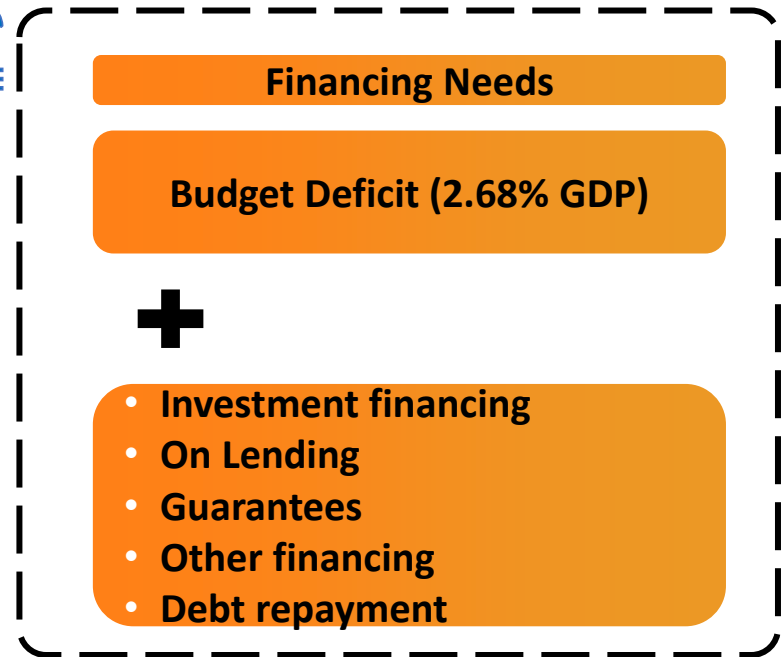
## The 2026 Budget Posture

	Budget
<b>A. Revenue</b>	<b>3,153.6</b>
I. Tax Revenue	2,693.7
1. Tax	2,357.7
2. Custom and Excise	336.0
II. Non-Tax Revenue	459.2
III. Grants	0.7
<b>B. Expenditure</b>	<b>3,842.7</b>
I. Central Government Expenditure	3,149.7
1. Line Ministries Expenditure	1,510.5
2. Non-Line-Ministries Expenditure	1,639.2
II. Transfer to Region	693.0
<b>C. Primary Balance</b>	<b>(89.7)</b>
<b>D. Surplus/(Deficit)</b>	<b>(689.1)</b>
<b>E. Financing</b>	<b>689.1</b>



# 2026 Debt Financing Needs And Sources

The 2026 financing strategy is built on diversification, flexibility, and manageable risk, ensuring sustainable funding through a proportional mix between domestic and global sources.



2026 GS Issuances	
Realization as of March 31 <sup>st</sup> (Trillion IDR)	
Government Debt Securities (SUN)	385.44
IDR Denominated	263.94
FX Denominated	121.50
Sovereign Sharia Securities (SBSN)	105.39
IDR Denominated	71.95
FX Denominated	33.44











# Tax Revenue Grew Strongly in Q1 2026



*Robust tax revenue growth was supported by stronger economic activity and improved Coretax implementation.*

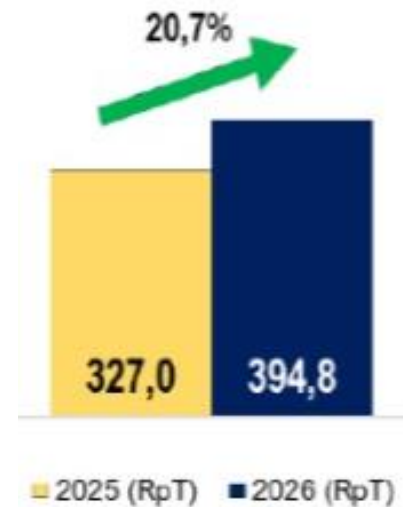
## Tax Revenue Realization – Q1 2026

**16,7% Budget 2026**

	<b>Corporate Income Tax</b>	<b>Rp43,4 T</b>		<b>5,4%</b>
	<b>Personal Income Tax</b>	<b>Rp61,3 T</b>		<b>15,8%</b>
	<b>Final Income Tax, Income Tax 22, &amp; Income Tax 26</b>	<b>Rp76,7 T</b>		<b>5,1%</b>
	<b>VAT &amp; Luxury Tax</b>	<b>Rp155,6 T</b>		<b>57,7%</b>
	<b>Others</b>	<b>Rp57,9 T</b>		<b>-5,7%</b>

Note: Nett realization

## Net Realization - Q1 2026



Strong tax revenue growth, particularly in VAT, Luxury Goods Sales Tax (PPnBM) and Income Tax, was driven by increased economic activity and improved implementation of Coretax.



# Customs and Excise Revenue Reached Rp67.9 T (20.2% of the 2026 State Budget)

Efforts within Customs and Excise are focused on law enforcement and increasing compliance.

## REALIZATION as of MARCH 2026

# Rp 67,9 T

20,2 % Budget ▼ **12,6%**



**Customs** Rp51,0 T ▼ **11,2%**

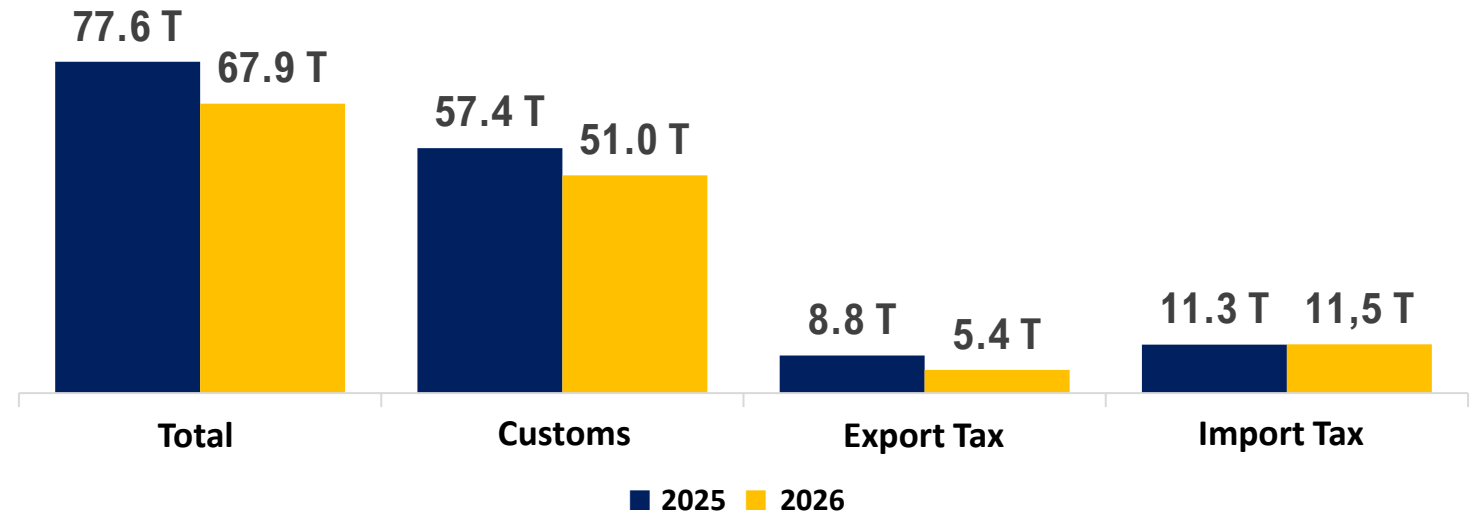


**Export Tax** Rp5,4 T ▼ **38,9%**



**Import Tax** Rp11,5 T ▲ **0,9%**

## Cumulative DGCE Revenue 2025 & 2026



### Details of Customs & Excise Revenue:

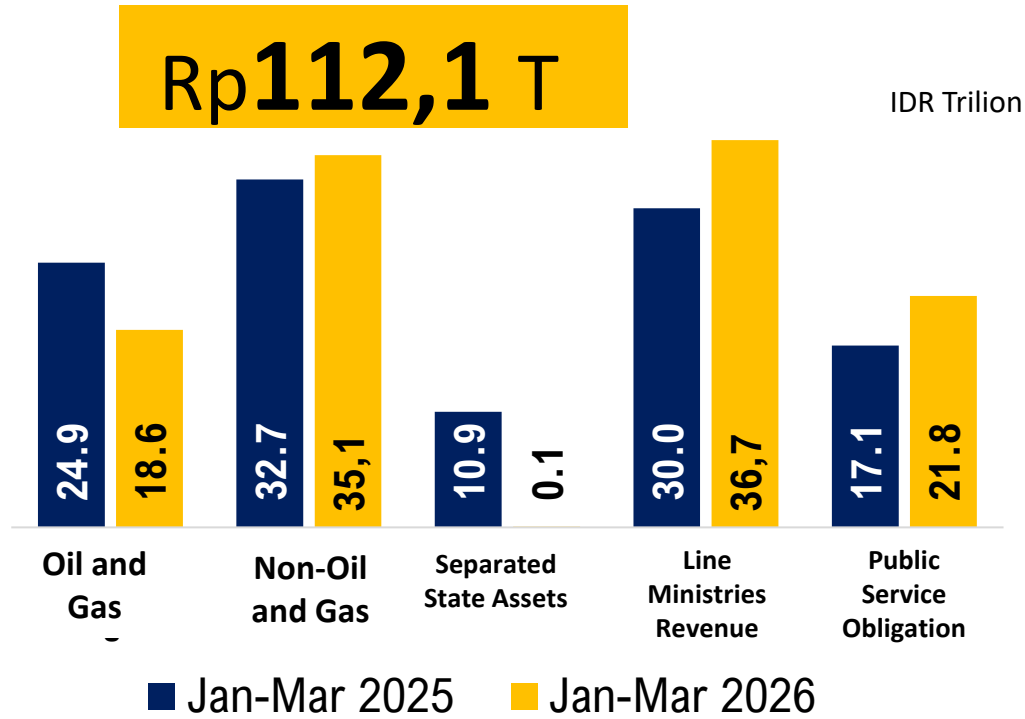
- Excise:** Rp51.0 T (20.9% of the State Budget target), contracted ▼ **11.2%** (yoy), influenced by **lower production** at the end of 2025 and the use of excise payment deferral facilities.
- Export Duties:** Rp5.4 T (12.7% of the State Budget target), contracted ▼ **38.9%** (yoy), affected by the decline in **CPO prices** which reduced the calculation of the effective **CPO** export duty rate per ton.
- Import Duties:** Rp11.5 T (22.9% of the State Budget target), grew ▲ **0.9%** (yoy), driven by **higher import values** and the **USD exchange rate**, despite increased utilization of FTAs.



# Non-Tax State Revenue

*The Realization Remain vigilant of the impact of the Middle East conflict, which creates uncertainty in commodity prices*

As of 31 March 2026:



1. Non-Tax State Revenue (PNBP) realization up to March 31, 2026 **contracted by 3.0% (yoy)**, but excluding KND, PNBP grew by **7.0% (yoy)**.
2. **Oil & gas natural resource PNBP contracted by 25.4% (yoy)** due to declining ICP and crude oil lifting, as well as policy changes in profit-sharing splits (despite currency depreciation). **The average ICP during Dec '25 – Feb '26 contracted by 10.3% (yoy)**.
3. Improved performance of non-oil & gas natural resource PNBP **grew by 7.1% (yoy)**, driven by the upward trend in commodity prices (gold up 73%, copper up 40%, and nickel up 9%).
4. PNBP from Ministries/Agencies (KL) **grew by 22% (yoy)**, mainly due to increased service volumes and law enforcement.
5. Public Service Agency (BLU) revenue **grew by 27.3% (yoy)**, primarily due to higher export levy rates on palm oil (CPO) and its derivatives.
6. **KND revenue declined** due to the non-recurrence of dividend deposits from state-owned banking enterprises.





# Central Government Expenditure

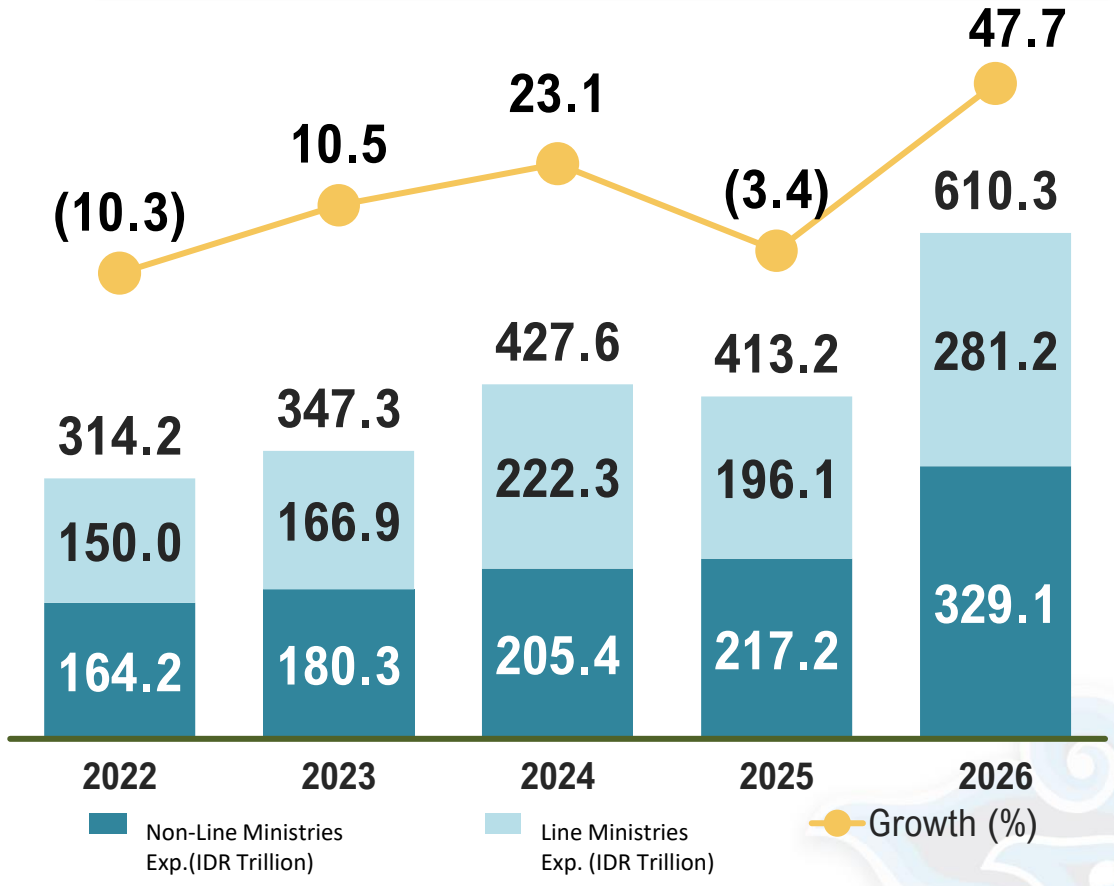
Realization up to 31 March 2026 Rp610.3 trillion (19.4% of State Budget), ▲ 47.7% (yoy)

Expenditure is mainly driven by social assistance programs, salaries and holiday allowances, as well as pension payments, subsidies, and energy compensation.

As of 31 March 2026

Central Government Expenditure	Realization as of Mar 2025	Budget 2026	Realization as of Mar 2026
Line Ministries Exp.	196,1	1.510,5	281,2
a.o Social Spending	38,9	162,5	37,5
Non-Line Ministries Exp.	217,2	1.639,2	329,1
a.o Subsidy	32,4	318,9	52,2
<b>TOTAL</b>	<b>413,2</b>	<b>3.149,7</b>	<b>610,3</b>

### Central Govt Expenditure Realization, 2022 – 2026 (IDR trillion)



**Central Government Expenditure was influenced by:**

- **Ministries/Agencies (K/L) expenditure Rp281.2 trillion** (18.6% of State Budget), among others influenced by implementation of MBG and distribution of Social Assistance (PBI JKN, Staple Food Card, PKH, and KIP College) as well as salaries and holiday allowances (THR).
- **Non-Ministries/Agencies expenditure Rp329.1 trillion** (20.1% of State Budget), among others influenced by pension benefit payments, subsidies, fuel and electricity compensation.

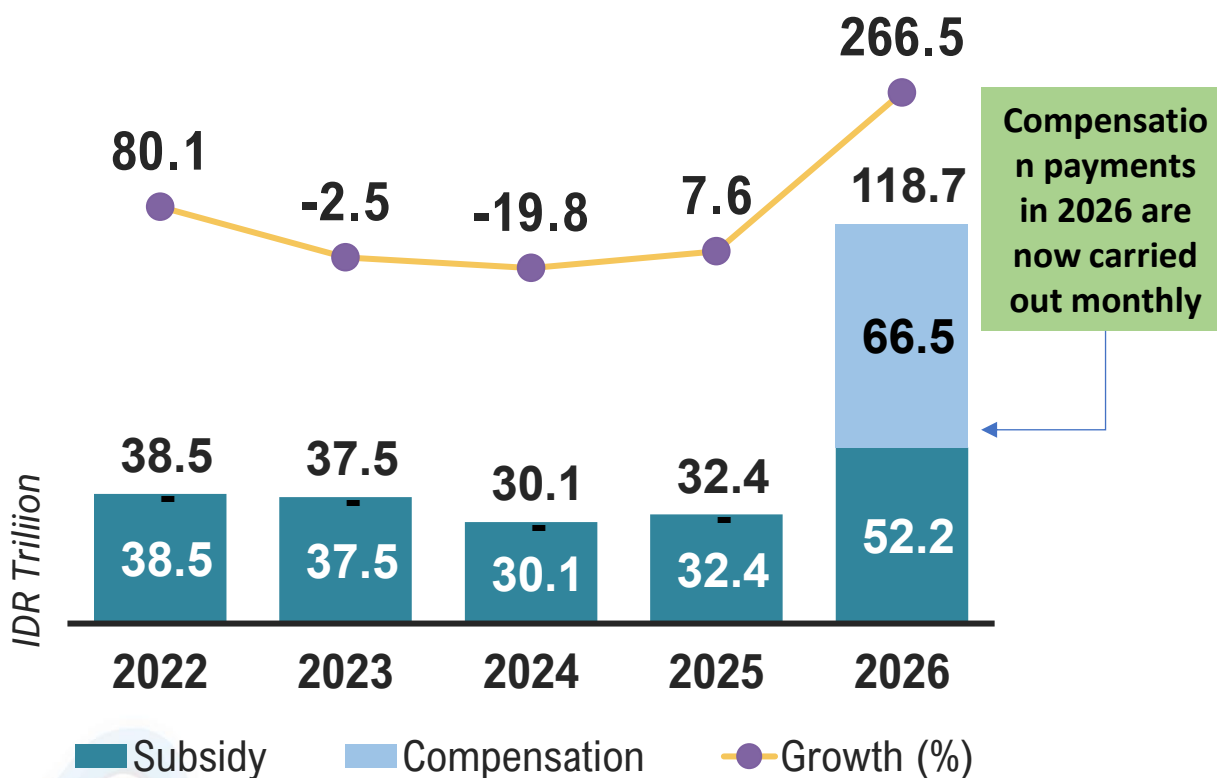
# Government Subsidy and Compensation Expenditure



The state budget acts as a shock absorber amid global energy price volatility, safeguarding household purchasing power

As of 31 March 2026

**Subsidy & Compensation Rp118,7 T (26,6% thd APBN)**



- Realization of subsidies and compensation is influenced by fluctuations in ICP, depreciation of the Rupiah exchange rate, and increased volumes of fuel, LPG, and electricity.
- Oil price volatility, driven by global geopolitical dynamics, can raise energy subsidy realization. Indonesia already has experience in facing such conditions, including during the energy price surge in the Russia–Ukraine conflict in 2022.

The Government ensures the availability of goods at subsidized prices.

Types of subsidized goods	2025	2026	
	Realization	Realization	Growth (%)
Fuel (thousand kiloliters)	2.906,7	3.173,6	▲9,2%
3 Kg LPG (million kg)	1.368,0	1.419,5	▲3,8%
Subsidized Electricity (million customers)	41,9	42,9	▲2,4%
Fertilizer (million tons)	1,7	1,9	▲13,6%
KUR Debtors (million debtors)	1,0	1,1	▲8,9%



The government focused on improving payment mechanism for fertilizer subsidy.

The Government ensures that MBG spending is more efficient.

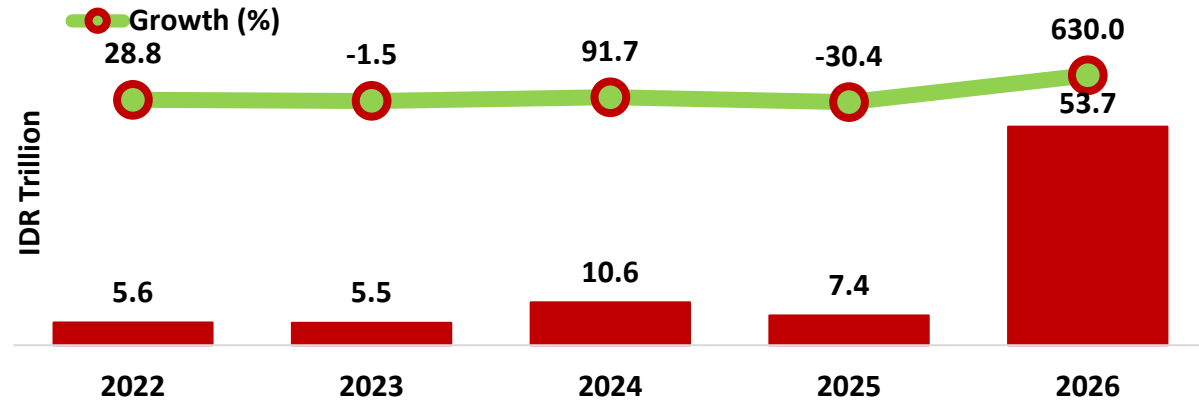
**Rp53,7 T (25,5% APBN Rp210,4 T)**

As of 31 March 2026

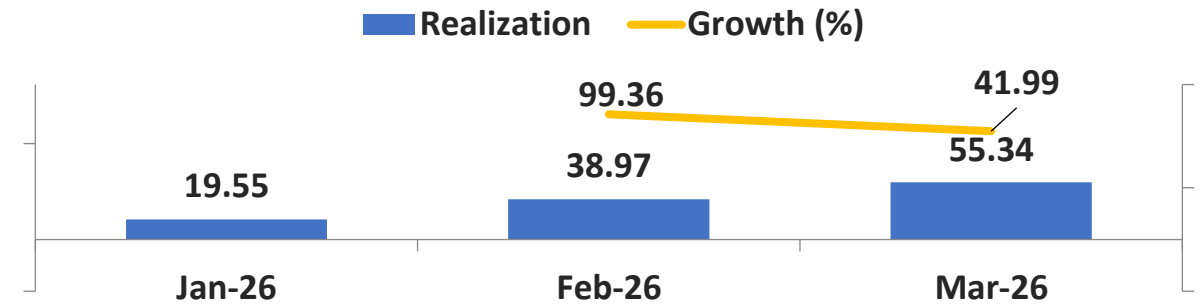
Realization as of 31 Maret

**Rp55,34 T (16,5% APBN Rp335 T)**

### 31 March 2022-2026 Realization



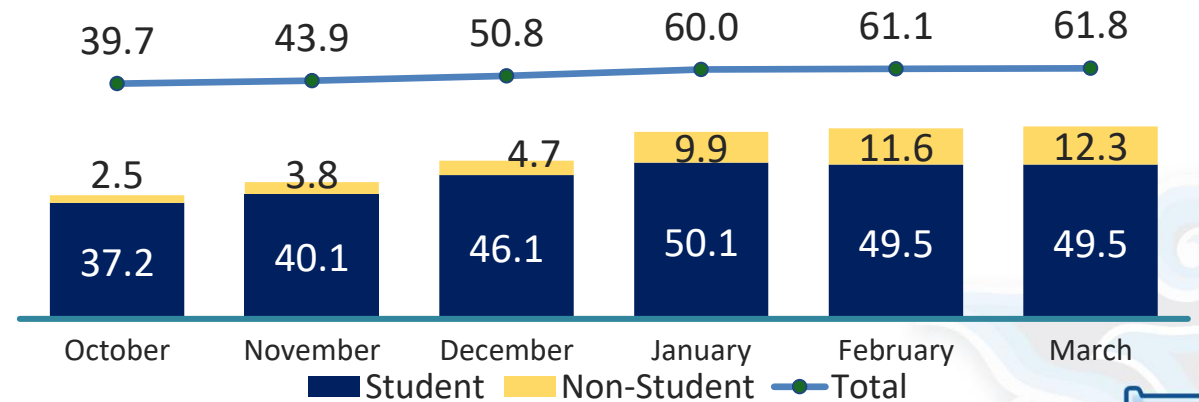
### Realization (IDR Trillion, as of 31 March 2026)



Realization up to 31 March 2026 Rp53.7 trillion through:

- Ministries/Agencies (K/L) expenditure Rp5.9 T
- Fertilizer subsidy Rp25.1 T
- Bulog Rp22.7 T

**61,8 million beneficiaries, 26.362 SPPG**



- Investment to BULOG supports purchases of rice, unhusked rice, and corn from farmers.
- As of 31 March 2026, absorption has been used for 12.0 thousand tons of rice, 2.6 million tons of unhusked rice, and 1.8 million tons of corn from farmers.

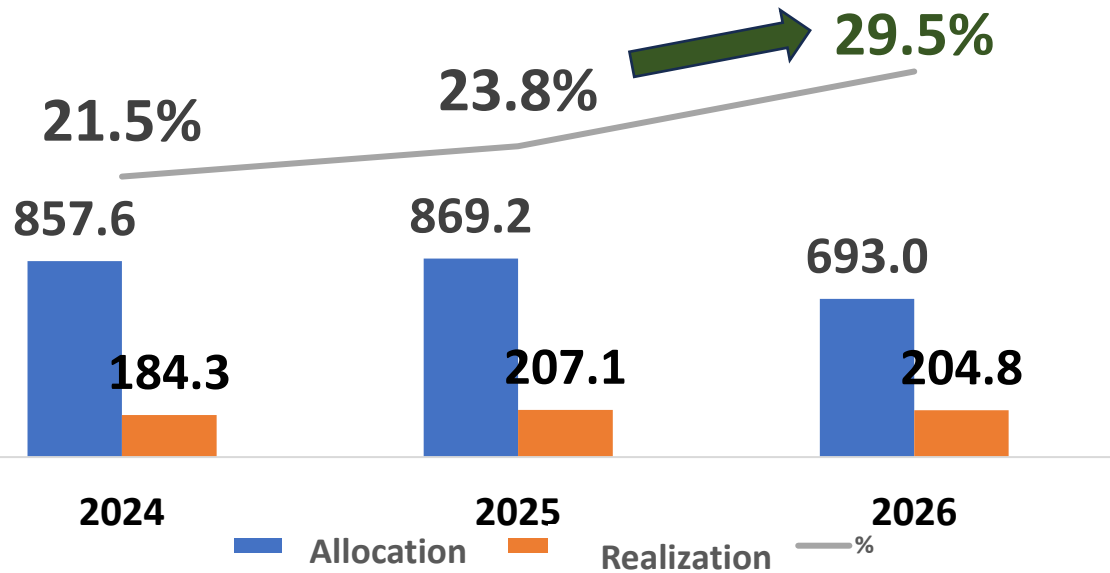


# Transfer to Regions Distribution in Q1: Rp204.8 trillion (29.5% of State Budget)

As of 31 March 2026

*In line with accelerated state expenditure, TKD disbursement also increased more rapidly in percentage terms.*

### Development of TKD Realization (IDR trillion)



### Progress of Accelerated Realization and Additional Tkd Allocation For Disaster-affected Regions In Sumatra

<p><b>Stage I (40%)</b> ✓</p> <ul style="list-style-type: none"> <li>○ Disbursed in February Rp4.39 T</li> <li>○ Without disbursement requirements</li> </ul>	<p><b>Stage II (30%)</b> ✓</p> <ul style="list-style-type: none"> <li>○ Disbursed in March Rp3.10 T</li> <li>○ Without disbursement requirements</li> </ul>
<p><b>Stage III (30%)</b></p> <ul style="list-style-type: none"> <li>○ Distribution begins April 2026</li> <li>○ Without disbursement requirements</li> </ul>	

- TKD realization performance as of 31 March 2026 reached 29.5%, better than the previous year (23.8% of ceiling\*).
- March disbursement was mainly driven by Revenue Sharing Fund (DBH), General Allocation Fund (DAU), Non-physical Special Allocation Fund (DAK), and Special Autonomy Fund, including relaxed disbursement requirements and additional TKD allocation for disaster-affected regions in Sumatra.
- Some TKD are still waiting for the fulfillment of distribution requirements from the local government.

- Relaxed TKD disbursement and additional allocation pushed TKD realization in disaster-affected Sumatra regions to Rp33.93 trillion (38% of ceiling), higher than the national average.
- Additional TKD allocation in 2026 amounted to Rp10.65 trillion for Aceh, North Sumatra, and West Sumatra. Stages I–II have been disbursed Rp7.48 T, excluding Aceh Special Autonomy Fund Stage II which is still awaiting recommendation from the Governor of Aceh.

\*after Inpres 1/2025



# 2026 State Budget Financing

On-track budget financing supports credible and accountable management of the State Budget

BUDGET FINANCING (trillion IDR)	2025			2026		
	APBN	Real as of March 31	% of APBN	APBN	Real as of March 3	% of APBN
1. Debt Financing	775,9	272,1	35,1	832,2	258,7	31,1
2. Non-Debt Financing	(159,7)	(19,6)	12,3	(143,1)	(1,3)	0,9
<b>TOTAL</b>	<b>616,2</b>	<b>252,5</b>	<b>41,0</b>	<b>689,1</b>	<b>257,4</b>	<b>37,3</b>

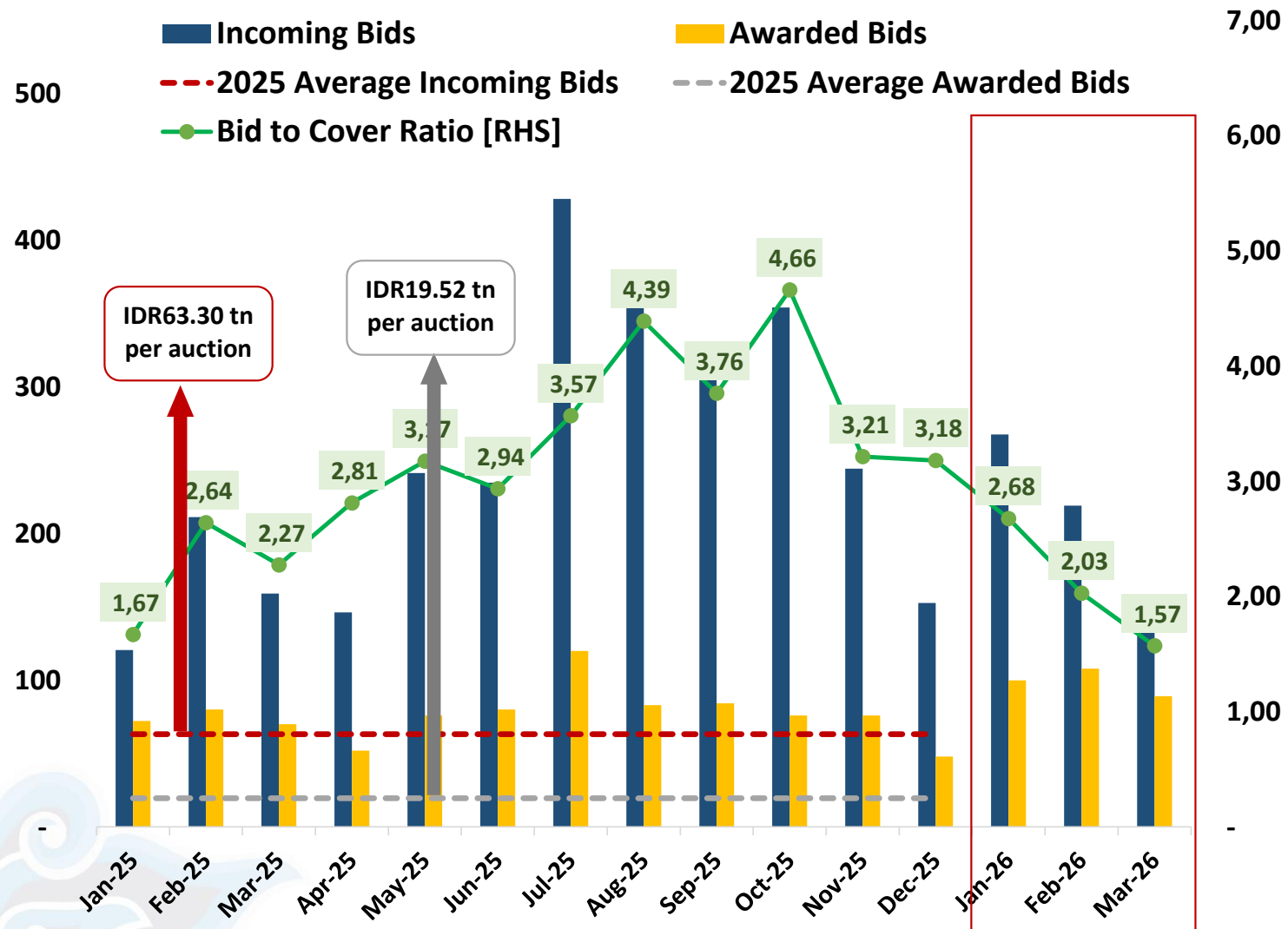
- Financing for the 2026 State Budget is managed *prudently* and measurably, with emphasis on government liquidity, optimal cash conditions, and financial market dynamics
- Debt financing fulfillment runs on-track through anticipatory measures and active cash & debt management to maintain adequate government cash availability and strong SAL
- The fulfillment of financing targets considers efficient cost of funds and mitigated risks as well as good governance and maintaining debt indicators at a safe level

# Primary Market Performance 2025- 2026

## Government Securities (GS)



Auction demand has remained robust in 2026, evidenced by an average incoming bid of IDR 54.77 trillion in government securities and a consistent bid-to-cover ratio.



### In 2026 :

- Average incoming bid is **IDR56.99 tn/auction**
- Average awarded bid is **IDR27.01 tn/auction**



# Ownership Of Tradable Domestic GS

*A strengthened domestic investor base continues to anchor Indonesia's government bond market, enhancing resilience and ensuring stability amid evolving global capital flows*

Description	Dec-21		Dec-22		Dec-23		Dec-24		Dec-25		Mar-26	
<b>Banks*</b>	1.591,12	34,01%	1.697,43	31,97%	1.495,39	26,52%	1.051,40	17,41%	1.328,64	20,23%	1.385,37	20,46%
<b>Govt Institutions (Bank Indonesia**)</b>	801,46	17,13%	1.020,02	19,21%	1.095,51	19,43%	1.618,01	26,79%	1.641,66	24,99%	1.688,73	24,94%
Bank Indonesia (gross)	1.220,73	26,09%	1.453,58	27,38%	1.363,90	24,19%	1.486,85	24,62%	1.640,58	24,98%	1.691,17	24,98%
GS used for Monetary Operation	419,27	8,96%	433,57	8,17%	268,39	4,76%	(131,16)	-2,17%	(1,08)	-0,02%	2,44	0,04%
<b>Non-Banks</b>	2.286,40	48,87%	2.591,98	48,82%	3.048,51	54,06%	3.370,11	55,80%	3.598,51	54,78%	3.696,80	54,60%
Mutual Funds	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	242,96	3,70%	261,64	3,86%
Insurance Company and Pension Fund	655,24	14,00%	873,03	16,44%	1.041,40	18,47%	1.145,27	18,96%	1.290,67	19,65%	1.352,39	19,97%
Foreign Holders	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	878,65	13,38%	853,56	12,61%
Foreign Govt's & Central Banks	233,45	4,99%	203,11	3,83%	229,16	4,06%	257,36	4,26%	236,80	3,60%	244,75	3,61%
Individual	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	537,33	8,18%	532,14	7,86%
Others	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	648,90	9,88%	697,07	10,30%
<b>Total</b>	<b>4.678,98</b>	<b>100%</b>	<b>5.309,43</b>	<b>100%</b>	<b>5.639,41</b>	<b>100%</b>	<b>6.039,52</b>	<b>100%</b>	<b>6.568,81</b>	<b>100%</b>	<b>6.770,90</b>	<b>100%</b>

**54.05%** 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

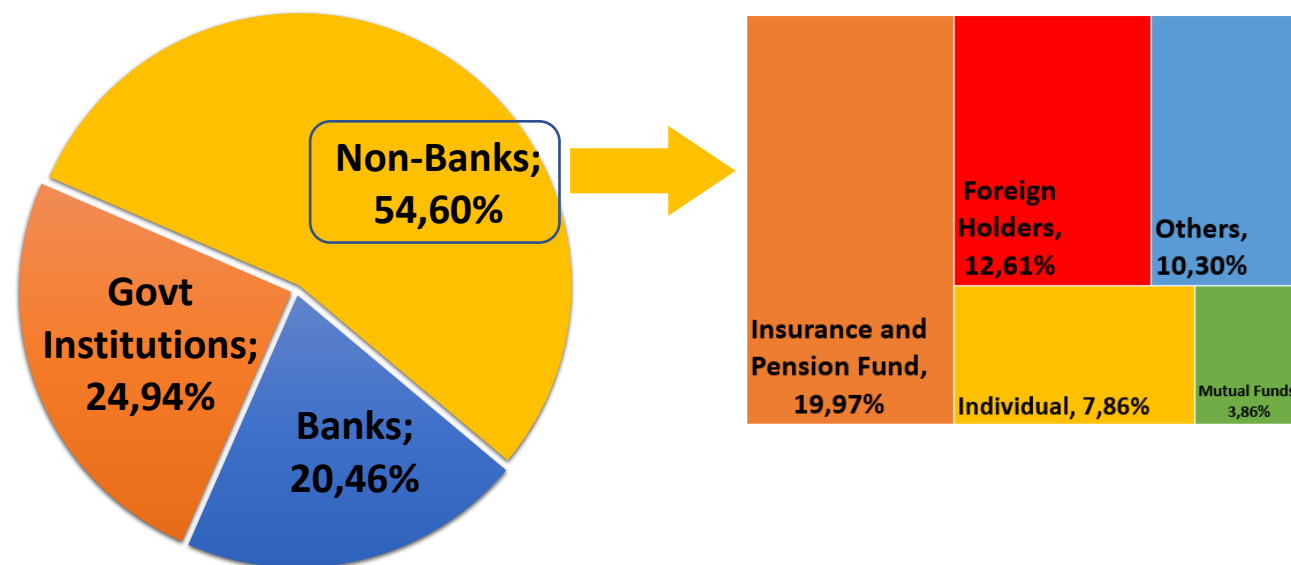
1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

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

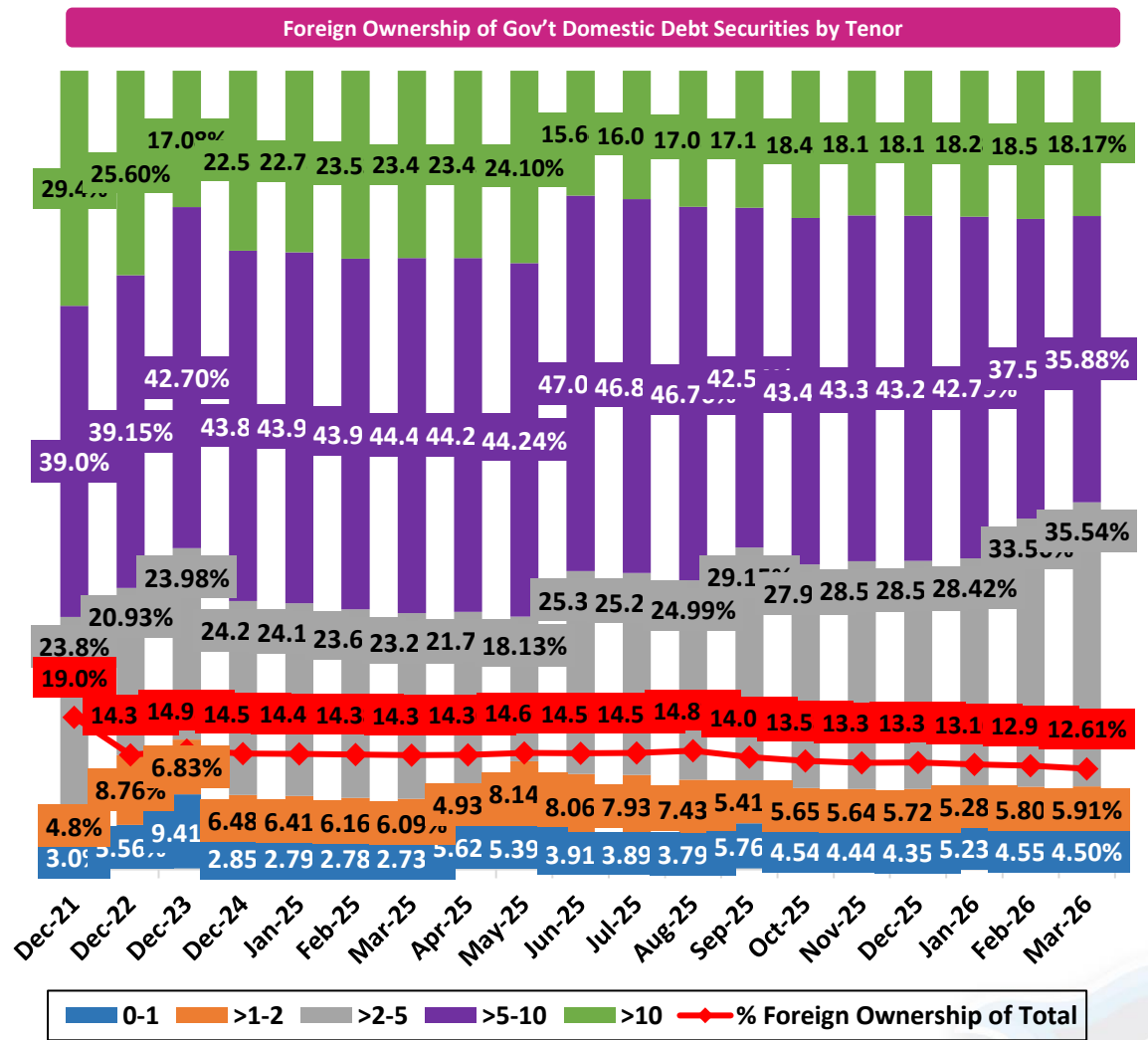
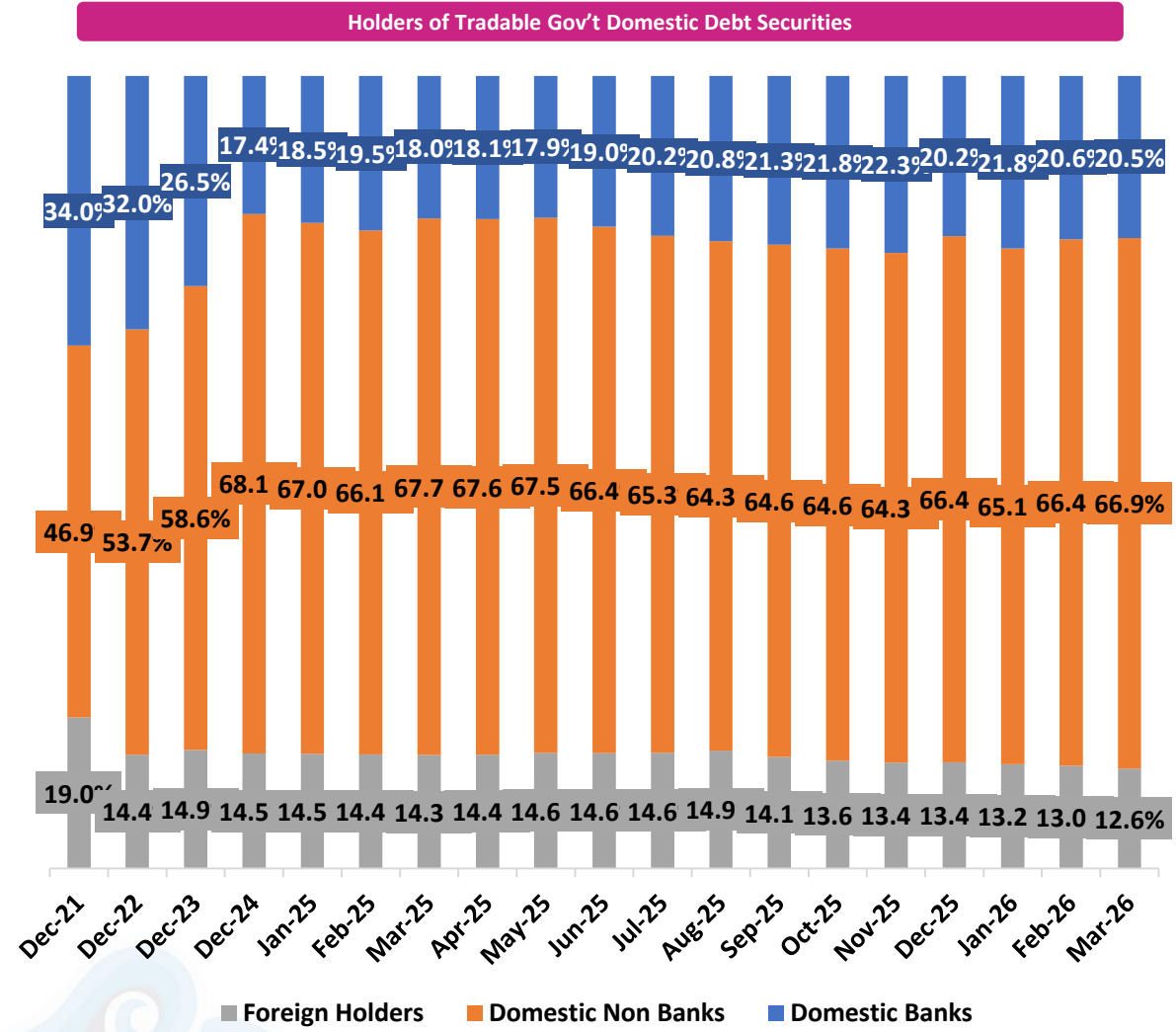




# Holder's Of Tradable Government Securities

## More Balance Ownership In Terms of Holders and Tenors

A diversified holder base and balanced tenor distribution continue to strengthen the resilience and stability of Indonesia's government bond market.



Source : SI-BISSSS

# 2026 Global Sukuk Transaction Summary (prefunding)



*The successful USD 2.0 billion dual-tranche Sukuk issuance, underscores strong global investor confidence in Indonesia's economy and sustained access to diversified Islamic funding sources.*

- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2025 and successfully priced a US\$ 2.00 billion Sukuk offering comprising of US\$ 1,100 million 5-year and US\$ 900 million 10-year tranche.
- The transaction was met with positive response from investors starting at point of books opening, generating a combined final order book exceeding US\$ 3.94 billion reflecting an oversubscription of 1.97x, with orderbooks peaking at USD \$5.8 billion. The transaction priced at 4.50% for 5-year and 5.00% for the 10-year tranche.

Issuer	Perusahaan Penerbit SBSN Indonesia III	
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme	
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)	
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)	
Pricing Date	19 November 2024	
Issue Date	01 December 2025	
Tenor	USD 5Y Sukuk	USD 10Y Sukuk
Maturity Date	December 1, 2030	December 1, 2035
Tranche Size	USD 1.1 billion	USD 900 million
Profit Rate	4.50% Fixed, Semi-annual, 30/360	5.00% Fixed, Semi-annual,30/360
Re-Offer Price	100.00%	100.00%
Reoffer Spread	UST + 80.9 bps	UST + 88.7 bps
Reg S ISIN	US71567RBG02	US71567RBH84
144A ISIN	US71567WAD74	US71567WAE57
Use of Proceeds	The Republic intends to use the net proceeds it receives from the issue of the Certificates to meet part of its general financing requirements	
Other Details	USD200k/1k denoms., English / Indonesian Law	
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai	
Joint Bookrunners	Dubai Islamic Bank, Goldman Sachs, JP Morgan (B&D), KFH Capital, Standard Chartered Bank	
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk	

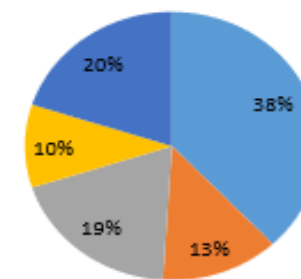
Source : SI-BISSSS

## ORDERBOOK DISTRIBUTION

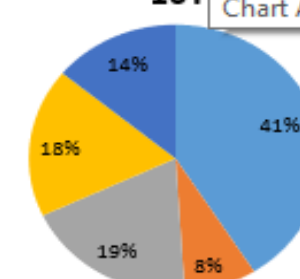


## INVESTORS BY GEOGRAPHY (ALLOCATION)

5Y



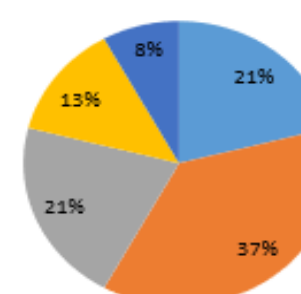
10Y



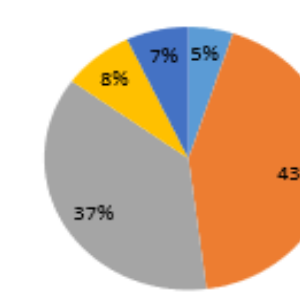
■ Islamic Countries ■ Indonesia ■ APAC ex Malaysia/Indonesia ■ EMEA ■ US

## INVESTORS BY TYPE (ALLOCATION)

5Y



10Y



■ SSA/DI ■ FM ■ Banks ■ Domestic ■ PB/Securities



The successful US\$2.7 billion SEC-Registered Senior Notes issuance reflects strong global investor confidence in the Republic of Indonesia's economic fundamentals

## US\$2.7Bn SEC-Registered Senior Notes Offering



Baa2 Stable (Moody's) / BBB Stable (S&P) / BBB Stable (Fitch)

US\$1,100MM 4.350% due 2031, US\$1,100MM 4.950% due 2036, US\$500MM 5.475% due 2056

Issuer	Republic of Indonesia (Ticker: INDON)		
Issue Type	Senior Unsecured Notes		
Format	SEC-Registered		
Ratings	Moody's Baa2 (Stable) / S&P: BBB (Stable) / Fitch BBB (Stable)		
Issue Size	US\$1,100MM	US\$1,100MM	US\$500MM
Tenor	Long 5-year	Long 10-year	Long 30-year
Maturity Date	Feb 21, 2031	Feb 21, 2036	Feb 21, 2056
Coupon	4.350%	4.950%	5.475%
Initial Price Guidance	4.700%	5.300%	5.800%
Final Price Guidance	4.400% (#)	5.000% (#)	5.500% (#)
Re-offer Yield	4.400%	5.000%	5.500%
Re-offer Price	99.770	99.602	99.627
Optional Redemption	1-month par call	3-month par call	6-month par call
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic		
Denominations	USD 200,000 / 1,000		
Governing Law	New York Law		
Expected Listing	SGX-ST and Frankfurt Stock Exchange		

## Transaction Highlights



The long 30-year marked the tightest spread ever achieved for a 30-year tranche in the history of the Republic's SEC-registered offerings



The Republic of Indonesia demonstrated decisive market leadership by being the first Asian sovereign to tap the debt markets in 2026, enabling them to capitalize on favorable investor sentiment after the first week of the year saw the largest IG supply volume kickoff to any year on record



Leveraging on the Republic's resilient credit profile, the transaction attracted robust investor demand from the outset with final orderbook reaching over US\$>4.9Bn

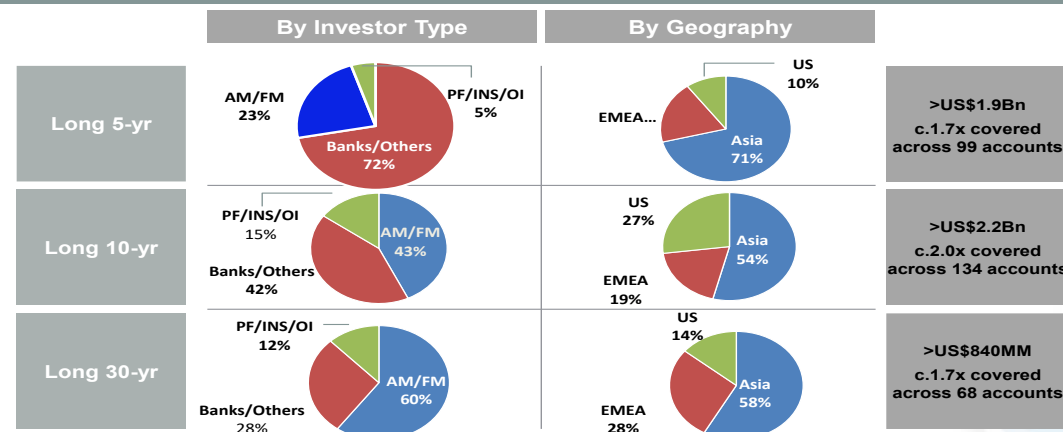


Strong and high-quality participation from real-money accounts allowed the Republic to tighten 30bps from the initial price guidance for all tranches



Despite the meaningful compression from IPG, the strength and quality of the orderbook allowed the Republic to balance competitive pricing without compromising on its size objective – underscoring investors' confidence in ROI's credit quality

## Breakdown of Allocation

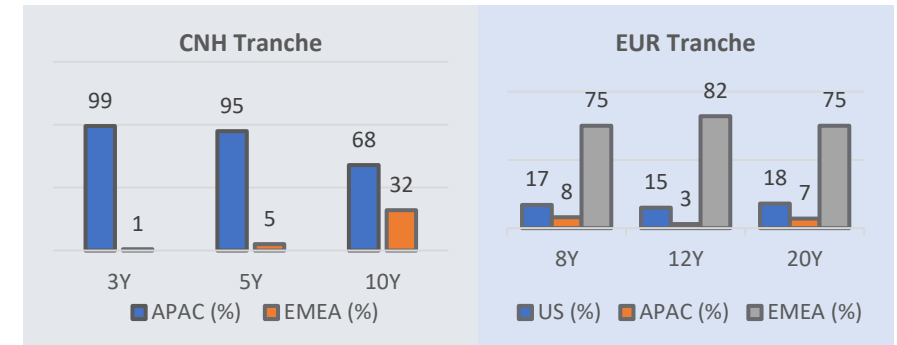




Taking advantage of the positive market backdrop and constructive feedback received, Indonesia successfully issued dual-currency CNH-EUR bonds with a strong orderbook and competitive pricing, reflecting sustained investor confidence

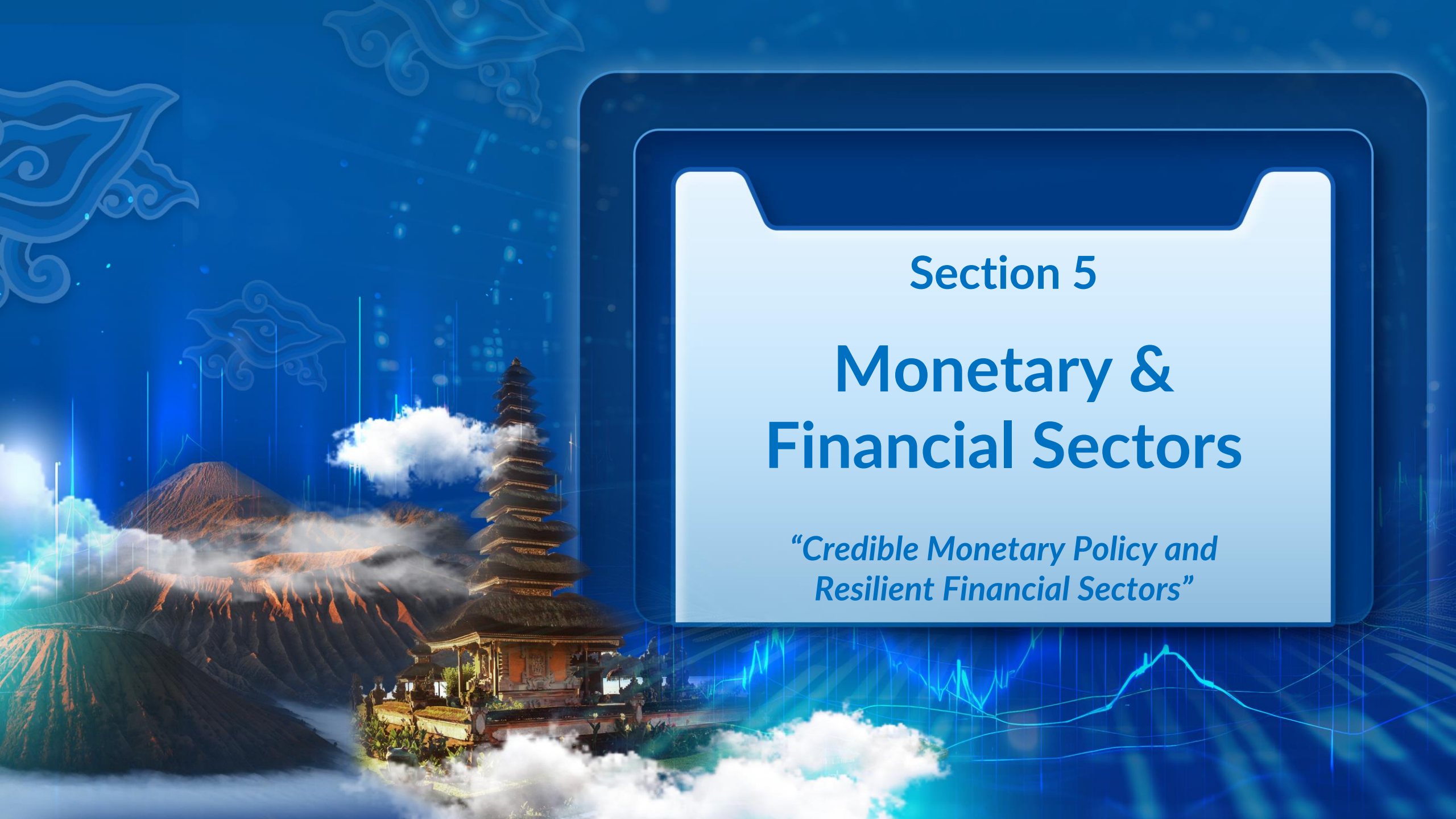
Series	RICNH0329	RICNH0331	RICNH0336	RIEUR0334A	RIEUR0338	RIEUR0346
Rating	Baa2 (Negative) Moody's / BBB (Stable) S&P / BBB (Stable) Fitch					
Tenor	3-year	5-year	10-year	8-year	12-year	20-year
Maturity Date	March 4, 2029	March 4, 2031	March 4, 2036	March 4, 2034	March 4, 2038	March 4, 2046
Pricing Date	February 25, 2026					
Settlement/ Issuance Date	March 4, 2026					
Issue Size	CNH4,5 billion	CNH3,5 billion	CNH1,25 billion	EUR1,2 billion	EUR800 million	EUR700 million
Coupon / Yield	2,450% / 2,450%	2,650% / 2,650%	3,050% / 3,050%	4,100% / 4,104% (MS+150bs)	4,460% / 4,473% (MS+165bs)	4,970% / 4,982% (MS+195bs)

## Investor by Geography



### Highlight

- **Investor confidence remains high.** Final CNH orderbook reached CNH 17.04 billion, with a bid-to-cover ratio of 1.84x. Meanwhile, the final EUR orderbook reached EUR 9.48 billion, with a bid-to-cover ratio of 3.5x.
- **Solid demand.** This enables pricing below the initial price guidance (IPG) with tightening credit spreads in both currencies, across all tenors, signaling that global market access remains competitive..
  - **CNH tranche**  
**3Y:** 2,450% (-40 bps vs IPG); **5Y:** 2,650% (-35 bps vs IPG); **10Y:** 3,050% (-40 bps vs IPG)
  - **EUR tranche**  
**8Y:** +150 bps area (-30 bps vs IPG); **12Y:** +165 bps area (-30 bps vs IPG); **20Y:** +195 bps area (-30 bps vs IPG)



## Section 5

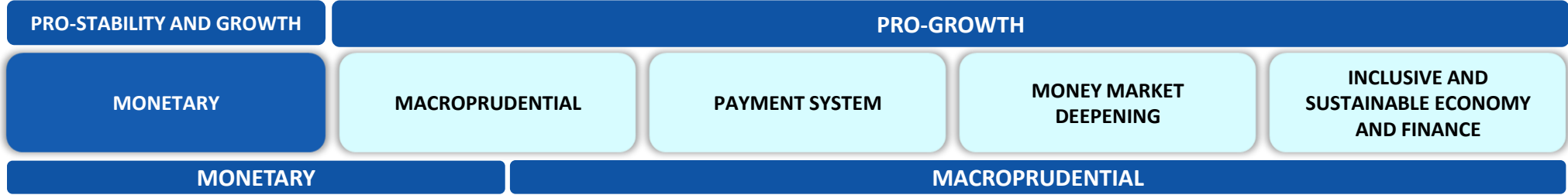
# Monetary & Financial Sectors

*“Credible Monetary Policy and  
Resilient Financial Sectors”*



# Bank Indonesia Policy Mix Framework for Economic Resilience

Bank Indonesia's policy mix is calibrated to reinforce economic growth while maintaining stability through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



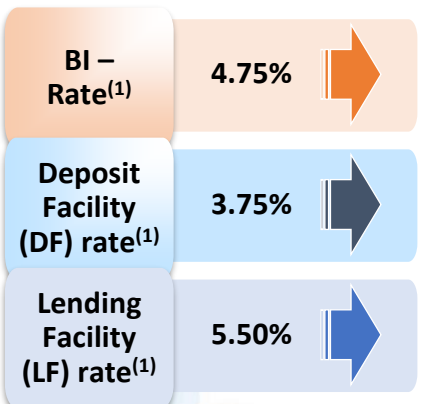
The Bank Indonesia Board of Governors agreed on 21st-22nd April 2026 to hold the **BI-Rate at 4.75%**, while also maintaining the **Deposit Facility (DF) rate at 3.75%** and the **Lending Facility (LF) rate at 5.50%**.

- The effectiveness of monetary policy implementation to maintain Rupiah exchange rate stability and maintain inflation in 2026 and 2027 within the 2.5% ± 1% target range by:
  - strengthening Rupiah exchange rate stabilization through intervention in offshore NDF transactions as well as spot and DNDF transactions in the domestic market,
  - strengthening the interest rate structure of pro-market monetary instruments to continue attracting foreign portfolio investment inflows to domestic financial assets to support Rupiah stability, and
  - maintaining primary money growth above 10%, consistent with monetary expansion, to ensure adequate liquidity in the money market and banking industry, including through measured secondary-market transactions of government securities (SBN).

- Enhancing the effectiveness of accommodative macroprudential policy by publishing the assessment of prime lending rate (PLR) transparency, with a focus on interest rates based on priority sectors in accordance with the scope of KLM policy (Appendix 1) as well as strengthening synergy with the Government and other stakeholders to boost higher lending/financing through the Indonesian Intermediation Acceleration Program (PINISI).

## PAYMENT SYSTEM

- Strengthening the implementation of payment system digitalization measures in accordance with the Indonesia Payment System Blueprint (BSPI) 2030 to accelerate national digital economic and financial transformation by:
  - launching the Indonesia Digital Innovation Center (PIDI): Hackathon and Digdaya (Digital Talenta Berdaya dan Berkarya) and QRIS Cross-Border between Indonesia and China on 30th April 2026, and
  - synergizing the Capacity Building and Literacy Synergy Program (KATALIS) to accelerate and expand regional digitalization (P2DD) with PIDI-Hackathon-Digdaya by expanding the latest payment system innovations to enhance the efficiency of local government transactions.
- Strengthening measures to deepen the money and foreign exchange markets in accordance with the Money Market and Foreign Exchange Market Development Blueprint (BPPU) 2030 to support stability as well as national economic financing through:
  - exemptions on the restrictions against selling transactions of foreign currency NDF against the Rupiah in offshore markets for selected Primary Dealers that meet Bank Indonesia's requirements to support Rupiah exchange rate stability and domestic financial market deepening, and
  - the expansion of foreign exchange MO instruments with offshore spot and swap instruments in Chinese renminbi (CNH) against the Rupiah to support Rupiah exchange rate stability and expand trade and investment transactions using local currency transactions (LCT).

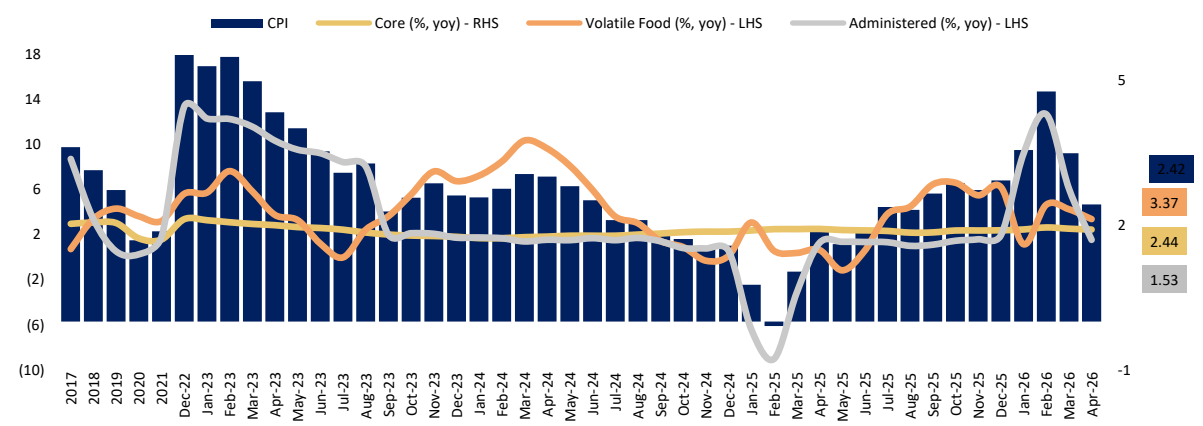




# Manageable Monetary Environment Amid Persistently High Global Uncertainty

**Bank Indonesia is successfully maintaining a stable monetary environment through effective inflation control and Rupiah exchange rate stabilization (maintaining the BI-Rate at 4.75%), which has supported robust credit growth—particularly in investment loans at 20.72%—despite high global financial market uncertainty.**

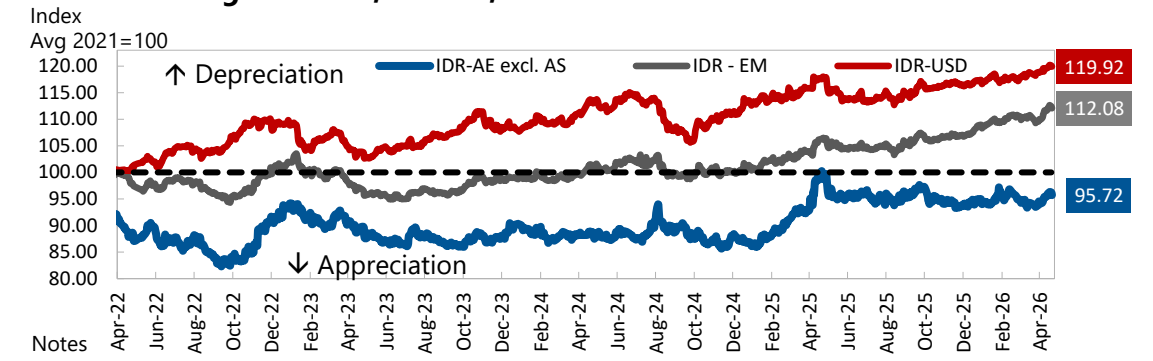
## Well Maintained Inflation Ensured Price Stability



Source: BPS

## Stable Rupiah Exchange Rate

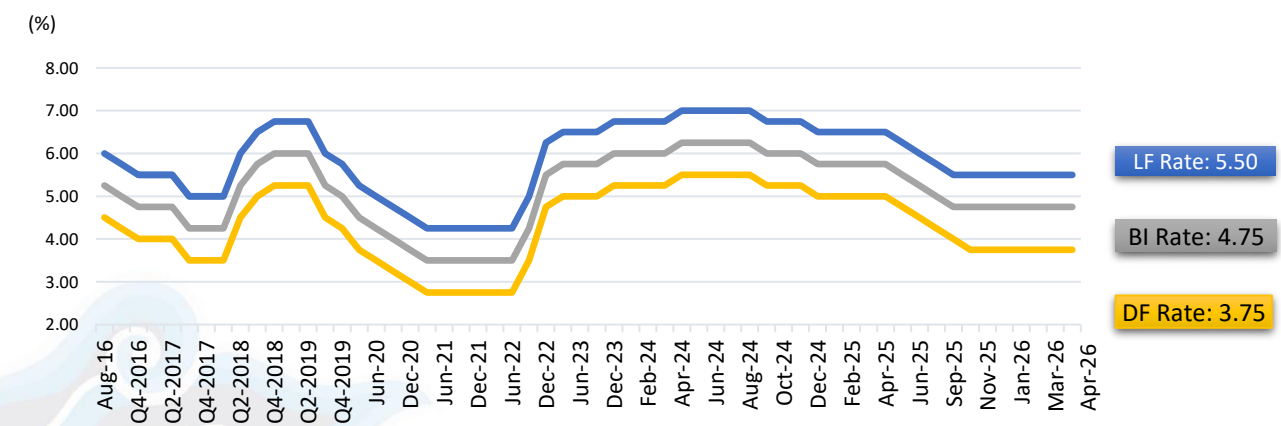
### IDR Indexes Against USD, excl US, and EM



- Notes
- Based on daily data
  - Composite indexes on trade weights :: SGD (13%), CNY (52%), INR (11%), KRW (9%), THB (7%), MYR (9%)
  - Data as of 21 April 2026

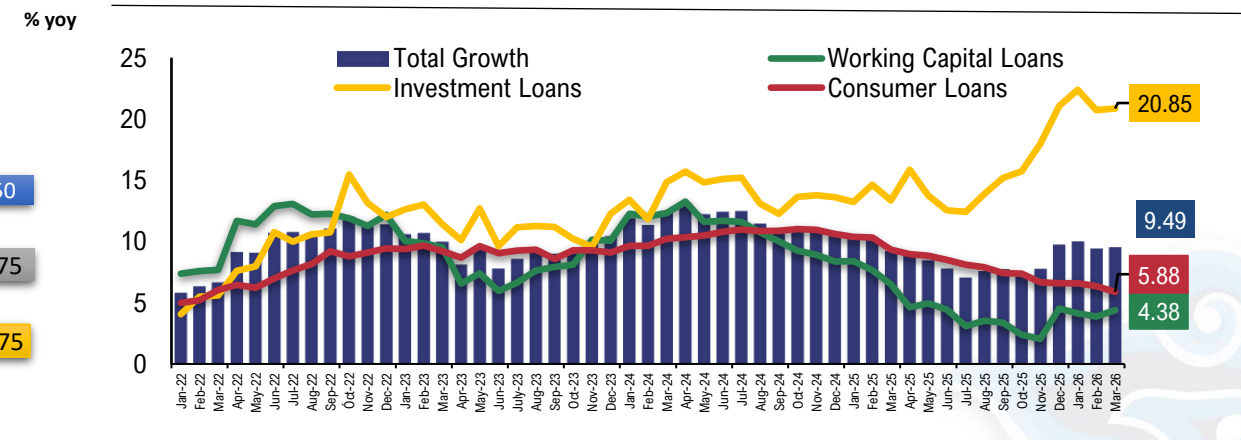
Source: Bank Indonesia

## Strengthened Monetary Policy Framework



Source: Bank Indonesia

## Credit Growth Profile



Source: OJK, Bank Indonesia



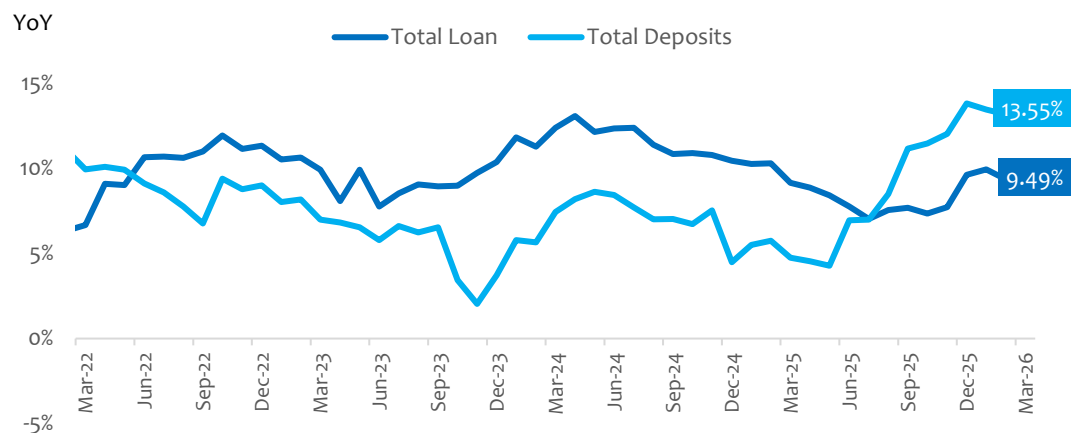
# Banking Intermediation

**Amid moderation in global economic performance, Indonesia's banking intermediation remained stable, supported by continued expansion in both credit and deposits.**

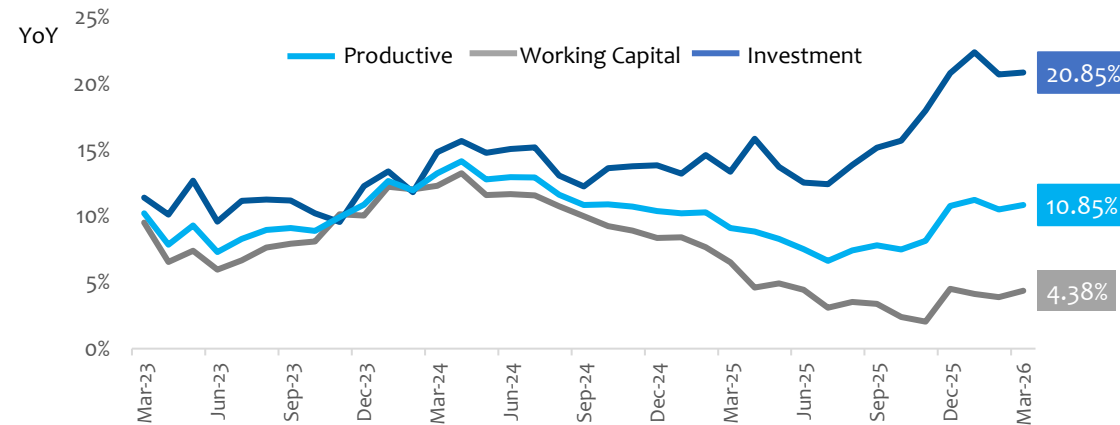
**The loan-to-deposit ratio (LDR) also remained within the prudent range of 78%–92%.**



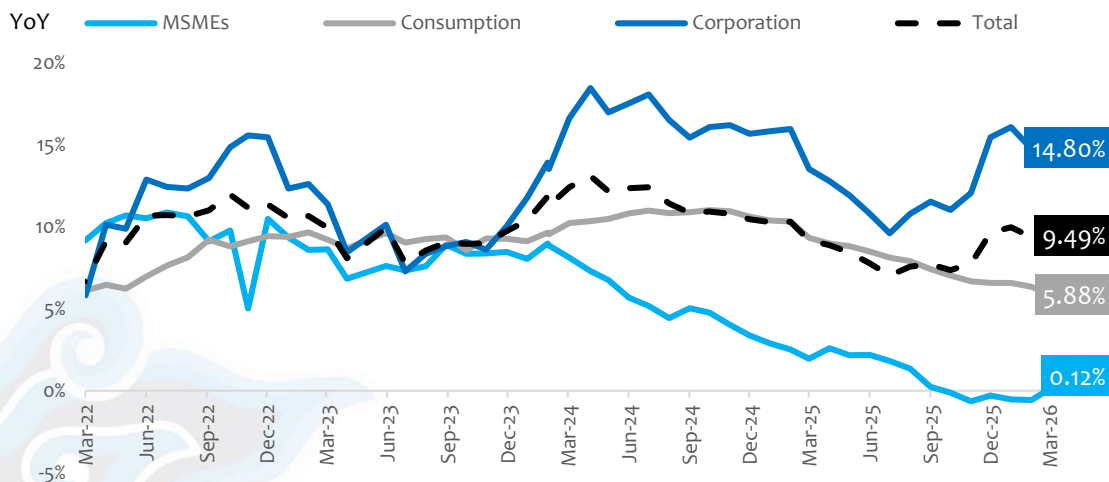
As of **March 2026**, bank loans continued to grow at a solid pace of **9.49% (yoy)**, while deposits maintained double-digit growth at **13.55% (yoy)**.



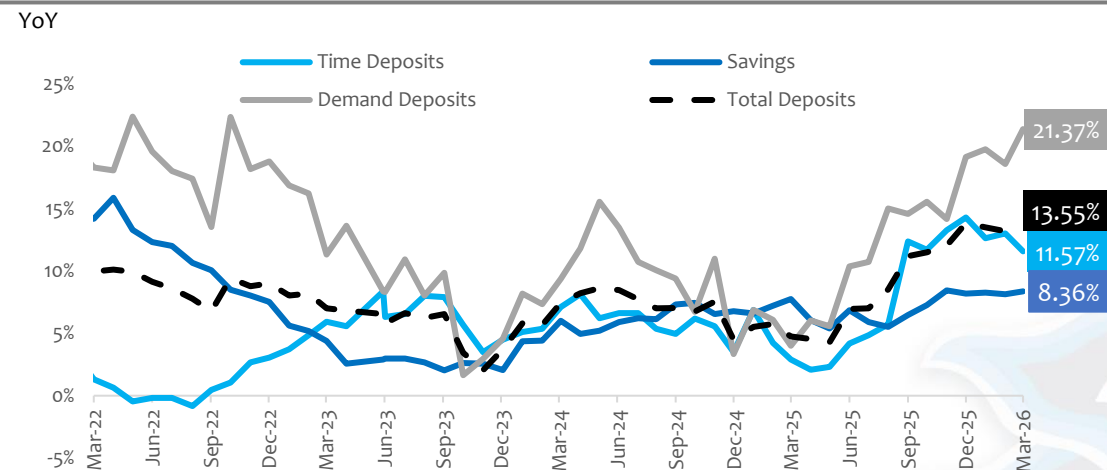
The improvement in loan growth was driven by continued expansion in productive lending, especially **investment loans, which rose to 20.85% (yoy)**.



Across borrower segments, loan growth was primarily supported by **corporate lending, which remained strong at 14.8% (yoy)**. While, **MSME loans returned to positive growth at 0.12% (yoy)**, indicating a gradual recovery momentum.



In **March 2026**, deposits grew at a higher rate of **13.55% (yoy)**, with demand deposits continuing to grow by **21.37% (yoy)**, followed by time deposits and savings, which grew by **11.57% and 8.36% (yoy)**, respectively.



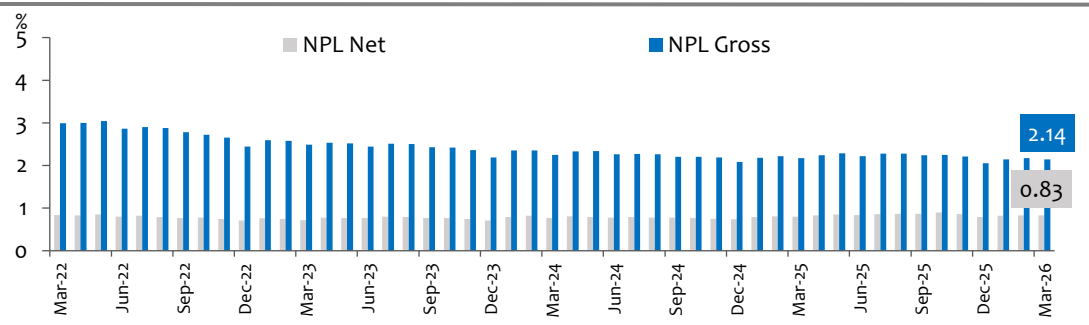


# Banking Risk Profile and Profitability

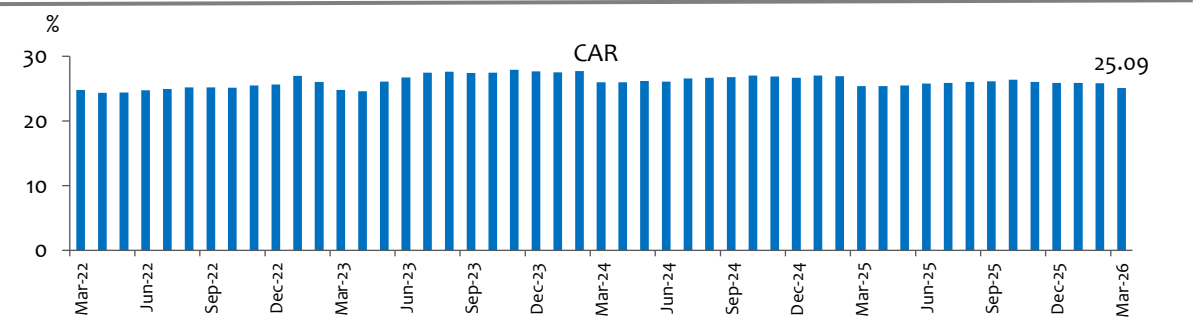
**Credit risk remained contained, while banking system liquidity continued to be adequate.**



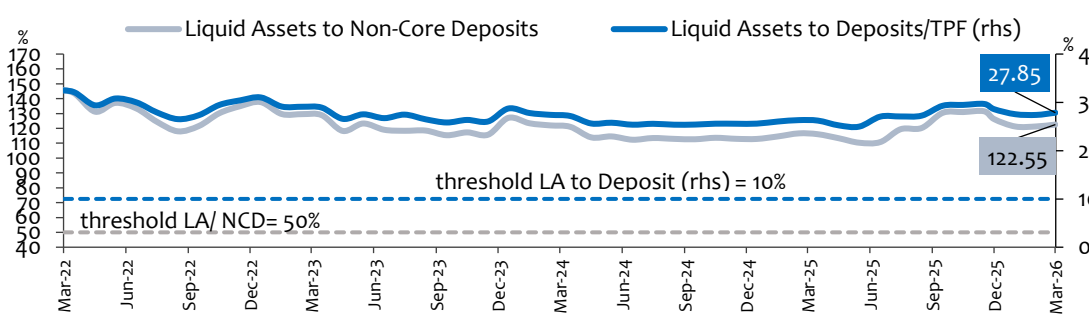
As of **March 2026**, the **gross NPL** ratio remained stable at **2.14%**. The **loan-at-risk (LaR)** ratio also improved, declining to **8.94%** (prev: 9.24%).



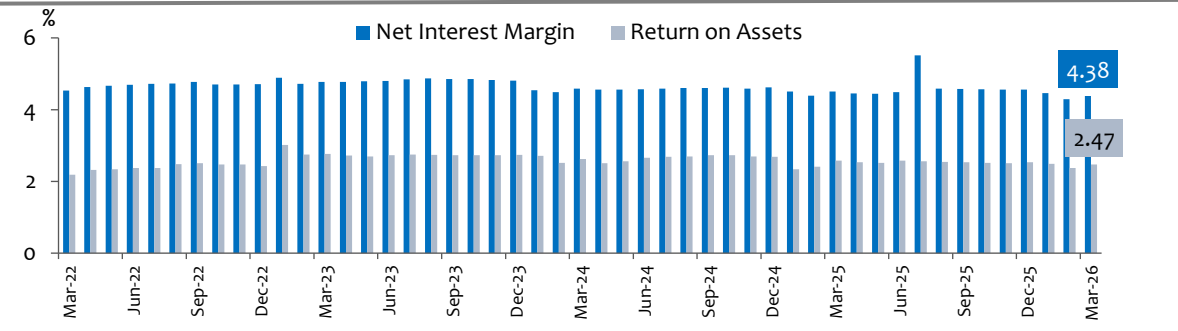
As of **March 2026**, the banking sector's capital buffer remained ample, with a **Capital Adequacy Ratio (CAR)** of **25.09%**.



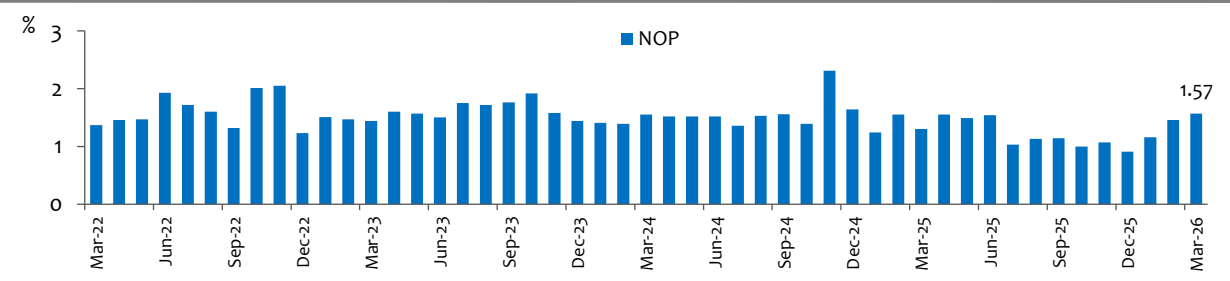
**Liquidity conditions** in the banking system also **remained adequate** in **March 2026**, with the **LA/Deposits** ratio broadly stable, while the **LA/NCD** ratio slightly higher than that of the previous month.



Banking sector's profitability in **March 2026** remained relatively stable, with **NIM** and **ROA** standing at **4.38%** and **2.47%**, respectively.



As of **March 2026**, **Net Open Position (NOP)** remained stable at **1.57%**



# Indonesia Capital Market Performance

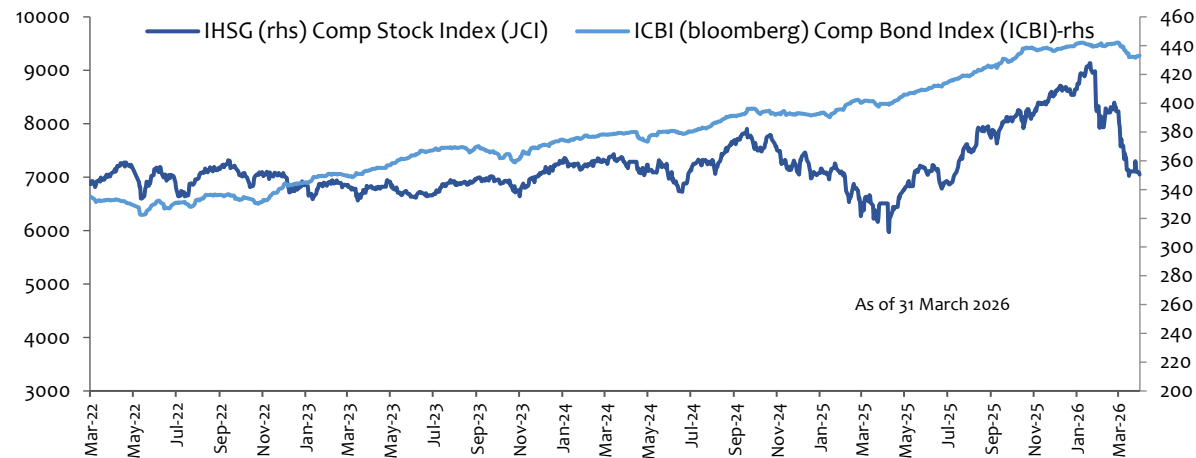
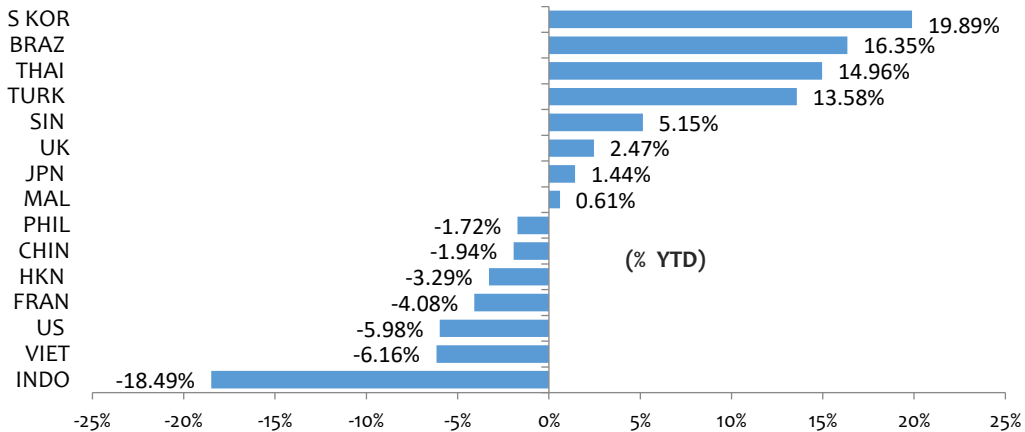


Amid rising global volatility, Indonesia's capital market remained dynamic in March 2026, in line with movements across global and regional markets. However, there is potential for a recovery after the significant pressure on profitability in 2025.

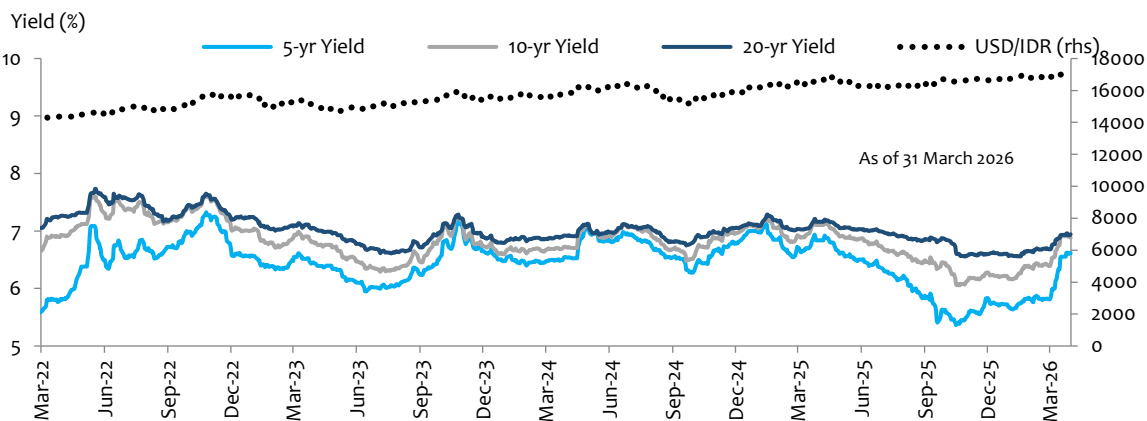
As of 31 March 2026, the **Jakarta Composite Index (JCI)** closed at **7,048.22**, declining by 14.42% (mtm) and 18.49% (ytd).

In the bond market, the **Indonesia Composite Bond Index (ICBI)** closed at **433.16**, declining by 2.03% (mtm) and 1.74% (ytd).

Stock Index Performance as of 31 Mar 2026 (compared to 31 Dec'25)



Meanwhile, the **average yield on government bond** increased by **44.47 bps (mtm)** and **54.51 bps (ytd)**, driven by elevated risk perceptions amid global uncertainty.



# Indonesia Capital Market Performance (continued)



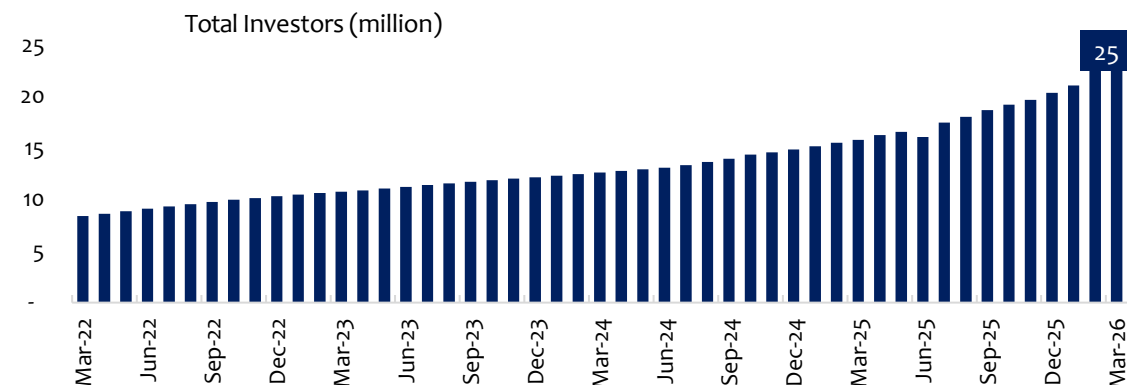
Under external pressures, market activity moderated, while liquidity conditions remained manageable and investor participation sustained.



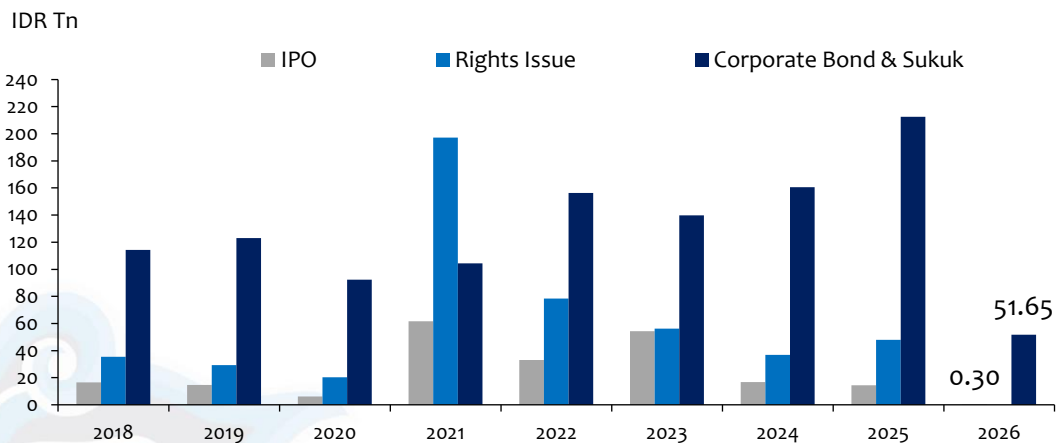
In **March 2026**, non-resident investors recorded net sell of **IDR21.80 trillion** (mtd) in **government bonds** and **IDR23.34 trillion** (mtd) in **equities**.



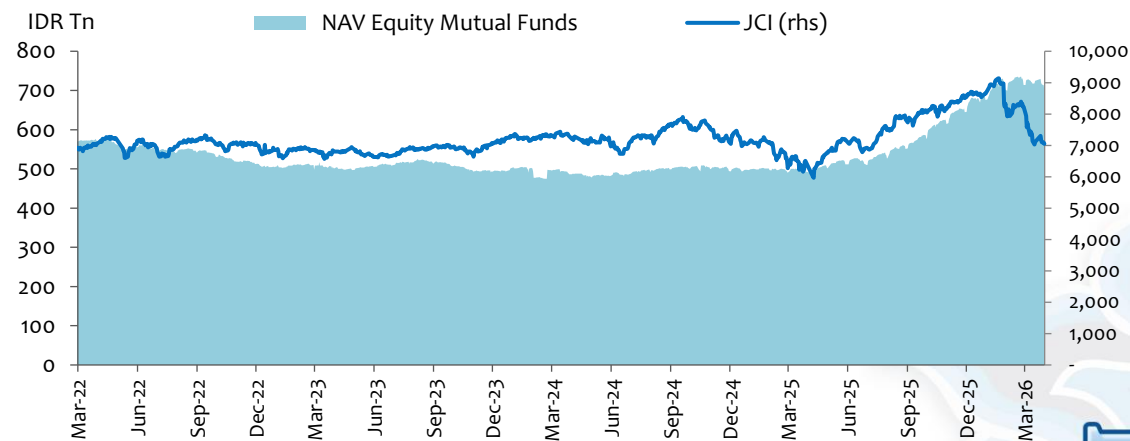
**Investor participation** in the capital market continued to expand, with **1.78 million new investors** in **March 2026** (mtm). This brought the total number of investors to **24.74 million**, growing by **21.51% (ytd)**.



As of **March 2026** (ytd), fundraising activity amounted to **IDR51.96 trillion**. The pipeline also remains robust, with 53 planned public offerings worth an indicative **IDR25.79 trillion**.



The **Net Asset Value (NAV)** of **equity mutual funds** remained stable in **March 2026**, despite pressure in the capital market.



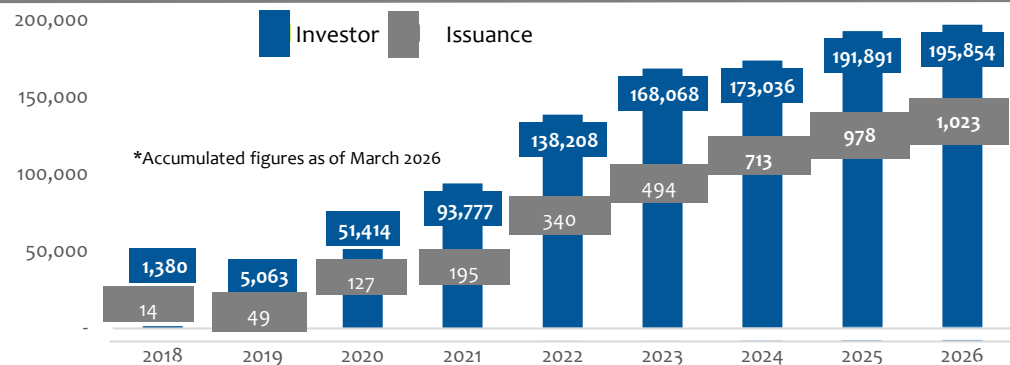


# Securities Crowd Funding and Carbon Exchange

Securities Crowdfunding (SCF) and the Carbon Exchange continued to record measured growth in March 2026, reflecting ongoing efforts to broaden market-based financing channels and deepen the development of new investment platforms.

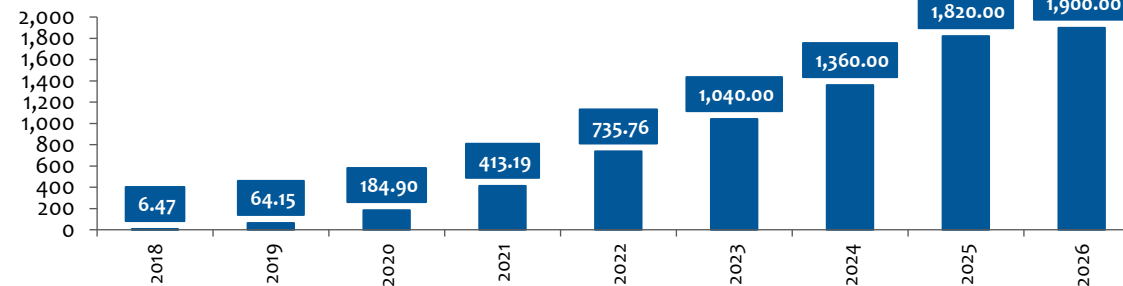


Securities crowdfunding (SCF) activity remained steady, with **14 new securities** and **3 new issuers** recorded in **March 2026**.

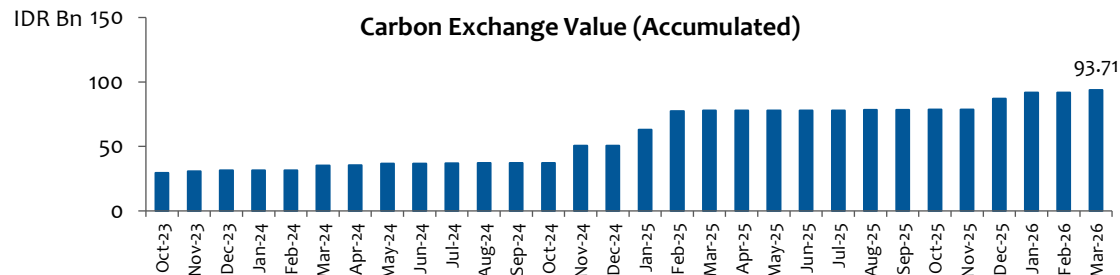


In terms of SCF fundraising, **IDR18.07 billion** was raised in **March 2026**, bringing the **cumulative total to IDR1.90 trillion**.

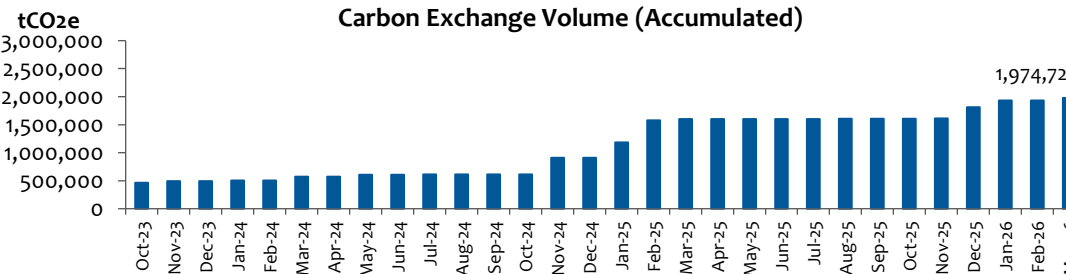
IDR Bn



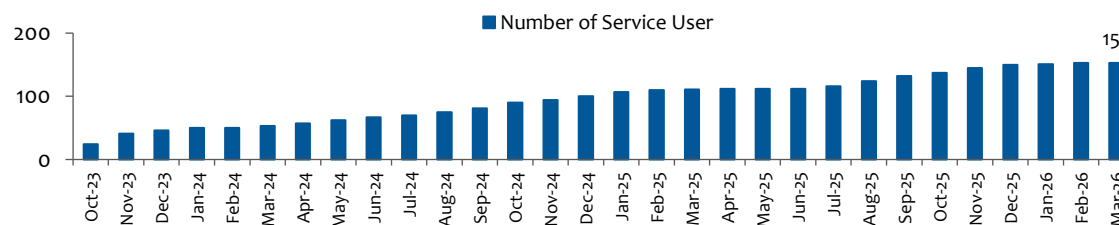
Since its launch in September 2023, the **Carbon Exchange** has reached an accumulated value of **IDR93.71 billion** by **March 2026**.



As of **March 2026**, total traded volume on the **Carbon Exchange** reached **1,974,723 tCO<sub>2</sub>e**.



As of **March 2026**, the number of registered service users reached **153**.



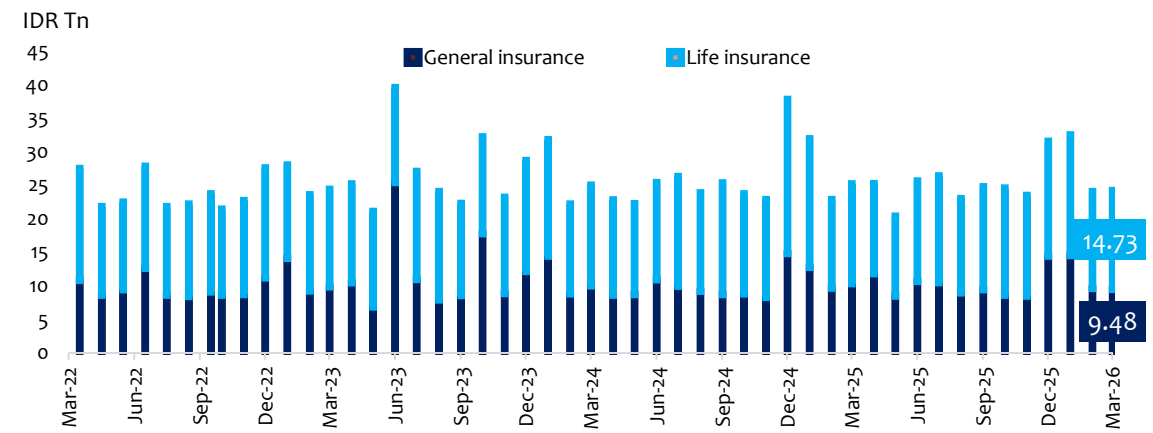


# Insurance Sector

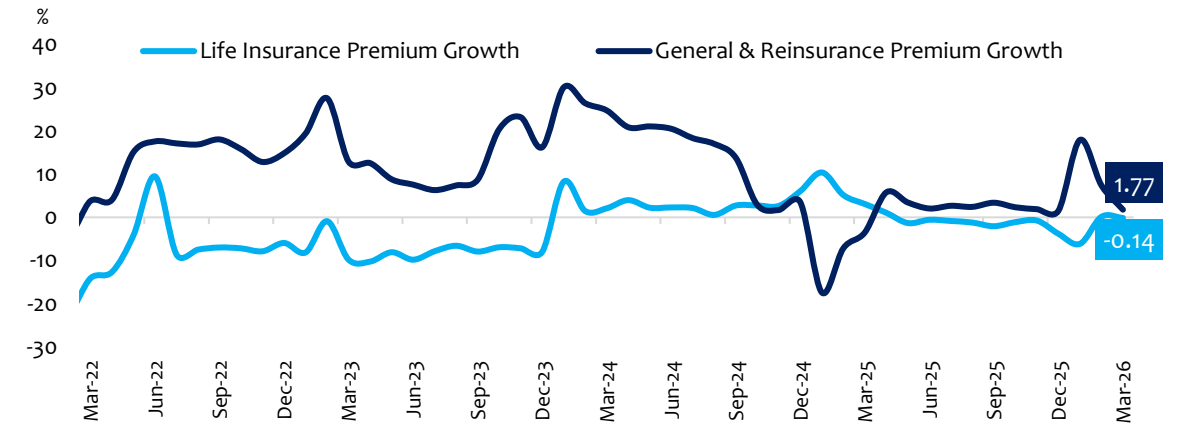
**Indonesia's insurance sector remained stable in March 2026, supported by adequate solvency and manageable risk levels, despite moderating premium growth.**



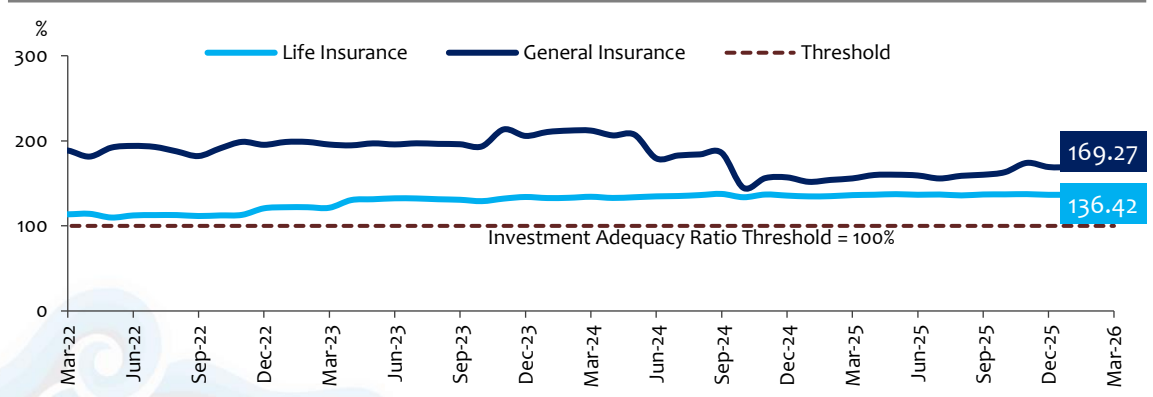
In **March 2026**, **General and Life insurance** premiums increased by **IDR9.48 Tn** and **IDR14.73 Tn**, respectively.



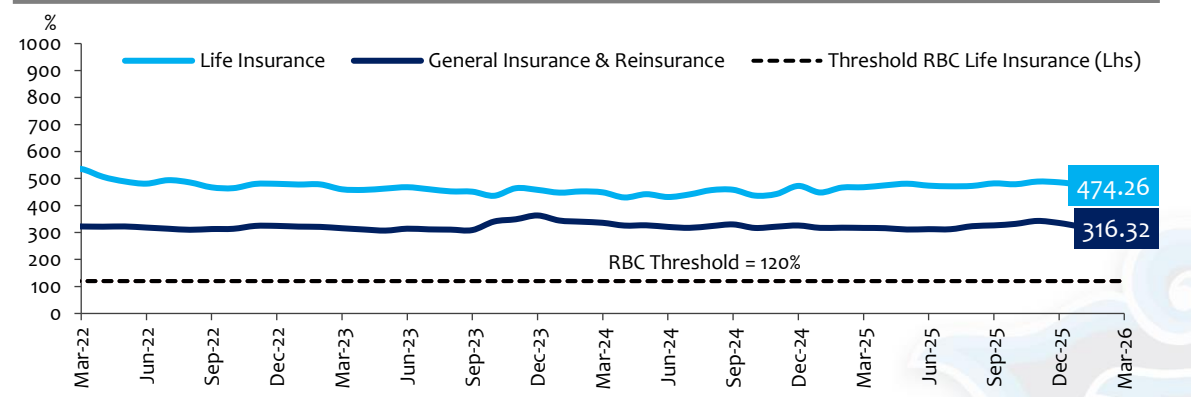
In **March 2026**, insurance premiums reached **IDR88.36 trillion**, growing by **0.74% (yoy)**. **Life insurance** premiums slightly contracted by **0.14% (yoy)**, while **general insurance and reinsurance** premiums posted positive growth by **1.77% (yoy)**.



**Investment adequacy ratios** remained well above regulatory thresholds in **March 2026**, with **general insurance and reinsurance** at **169.27%**, while **life insurance** at **136.42%**.



**Risk-based capital (RBC) ratios** remained stable in **March 2026**, despite a slight moderation. On an aggregate basis, **life insurance** stood at **474.26%**, while **general insurance and reinsurance** were at **316.32%**.



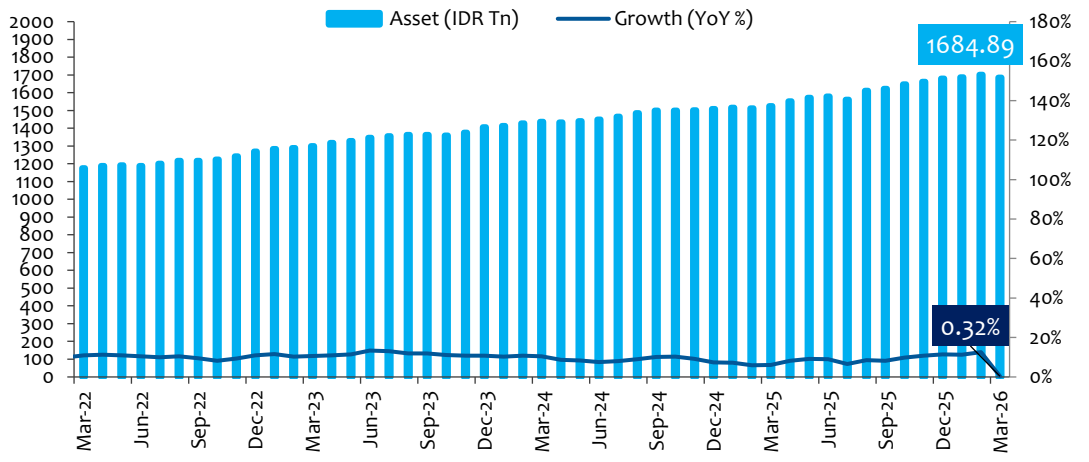


# Pension Funds and Guarantee Institutions Performance

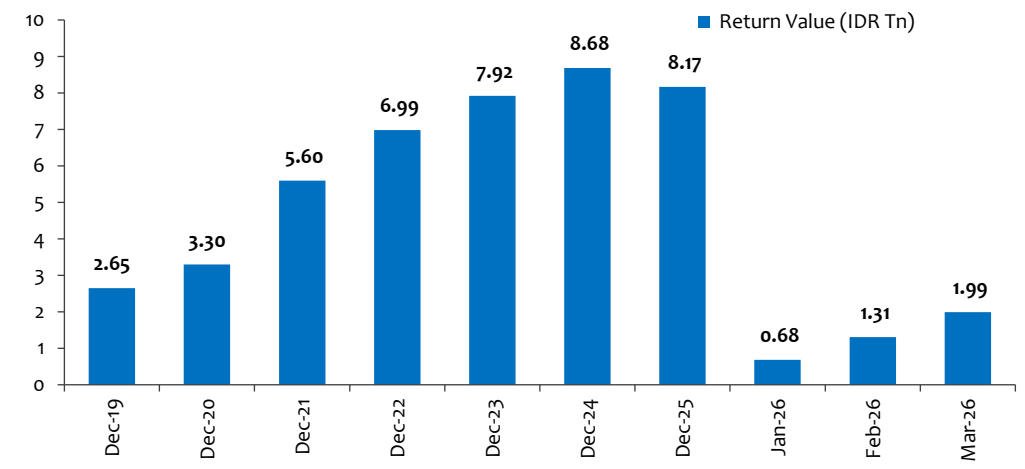
*Pension funds and Guarantee's performance grew at moderate pace.*



In the **Pension Fund** industry, **total assets** as of **March 2026** grew at a moderate pace of **0.32% (yoy)** to **IDR1,684.89 trillion**.



As of **March 2026**, the **Accumulated Return Value** of Guarantee Institutions amounted to **IDR1.99 trillion**.



In **March 2026**, **Guarantee Asset Value** slightly moderated to **IDR47.48 trillion**, grew by **0.77% (yoy)**.

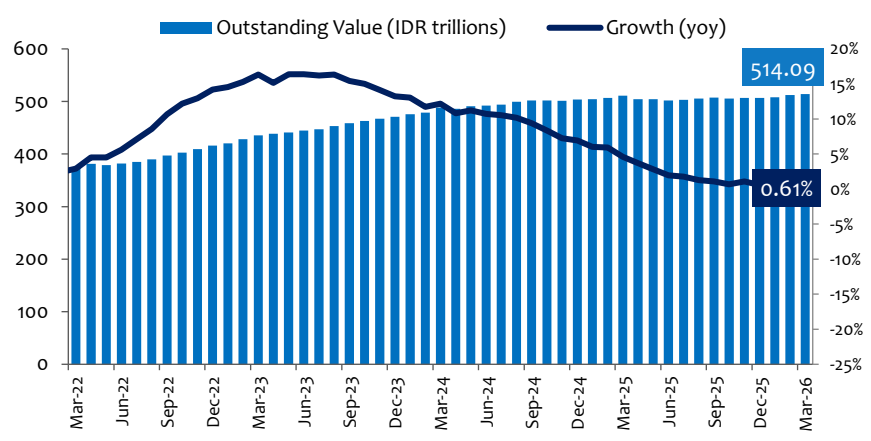
Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Feb-26	Mar-26
Assets Value (IDR Tn)	36.90	39.12	46.41	46.39	47.51	47.52	47.48
Growth YoY	46.66%	6.00%	18.64%	-0.05%	2.43%	1.99%	0.77%



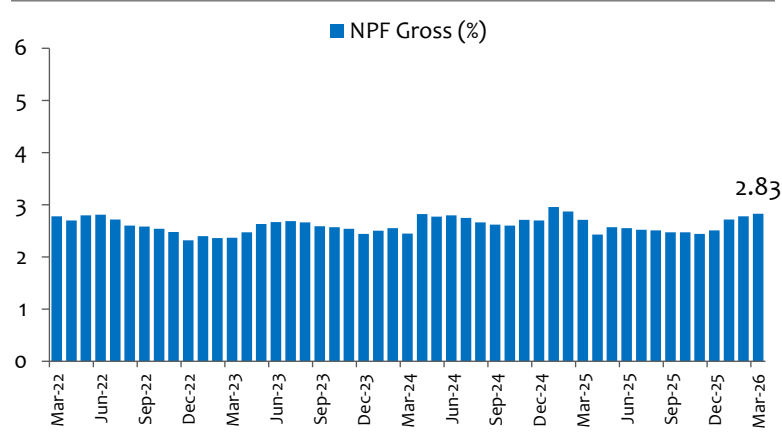
# Financing, P2P Lending, and Venture Capital

**Financing companies remained broadly stable in March 2026, underpinned by stable financing growth and manageable risks. P2P lending continued its strong expansion. Meanwhile, venture capital performance slightly moderated.**

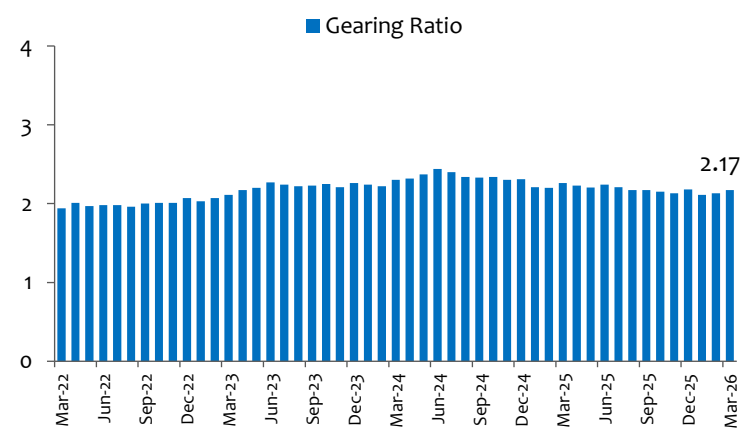
The outstanding financing value of **Financing Companies** grew by **0.61% (yoy)** in **March 2026**, supported by stronger growth in multipurpose financing.



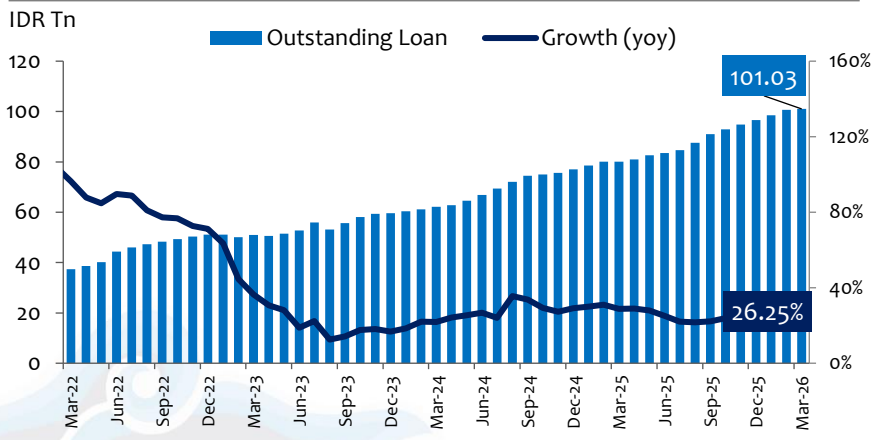
**Financing Companies' risk profile** remained stable, as reflected by a stable **Non-Performing Financing (NPF)** ratio of **2.83%** in **March 2026**.



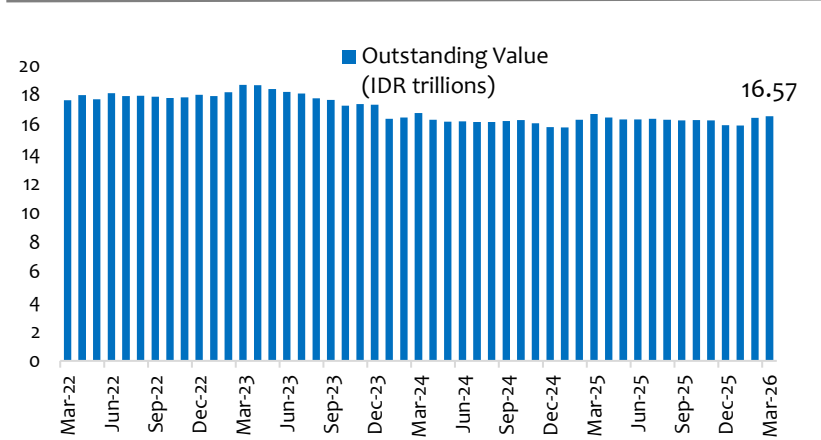
From a solvency standpoint, financing companies maintained a **sound gearing ratio** of **2.17 times** in **March 2026**, well below the regulatory threshold (10 times).



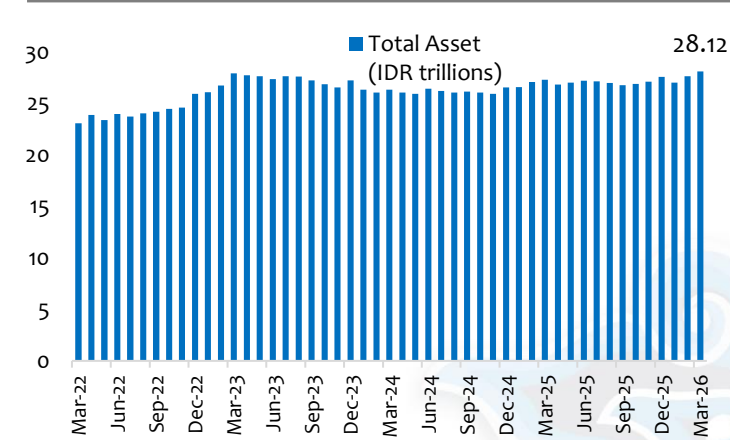
In the **P2P Lending (Fintech)** industry, outstanding financing in **March 2026** grew by **26.25% (yoy)** to **IDR101.03 trillion**.



The **venture capital** experienced stable performance, with financing reached **IDR16.57 Tn** as of **March 2026**.



Total **assets in the venture capital** corporation increased to **IDR28.12 Tn** in **March 2026**.





*Financial services technology innovation continued to progress, while crypto-assets transaction moderated in line with global market conditions.*



Based on **OJK Regulation No. 3/2024**, the OJK established the Regulatory Sandbox as a structured framework to evaluate, oversee, and support innovation in the financial services sector. The number of sandbox applications reached **31**, with **four** on-going participants in **March 2026**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Number of Sandbox Applications Request	114	71	87	52	14	27	27	27	31
Number of Sandbox Participants	28	14	20	18	5	4	4	4	4

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Innovative Credit Scoring	2	4	5	10	10	10	8	8	8
Aggregators	4	6	9	20	20	20	20	17	17
<b>Total</b>	<b>6</b>	<b>10</b>	<b>14</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>28</b>	<b>25</b>	<b>25</b>



In **March 2026**, the crypto-assets market recorded a total transaction value of **IDR22.24 Tn.**

Crypto-assets	Dec-23	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Transactions (IDR Tn)	27.25	94.08	32.68	29.28	24.33	22.24

# Financial Literacy, Consumer Protection and Illegal Financial Activities



Consumer protection in financial services sector continued to be strengthened through financial education, market conduct supervision, and enhanced complaint-handling services.



From 1 January to 27 March 2026, OJK has conducted **1,002 financial education activities**, reaching **1,915,983** nationwide.

Financial Education	1,002 Activities	Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities
	1,915,983 Participants		100% District/Municipalities
Sikapi Uangmu	98 Contents	National Movement of Financial Inclusion (GENCARKAN)	8,107 Programs
	885,813 Viewers		4,833 Financial Education Activities
Financial Education Learning Management System (LMSKU) OJK	3,464 Access		3,274 Digital Content
	2,420 Certificates		



During the same period, OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **953 illegal financial entities**.



From **January to March 2026**, OJK has received **147,310 service requests**.

Number of Illegal Investments	2
Number of Illegal Online Lending	951
Total Number of Illegal Financial Entities	953



From **22 November 2024 to 31 March 2026**, the Indonesia Anti-Scam Centre (IASC) has received **515,345 reports**.

Number of Reports	515,345
Number of Blocked Accounts	460,270
Amount of Victims' Funds Blocked (IDR Bn)	585.4

Number of Service Requests	147,310
Number of Service Requests on Consumer Protection Portal Application (APPK)	21,143
Banking	7,133
Fintech	8,917
Financing Institutions	4,347
Insurance	450
Capital Market and other NBFIs	296



*Amid global uncertainty, the Indonesia Sharia Stock Index (ISSI) contracted by 18.63% (ytd) in March 2026. While, sharia financing institutions remained on a positive trajectory.*

## SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Indonesia Sharia Stock Index	215.65	308.61	297.73	292.88	251.1
Growth (YTD %)	1.41	43.11	-3.53	-5.09	-18.63
Market Capitalization (IDR Tn)	6,825.31	8,971.68	8,546.91	8,340.75	7,152.48
Market Share (%)	55.33	56.72	56.91	56.55	57.74
SHARIA BOND (SUKUK)	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Government Sukuk (IDR Tn)	1,627.68	1,703.60	1,724.94	1,752.84	1,722.33
Corporation Sukuk (IDR Tn)	55.27	88.21	88.92	90.57	93.95
Market Share (%)	11.63	16.44	16.52	16.16	16.69
SHARIA MUTUAL FUND	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Asset Under Management (IDR Tn)	50.55	83.44	91.04	94.03	83.85
Market Share (%)	10.12	12.36	12.75	12.95	12.05
SHARIA SCF	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Fundraising (IDR Bn)	715.47	1,041.64	1,070.14	1,078.90	1,089.42
Market Share (%)	52.50	57.43	57.72	57.46	57.49

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

SHARIA PVML	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Sharia Financing Institution Assets (IDR Tn)	33.88	36.55	36.65	37.46	37.27
Sharia Venture Capital Assets (IDR Tn)	3.74	3.98	3.91	4.18	4.23
Sharia Microfinance Assets (IDR Tn)	0.65	0.66	0.67	0.65	0.65



*In March 2026, sharia banking intermediation remained steady, supported by adequate capital buffers and strong liquidity positions, while financing risk remained manageable. In the same period, assets of sharia insurance and pension funds slightly moderated, while assets of sharia guarantee institutions increased.*

## SHARIA BANKING SECTOR

Intermediation	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Assets (IDR Tn)	980.30	1,067.73	1,034.46	1,035.19	1,061.61
Market Share (%)	7.72	7.69	7.46	7.39	7.51
Financing (IDR Tn)	643.55	705.22	709.11	706.44	716.40
Growth (YoY %)	9.92	9.58	10.96	9.92	9.82
Deposits (IDR Tn)	753.60	829.99	811.74	800.58	811.76
Growth (YoY %)	10.09	10.14	10.08	9.73	11.14
Capital and Liquidity	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
CAR	25.4	25.07	24.3	25.19	25.35
LA/Deposits	32.09	30.01	26.48	26.87	29.83
LA/NCD	154.52	142.13	125.03	125.98	139.40
Credit Risk	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Gross NPF	2.12	2.16	2.21	2.26	2.28
Net NPF	0.79	0.83	0.83	0.85	0.87

## SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Dec-25	Jan-26	Feb-26	Mar-26
Sharia Life Insurance Assets (IDR Tn)	34.20	38.20	38.27	38.45	37.67
Sharia General Insurance Assets (IDR Tn)	9.46	10.41	10.59	10.91	10.87
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	5.06	5.16	5.2	5.19
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.93	6.92	6.99	7.02



Section 6

# Structural Reforms

*“Structural Reforms and Infrastructure  
Development to Strengthen Long-Term Growth”*



*Indonesia's National Transformation Strategy 2025–2029 focuses on strengthening governance, human capital, and industrial value creation to achieve inclusive and sustainable growth. Through structural reforms and grassroots development, it aims to build a resilient, equitable, and globally competitive nation toward 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's Gold Vision 2045 outlines a long-term roadmap to become a sovereign, advanced, and sustainable country through five key targets, eight development missions, seventeen strategic directions, and forty-five main development indicators. The plan will be implemented in four phases from 2025 to 2045, supported by social, economic, and governance transformation along with strong legal foundations, equitable regional development, sustainable infrastructure, and environmental resilience.



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

### 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

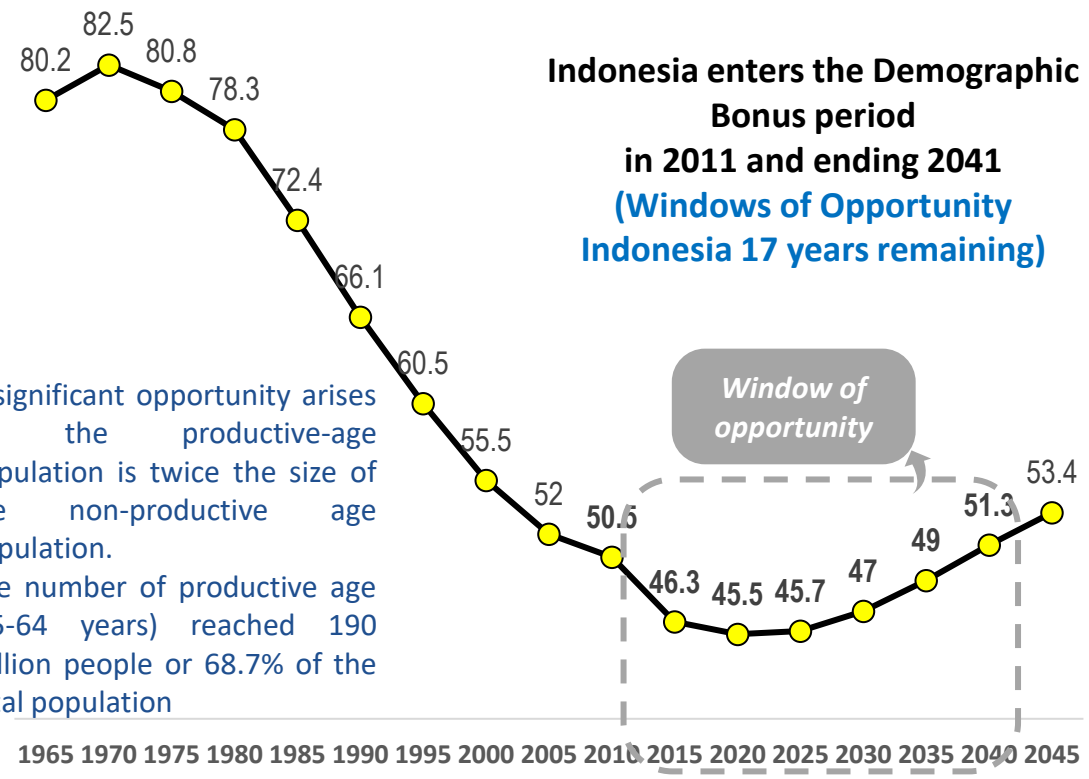
Source: RPJPN 2025-2045



# Indonesia Has a Demographic Bonus and Abundant Natural Resources

Indonesia has a major opportunity from its demographic bonus period (2011–2041), where the productive-age population dominates, creating strong potential to drive economic growth. This advantage is further supported by rich natural resources, strong social and cultural capital, and significant maritime and environmental assets that can strengthen Indonesia's long-term development.

## THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- The number of productive age (15-64 years) reached 190 million people or 68.7% of the total population

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 WEALTH



16% of the world's coral reefs



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



Capture fisheries potential 12 million tons



The largest mangrove forest 3.36 million hectares

### Geographical Location Advantages



## NATURAL WEALTH



125.57 million hectares of forest areas



Nickel with ore reserves 5.24 billion tons



Coal reserves 36.30 billion tons



Renewable energy potential 3,716 GW

Source: Bappenas

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



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

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

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



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



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

## ENABLER FOR ECONOMIC GROWTH



Macroeconomic  
Stability



Maintaining  
People's  
Purchasing Power



Efficiency &  
Investment Climate  
Support



Strengthening &  
Deepening the  
Financial Sector

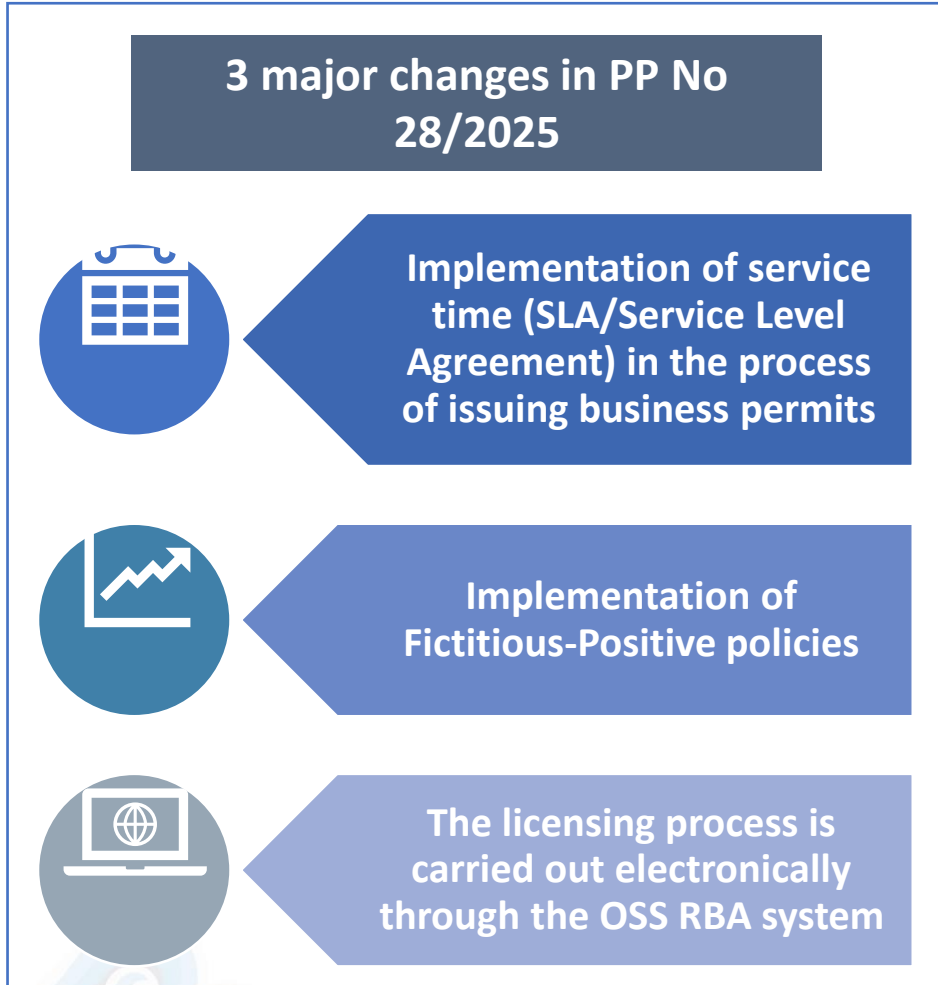


Enhancing Social  
Security & Social Safety  
Nets



# Implementation of OSS with Risk-based Business Licensing

Indonesia has implemented OSS with Risk-Based Business Licensing since November 2025. The Government Regulation No. 28 of 2025 (PP 28/2025), which replaces PP No. 5 of 2021, strengthens the Risk-Based Business Licensing framework by providing businesses with clearer procedures, greater legal certainty, and a more transparent regulatory environment



## Single Preference Principle

PP 28/2025 is a single reference; there are no additional requirements or permits issued by ministries, institutions, regional governments, or area managers that are not regulated in PP 28/2025

## Regulation in PP 28/2025

### Consists of 14 chapters:

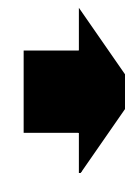
- Two new chapters added (Basic Requirements and PBUMKU)
- Basic requirement reform
- Simplification of NSPK chapters and adjustment of sector names according to UUCK (Job Creation Law)
- Improvement and completion of norms

### Improvement of Annexes I – IV:

- Provide clarity
- Substantial improvements to Annexes I and II
- Details of the requirements and obligations of PB and PB UMKU

## Risk-Based Business Licensing Development

**June 2025**  
Issuance of Government Regulation No. 28 of 2025



**November 2025**  
OSS with Risk-Based Business Licensing (PP 28/2025) has been implemented since November 2025, with minor adjustments still ongoing

**Government law updates**

- 17 has been enacted
- 5 finished harmonisation process
- 3 is in harmonisation process

Source: Coordinating Ministry for Economic Affairs

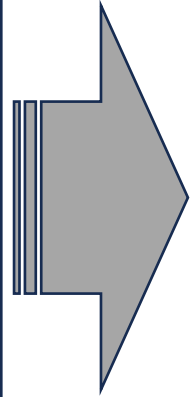


The revision of PP 10/2021 and PP 49/2021 aims to create a more open and competitive investment climate through eased restrictions, stronger incentives, and simplified business processes. The policy prioritizes green and digital industries while expanding opportunities in strategic sectors and Special Economic Zones.

## Towards a Competitive and Global-Ready Investment Ecosystem

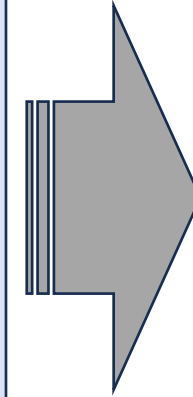
### THE URGENCY OF REVISION

- ❑ To reflect current economic dynamics
- ❑ To create a more conducive investment climate
- ❑ To increase efficiency, support industrial transformation, and strengthen national competitiveness



### THE OBJECTIVE OF REVISION

- MORE OPEN, LESS RESTRICTIVE**
  - ❑ Easing of restrictions
  - ❑ Strategic sectors are now more open to investment: health, trade, tourism, public works, and education.
- MORE OPEN INVESTMENT OPPORTUNITIES IN SPECIAL ECONOMIC ZONES (SEZ)**
  - ❑ No minimum investment limit
  - ❑ Simplified business processes with various convenient facilities
  - ❑ Fiscal and non-fiscal incentives to support investment
  - ❑ Various strategic SEZ zone options, including: tourism, production and processing, logistics & distribution, research & technology, and energy



### THE STRATEGY

- FISCAL INCETIVE**
  - ❑ Tax Holiday, Tax Allowance, Investment Allowance
  - ❑ Super Tax Deduction
  - ❑ Customs Incentives
- NON-FISCAL INCETIVE**
  - ❑ Ease of Licensing & Infrastructure
  - ❑ Support for Energy, Raw Materials, Immigration, and Employment
- NEW PRIORITIES**
  - ❑ Green industry
  - ❑ Digital industry



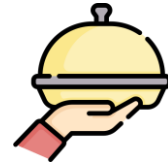
# Trade Policy: Deregulation On Import Policy

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

## Deregulated Import Commodity Groups (482 HS)

### Industrial Raw Materials/Auxiliary Materials (29 HS)

- Subsidized Fertilizers
- Other Fuels
- Plastic Raw Materials
- Saccharin, cyclamate, alcohol-containing fragrances
- Certain chemicals
- Pearls



### National Program Support Products (2 HS)

- Food Tray



### Forestry Product (441 HS)



### Competitive Industrial Products (10 HS)

- Footwear
- Two-wheeled and Three-wheeled Bicycles

## Import Deregulation Policy Output

As part of the regulatory update, **Minister of Trade Regulation No. 37 of 2025** was issued to replace Minister of Trade Regulation No. 16 of 2025 and was officially promulgated on **22 October 2025**. This regulation serves as the latest legal framework governing **import policy and import administration**.



### **Commodities Clustered Based MoT, as detailed :**

1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textiles and Textile Products**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agricultural and Livestock Products**;
3. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials (B3), and Mining Materials**;
4. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electrical and Telecommunications Products**;
5. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
6. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumer Goods**;
7. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous (Non-B3) Waste; and**
8. MoT Regulation No 38 of 2025 on Import Policy and Regulation for **Salt and Fishery Commodities**.



# OECD: Membership in The Oecd as a Catalyst For Structural Reform in Indonesia

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

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

### Strengthening competitiveness and economic resilience

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

### Improved policy quality and institutional governance

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

### Reform Credibility

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

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

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

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

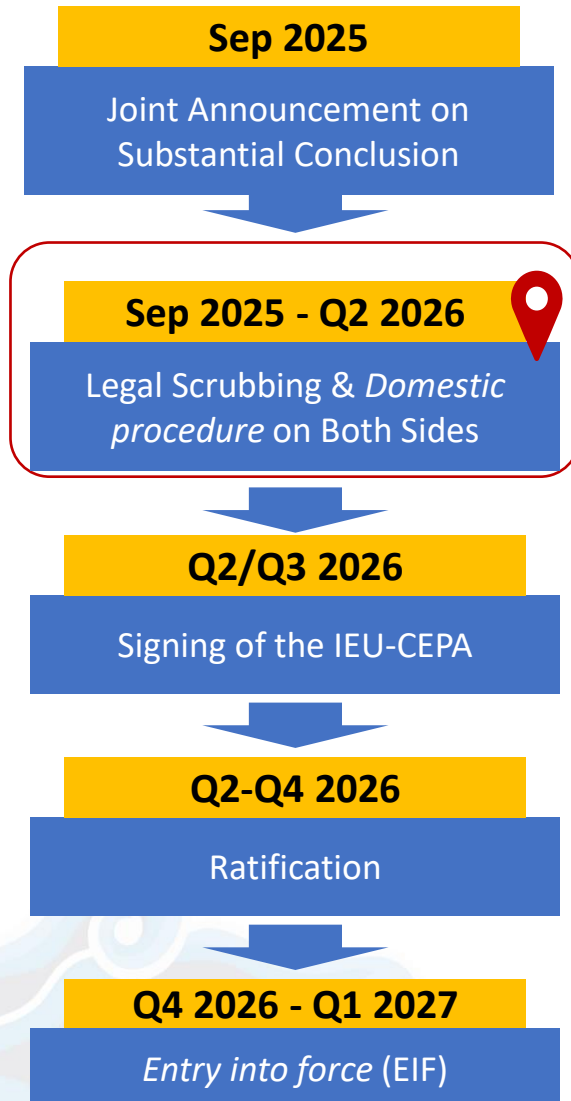


- Indonesia's **ACCESSION ROADMAPS'S** handover at the OECD MCM in **MAY 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN**.
- Indonesia is optimistic about **COMPLETING ITS OECD ACCESSION** within the **NEXT 3–4 YEARS**, following the submission on **3 June 2025** of its **32-chapter INITIAL MEMORANDUM (IM)** outlining self-assessments of policies, regulations, and alignment with **240 OECD LEGAL INSTRUMENTS**.
- Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.
- **ON PROGRESS:** The OECD has initiated the **TECHNICAL REVIEW** stage of Indonesia's accession process in Q3 2025, involving information gathering through questionnaires, independent studies, and fact-finding missions, with the questionnaire distribution targeted for completion in early 2026



IEU-CEPA will significantly expand market access by eliminating most tariffs, boosting Indonesia's exports and investment opportunities. It also strengthens economic diplomacy and partnerships with the EU, driving sustainable growth and greater global integration.

## IEU-CEPA TIMELINE



## BENEFITS OF IEU-CEPA

### a. Market access:

- a. EU: Eliminates 98.61% of tariff lines, covering 100% of import value from Indonesia
- b. Indonesia: Eliminates 97.75% of tariff lines, covering 98.14% of import value from the European Union

### b. The European Union will **open greater market access for Indonesia's**

**key products** such as palm oil, footwear, textiles, and fish. Through the Palm Oil Protocol, the EU and Indonesia will advance sustainable palm oil trade by enhancing regulatory alignment, strengthening ISPO, and supporting smallholders and MSMEs..

### c. "The implementation of **IEU-CEPA is expected to generate substantial economic benefits for Indonesia**, similar to those already happened in Vietnam and Singapore."

### d. The implementation of **Schengen Visa Cascade Policy** that allows Indonesian to gain multiple-entry access to EU for 5 years.





# Policy Support in the Field of Manpower

*Amid escalating trade tensions and weakening global demand that particularly affect labor-intensive industries, the government continues to strengthen worker protection and business resilience. Key measures include a reduction in Jaminan Kecelakaan Kerja (JKK) contributions and enhanced benefits under the Jaminan Kehilangan Pekerjaan (JKP) program to support workers impacted by layoffs*

## Government Policies

### Enhancement Benefits of the JKP Program

- Cash benefits increased to 60% of flat wages for 6 months
- Job training benefits increased to Rp 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 period 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.36 of 2025 on Amendments to Government Regulation No. 7 of 2025 on Adjustment of Jaminan Kecelakaan Kerja (JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies.



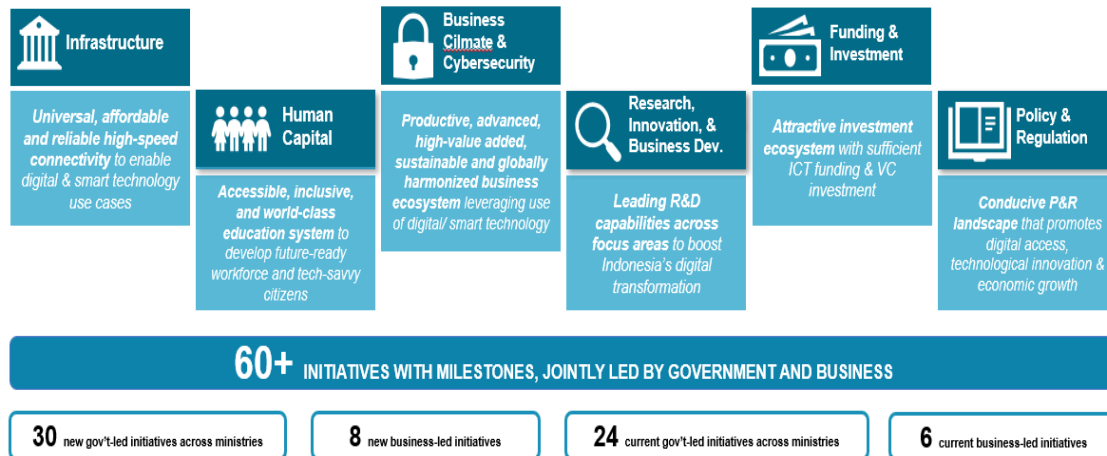
**Indonesia is strengthening its digital economy through a national strategy targeting a USD 600 billion market by 2030, supported by infrastructure, talent, funding, and regulatory reforms. At the regional level, ASEAN DEFA and RCEP enhance cross-border digital trade, payments, and data governance to boost integration and growth.**

## DOMESTIC

## REGIONAL

### Indonesia's Digital Economy: A USD 600 Billion Opportunity by 2030

- Indonesia's Coordinating Ministry for Economic Affairs launched the National Digital Economy Development Strategy White Paper in December 2023 — establishing the policy architecture for a digital economy projected to reach USD 600 billion by 2030, equivalent to 10% of GDP
- The White Paper operationalizes this ambition through six interconnected policy pillars spanning infrastructure, human capital, business climate & cybersecurity, research & innovation, funding & investment, and regulatory frameworks — with 60+ government-led and private sector initiatives currently in execution.
- Designed as a living document, the White Paper provides a structured, adaptive roadmap aligned with Indonesia's broader Golden Indonesia 2045 development vision



Source : White Paper on The National's Digital Economy Development Strategy; Kemenko Perekonomian

### 1. ASEAN DIGITAL ECONOMY FRAMEWORK AGREEMENT

ASEAN DEFA establishes a unified digital economy rulebook across 10 member states — covering cross-border digital trade, payment interoperability, and data governance



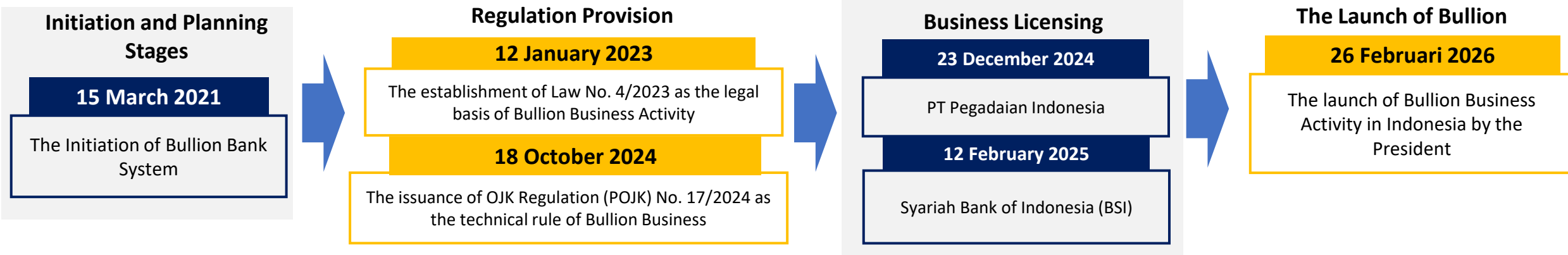
- Status : SUBSTANTIALLY CONCLUDED**
- Cross-border digital trade
- Payment interoperability
- Data governance framework

- World's largest trade bloc by GDP — 15 economies including China, Japan, SouthKorea, Australia, New Zealand + all 10 ASEAN member states
- Combined footprint: ~30% of global GDP (USD 29.7 trillion) | 2.2 billion people
- Digital economy provisions covering e-commerce facilitation, cross-border data
- Indonesia is a founding member since inception



Indonesia's bullion banking ecosystem marks a major step in transforming gold resources into a structured financial instrument, enhancing financial inclusion and value creation. With strong regulatory support and growing market traction, it is set to strengthen the domestic gold industry and position Indonesia as a key player in the global bullion market.

## TIMELINE



### Strategic Rationale & Policy Foundation

Indonesia's bullion banking framework transforms the country's position as the world's sixth-largest gold producer into a structured financial intermediation opportunity. By channeling domestic gold holdings into regulated, yield-bearing instruments, the framework simultaneously deepens financial inclusion and captures downstream economic value that previously accrued offshore.

Two licensed institutions are currently operational: PT Pegadaian (Persero), licensed December 2024, and PT Bank Syariah Indonesia Tbk (BSI, IDX: BRIS), licensed February 2025 — together managing a combined 148.77 metric tons of gold assets under management as of October 2025, establishing Indonesia as one of Southeast Asia's most substantive gold-backed financial intermediation platforms.



### Regulated Business Lines

- **Gold Saving**; monetized, yield-bearing retail gold accounts
- **Gold Financing**; gold-backed credit facility (sharia-compliant)
- **Gold Transaction**: physical gold bar trading through licensed channels
- **Gold Deposit**: non-monetized physical custody



### Market Validation Box

**Customer Traction**: within its first year of full operations, BSI has acquired over 1 million gold product customers — comprising approximately 640,000 customers in gold instalments and pawning services, and 530,000 in pure bullion products (trading and custody). Bullion gold sales volume reached 2.2 metric tons in FY2025.

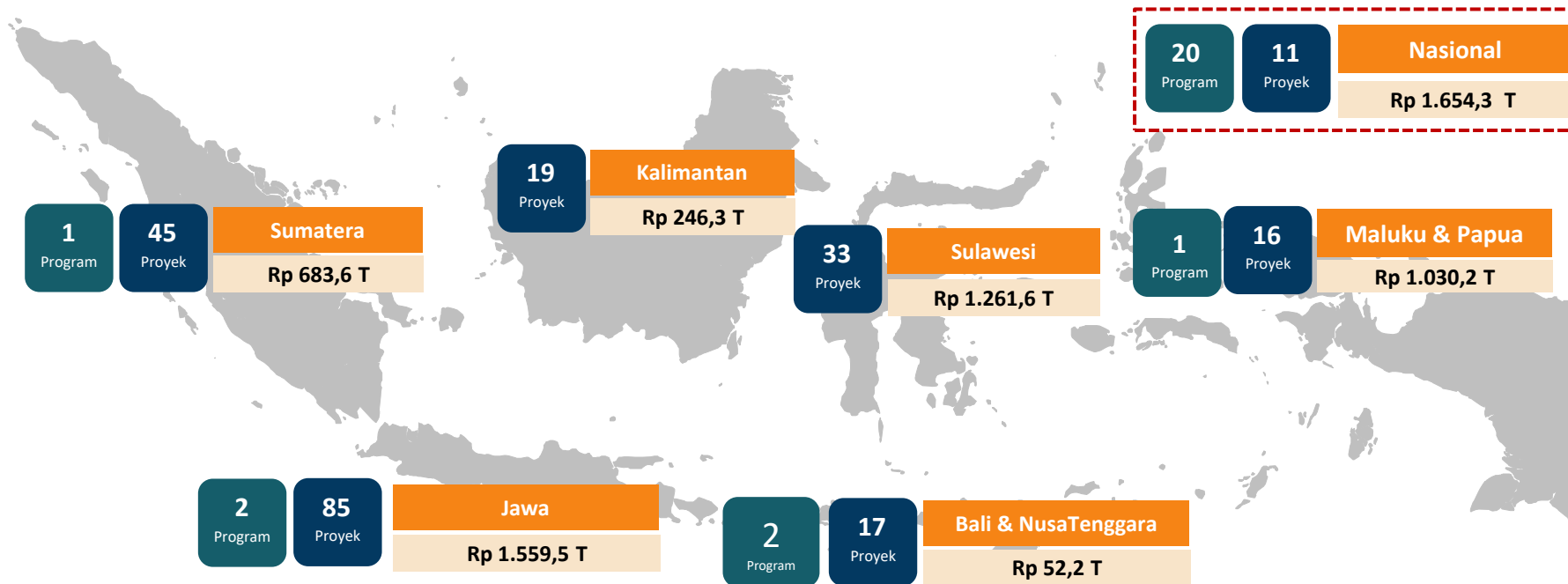
**Product Completion**: BSI is activating its Gold Saving (Simpanan Emas) product in February 2026, completing the full product suite authorized under OJK Regulation No. 17/2024 — covering trading, custody, and savings. This milestone positions BSI to progress toward gold financing (pembiayaan emas) in subsequent phases.

**Growth Trajectory**: Customer base expansion and wholesale segment development — targeting corporate and institutional gold services — are designated as primary strategic priorities for 2026

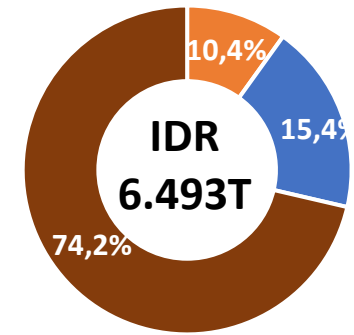


# The National Strategic Project (PSN)

Based on Coordinating Minister Regulation Number 16/2025 dan Number 19/2025 , there are 226 Projects and 26 Programs as PSN with an estimated total investment value (CapEx) of IDR 6.493 trillion



Portion of the Investment Plan Scheme Funding

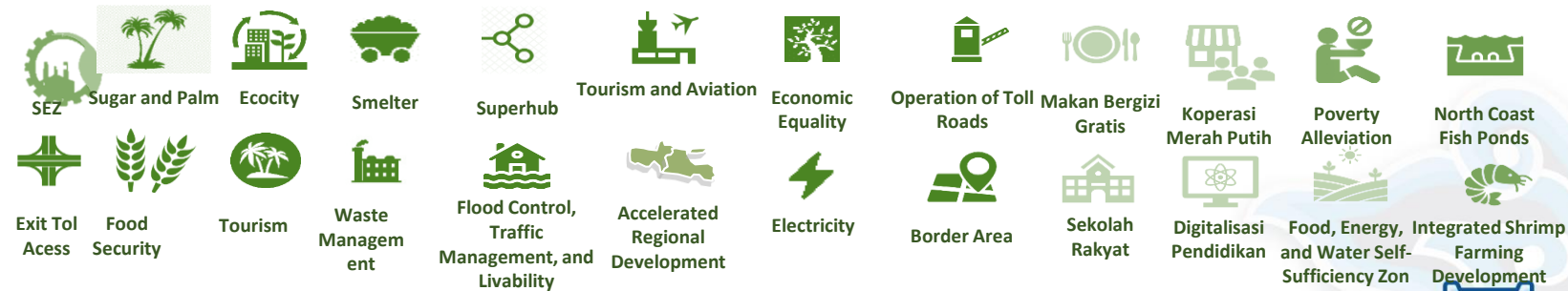


■ State Budget ■ SOE Budget ■ Private

## 14 Sector of PSN



## 26 Programs of PSN





# PSN Regulations Issued in 2025

The 2025 PSN regulatory updates strengthen governance, streamline project selection, and enhance accountability in the implementation of national strategic projects. These reforms aim to improve efficiency, ensure timely completion, and align priority sectors such as food, energy, and industry with Indonesia's long-term development goals.

Enacted on March 7, 2025

Enacted on September 24, 2025

Enacted on December 12, 2025

Enacted on December 12, 2025

## Coordinating Minister for Economic Affairs Regulation No. 2 of 2025

Seventh Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021



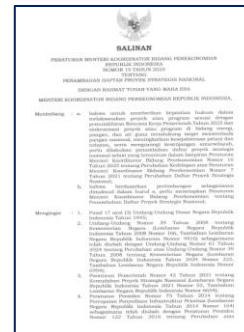
## Coordinating Minister for Economic Affairs Regulation No. 16 of 2025

Eighth Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021



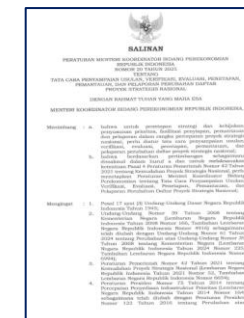
## Coordinating Minister for Economic Affairs Regulation No. 19 of 2025

Addition to the PSN List



## Coordinating Minister for Economic Affairs Regulation No. 20 of 2025

Procedures for Submission, Verification, Evaluation, Determination, Monitoring, and Reporting of PSN



### Addition of Article 2A, as follows:

1. PJKP (Project Owner) must complete PSN on time in accordance with the planning documents at the time of PSN proposal.
2. PJKP (Project Owner) shall report the implementation and proposed revisions to the completion plan to the Coordinating Minister for Economic Affairs in the event of a delay.

Source: KPPIP (2026)

### Changes to the National Strategic Projects (PSN) list are as follows:

The list of Projects has been changed from 228 to 226 Projects, and the list of Programs has been changed from 24 to 26 Programs.

### Additions to the National Strategic Projects (PSN) list include:

1. National Food, Energy, and Water Self-Sufficiency Program from Forest Area Control
2. National Salt Industry Center Area Program.

### Additions to the Provisions on the Determination of PSN Business Entities in the Food Sector are as follows:

1. The Coordinating Minister for Food may determine PSN business entities in the Food, Energy, and Water sectors in accordance with the provisions of Presidential Decree No. 19 of 2025.
2. Furthermore, the determination of these business entities shall be submitted to the Coordinating Minister for Economic Affairs.



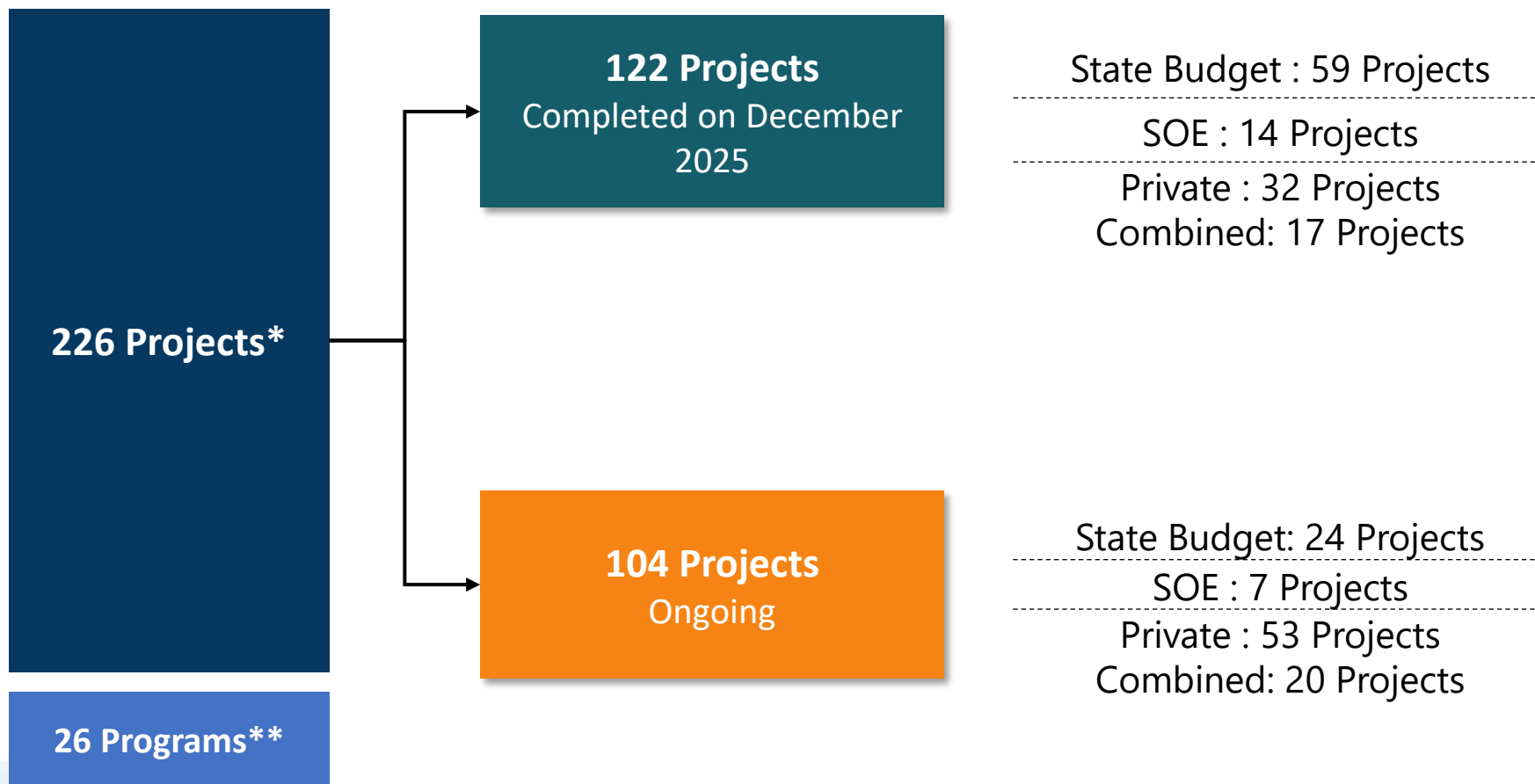
# 2025 PSN Completion and Investment Status

The total 226 PSNs, 122 projects have been completed with an investment of Rp1,849.6 trillion, while 104 projects are still ongoing with a value of +/- Rp3,052.4 trillion, with the private sector accounting for 91% or +/- Rp2,770.58 trillion.

## Total Projects

## Completion Status

## Financing Scheme



226 Projects\*

26 Programs\*\*

122 Projects Completed on December 2025

104 Projects Ongoing

State Budget : 59 Projects

SOE : 14 Projects

Private : 32 Projects

Combined: 17 Projects

State Budget: 24 Projects

SOE : 7 Projects

Private : 53 Projects

Combined: 20 Projects

\*Includes projects listed in the appendix to Ministerial Regulation No. 16/2025.

\*\* In accordance with the list of programs in Ministerial Regulation No. 16/2025.



# Recapitulation of PSN Targets to be Completed in 2026 - 2029

The PSN, which is targeted for completion in 2026-2029, requires a budget of +/- Rp3,105.8 trillion, with the PSN supporting downstreaming, competitiveness improvement, tourism, and technology having the largest total investment +/- Rp2,119.3 trillion

## Strengthening Food Security and the Environment



### Water and Sanitation

5 Projects  
Investment Value: IDR88 T



### Dams and Irrigation

18 Projects  
Investment value: IDR39,5 T



### Seawall

1 Project  
Investment value : IDR30,9 T



### Agriculture and Plantation

2 Projects  
Investment value : IDR1,1 T

**TOTAL INVESTMENT**

**IDR159,6 T**

## Connectivity and Accessibility



### Roads and Bridges

35 Projects  
Investment value : IDR647 T



### Train

5 Projects  
Investment value: IDR131,1 T



### Port

3 Proyek  
Investment value: IDR49,6 T

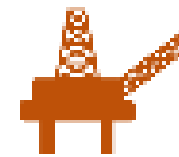
**IDR827 T**

## Downstreaming, Competitiveness Enhancement, Tourism & Technology



### Industrial Estate

24 Projects  
Investment value: IDR779,8 T



### Energy

15 Projects  
Investment value : IDR1.329 T



### Tourism

1 Project  
Investment value: IDR1,9 T



### Technology

1 Project  
Investment value: IDR8,6 T

**IDR2.119,3 T**



# List of PSNs with Completion Targets in 2026

*In 2026, based on KPPIP curation, it is estimated that there will be 10 PSN Projects and 2 PSN Sub-Programs. The construction of the smelter “can be completed” with an estimated investment value of IDR 136.7 trillion.*



**List of National Strategic Programs with Target Completion Date of 2026**

No	List of PSN	Sector	Location	Investment
1	Pembangunan Fasilitas Pengolahan dan Pemurnian Bauksit oleh PT Borneo Alumina Indonesia di Mempawah, Provinsi Kalimantan Barat Fase I	Energy	West Kalimantan	15.28 T
2	Pembangunan Fasilitas Pengolahan dan Pemurnian Komoditas Tembaga oleh PT Amman Mineral Industri di Sumbawa Barat, Nusa Tenggara Barat	Energy	East Nusa Tenggara	20.6T






**List of National Strategic Programs with Target Completion Date of 2026**

No	List of PSN	Sector	Location	Investment
1	Jalan Tol Sigli – Banda Aceh	Road	Aceh & North Sumatera	IDR 16.5T
2	Jalan Tol Kayu Agung - Palembang - Betung	Road	South Sumatera	IDR 17.3 T
3	Jalan Tol Serang - Panimbang	Road	Banten	IDR 9.9 T
4	Konstruksi Tangki Penyimpanan LPG (lokasi di Kupang)	Energy	East Indonesia	IDR 0,32 T
5	Pembangunan Pipa Transmisi Gas Bumi Ruas Cirebon - Semarang (Tahap II Ruas Batang - Indramayu)	Energy	West & Central Java	IDR 2,79 T
6	Kawasan Industri Tanah Kuning (PT ISI)	Industrial Estate	North Kalimantan	IDR 55 T
7	Bendungan Jragung	Dam	Central Java	IDR 2,8 T
8	Sistem Penyediaan Air Minum (SPAM) Regional Benteng - Kobema (Bengkulu Tengah, Kota Bengkulu, dan Seluma)	Water & sanitation	Bengkulu	IDR 0,9 T
9	Kawasan Industri Kuala Tanjung	Industrial Estate	North Sumatera	IDR 28,8 T
10	Kawasan Industri Wiraraja Green Renewable Energy & Smart-Eco Industrial Park (GESEIP)	Industrial Estate	Riau Island	IDR 343.79 T

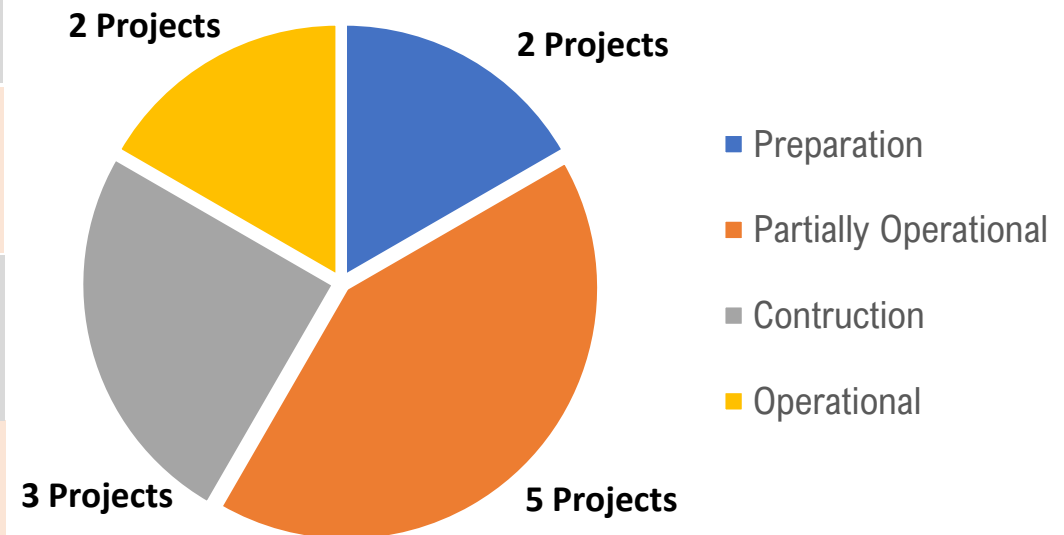


# Overview of PSN with a Target Completion Date of 2026

Total of 12 PSNs are targeted for completion by 2026 with an estimated investment of Rp136.7 trillion

	<b>Water and Sanitation</b> 1 Project	<b>IDR 0,9 Trillion</b>
	<b>Dams and Irrigation</b> 1 Project	<b>IDR 2.8 Trillion</b>
	<b>Road</b> 3 Project	<b>IDR 38.5 Trillion</b>
	<b>Energy</b> 4 Project	<b>IDR 39 Trillion</b>
	<b>Industrial Estate</b> 3 Project	<b>IDR 55.5 Trillion</b>
<b>Total Investment</b>		<b>IDR 136.7 Trillion</b>

## Current Project Status (As of December 2025)



<b>Preparation</b> 2 Industrial Estate	<b>Finish/Operational</b> 2 Energy
<b>Partially Operational</b> 2 Road 2 Energy 1 Industrial Estate	<b>Construction</b> 1 Road 1 Dam 1 Water and Sanitation

Source: KPPIP (2026)

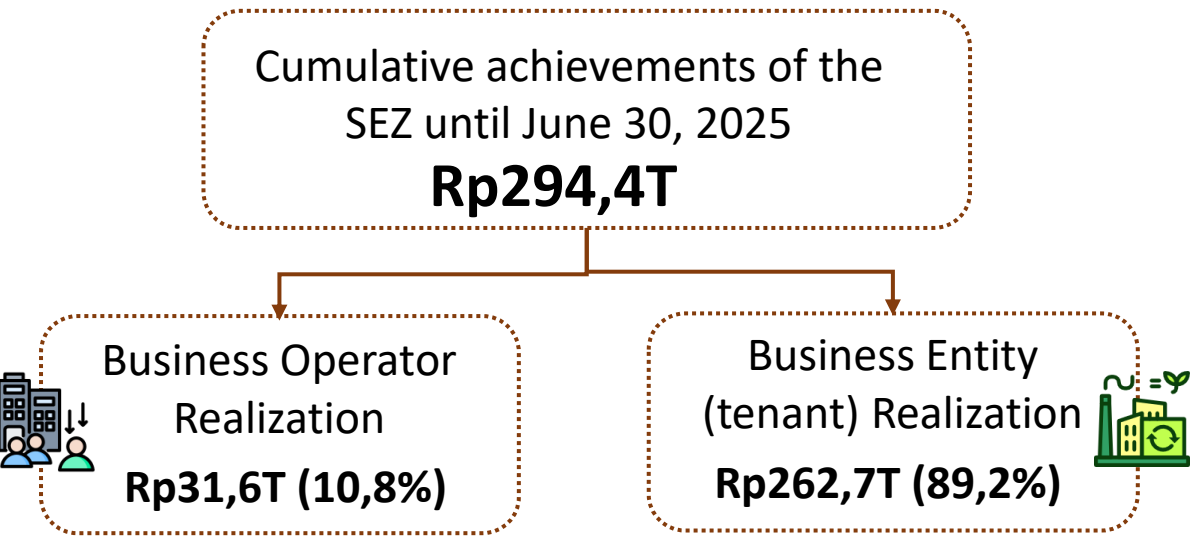


# Special Economic Zones Promote Inclusive and Sustainable Economic Growth

Indonesia has established 25 SEZs (7 in Java and 18 outside Java), comprising 13 industrial and 12 service SEZs, with cumulative investment realization reaching Rp 294.4 trillion and employment absorption of 187 thousand workers.

## 7 SEZs in Java and 18 SEZs outside Java (13 Industrial SEZs, 12 Service SEZs)

- Investment realization (cumulative) amounted to Rp.294.4 trillion
- Employment absorption of 187 thousand worker



Export realization data from SEZs continues to increase, reaching Rp82.04 trillion in Q2-2025.

**Largest exports:** Galang Batang SEZ (alumina), Kendal SEZ (anodes), Gresik SEZ (copper)

Source: Special Economic Zones

## Development of SEZs

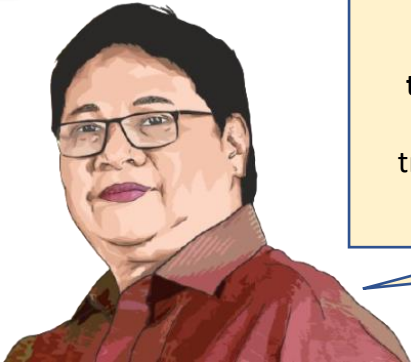
- Increasing Exports and Import Substitution**  
Export-competitive industries and halal industries
- Industrial Downstreaming**  
To increase added value by processing raw materials into high value-added goods
- Acceleration of Industry 4.0 Implementation**  
Automation-based manufacturing industry
- Accelerating the Development of the Service Sector**  
Digital industry, information technology, finance, education, and health services
- Equitable Development (Inclusive)**  
Development of industrial centers in the regions to spur economic growth
- Promoting Trade Surplus**  
Import substitution industries, such as chemicals, machinery, and electronics, including the development of the service sector, have been causing foreign exchange outflows.
- Resilience and Sustainability**  
Green Economy, Blue Economy, and Circular Economy Development

# About The Energy Transition And Green Economy Task Force



*The Energy Transition and Green Economy Task Force drives Indonesia's green economic transformation by coordinating policies, financing, and cross-sector implementation to accelerate decarbonization and sustainable energy development in line with national development goals.*

## 1 Background



A National Energy Transition Task Force is needed, encompassing initiatives such as **AZEC, JETP, and other policies related to energy transition and the green economy**, to ensure stronger synergy among various financing schemes, investments, and sustainable energy transition policies. This will support Indonesia's decarbonization targets and the development of a green economy.

**Airlangga Hartarto**  
Coordinating Minister for Economic Affairs

## 2 Main Objective

To support the realization of a green economic transformation, as outlined in the 2025–2029 National Medium-Term Development Plan (RPJMN)

## 3 Roles and Responsibilities

### THE ENERGY TRANSITION AND GREEN ECONOMY TASK FORCE

- **Develop a roadmap and policies** for the energy transition and green economy, including decarbonization.
- **Harmonize, adapt, and formulate regulations** that support the energy transition and green economy.
- **Ensure the effective implementation** of policies and regulations related to the energy transition and green economy.
- **Identify and coordinate financing mechanisms** from domestic and international sources to support the energy transition and green economy.
- **Promote investment and technology transfer** in the sustainable energy sector through collaboration with national and international strategic partners.
- **Manage the social, economic, and environmental impacts** of the energy transition and green economy, including those affecting the workforce in impacted sectors.
- **Develop human resource and research capacity** to support the energy transition and green economy.





# JETP Indonesia Stands as The Largest Individual Energy Transition Financing Effort

On 16 November 2022, Indonesia and the International Partners Group (IPG) — supported by 7 global financial institutions under GFANZ — launched JETP Indonesia, the world's largest individual country-level energy transition financing commitment at USD 21.8 billion



## Comprehensive Investment and Policy Plan (CIPP) 2023 as a Strategic Recommendation for Indonesia's Energy Transition

### Main Result

#### Technical

- An ambitious yet achievable on-grid power sector roadmap.
- A list of priority projects in 5 investment areas, compiled

#### Financing

- Funding needs to meet the electricity sector roadmap and priority projects.
- Clarification of general terms and conditions of IPG funding provisions.

#### Policy

- Policy reform recommendations for 7 key topics.

#### Just Transition

- A just transition framework for managing social, economic and environmental impacts.
- Opportunities for government stakeholders to advance just transition principles.

### Targets in JETP Scenario

Target in 2030: CO2 emissions 250 MT (on-grid) 44% share of renewable energy

USD 97.3 billion needed for just transition by 2030

400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030

Positive socio-economic impacts during the energy transition process

### Key assumptions for achieving JETP targets



Policies supporting the energy transition are in place and implemented (refer to policy recommendations in CIPP 2023 Chapter 8)

#### Accessible financing available



- Concessional financing for low return projects is easily accessible
- Commercial financing for commercially viable projects
- Grants/TA to support studies, including feasibility studies that will lead to project implementation



There are no obstacles in implementing the project such as land acquisition and licensing.



Procurement is carried out periodically for renewable energy and transmission projects by PLN with bankable PPAs & fair risk sharing between PLN and IPPs.

Source: Coordinating Ministry for Economic Affairs

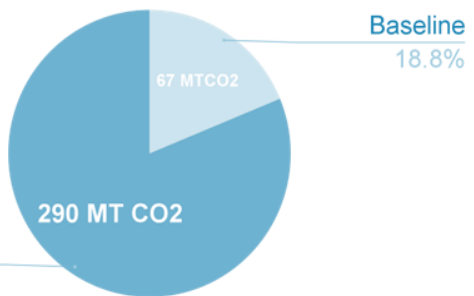


# JETP Indonesia's Target & Investment Outlook

*Indonesia aims to peak electricity sector emissions at no more than 290 MTCO<sub>2</sub> by 2030 and accelerate the transition toward cleaner energy. This transition is supported by a target of at least 34% renewable power generation and the mobilization of over USD 21 billion in public and private financing.*

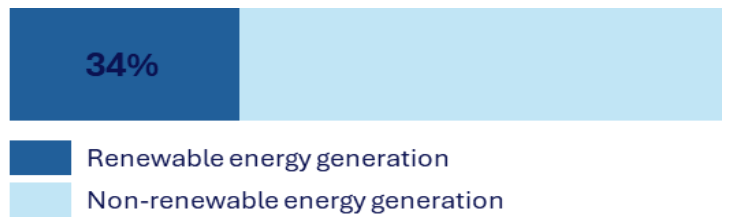
## The shared targets for the electricity sector as outlined in the Joint Statement:

### Total Electricity Sector Emissions



Achieve total electricity sector emissions peak at an absolute value of no more than 290 MTCO<sub>2</sub> in 2030 (down from the 2030 baseline of 357 MTCO<sub>2</sub>) and immediate decline as it shifts the projected emissions peak into the future.

### Power Generation in 2030









Accelerating the deployment of renewable energy so that renewable energy generation comprises at least 34% of all power generation by 2030, roughly doubling total renewables deployment over this decade compared to current plans.

### Funding Mobilization (USD)



Mobilizing USD 21,4 billion in public and private financing to decarbonize Indonesia's energy sector, of which USD 11,4 billion will be mobilized by the IPG members and the other USD 10 billion will be facilitated by GFANZ for private finance. The financing was later increased to USD 21.4 billion in total in 2026.

### Investment Focus Area (IFA)

-  1. Promoting Energy Efficiency and Electrification Implementation
-  2. Development of electricity transmission and distribution
-  3. Dispatchable renewable energy acceleration
-  4. Variable renewable energy (VRE) acceleration
-  5. CFPP Repurposing
-  6. Development of renewable energy supply chains



Indonesia has mobilized USD 3.4 billion from the USD 21.8 billion JETP pledge by December 2025, driven by growing pipelines of loans, equity, and grants. With multiple projects approved and over USD 4.4–5.2 billion in financing in process, momentum for energy transition financing is accelerating.

## Loan/Equity<sup>1</sup>



<sup>1</sup>Programs are defined as non-project specific investment, such as Result Based Lending, Policy Based Loan, and equity investment

<sup>2</sup>Project costs estimated by FWG from published Indonesia generation cost data.

## Grant/TA programs



## MDB Guarantees<sup>3</sup>



<sup>3</sup>The Lol for the MDB Guarantee has been signed between the UK Government, the Government of Indonesia, and the IBRD, which means that this \$1 billion guarantee can now be accessed through the IBRD.

### \*\*Notes:

1. Certain grant programs are still in the process of confirming amounts
2. **FX conversion** from respective currencies to USD (Source: WSJ) are as of **31 December 2025** and variety of FX depending on the signing or approval of the grants.
3. The nominal differences from the previous publications are mostly due to FX fluctuations
4. Nominal are rounded to the nearest one decimal

### Implemented by

Source: JETP Secretariat

# Highlights JETP Achievements to Date: Total of ~ USD 3.4 Billion Across Projects, Programs, and Grants as of December 2025



*As of December 2025, JETP has mobilized approximately USD 3.4 billion across projects, programs, and grants, supporting initiatives such as the Saguling 60 MW Floating Solar, Muara Laboh 83 MW Geothermal project, and the MRT Jakarta North–South and East–West Lines through policy-based lending, results-based loans, concessional financing, grants, and technical assistance.*

## PROJECTS



Saguling 60 MW Floating Solar PV on existing reservoir — no additional land acquisition required : **USD 60 Million**



Muara Laboh Operational geothermal plant, Solok Selatan, West Sumatra — baseload renewable energy 83 MW : **USD 138 Million**

### largest single JETP project by value



MRT Jakarta North-South and East-West Line: Modal shift from private vehicle to mass transit **USD 1,791.5 Million**

## PROGRAMS

No	Funding Type	Description	Value	Status
1	PBL / Concessional loan	Policy Based Lending (PBL) Affordable & Sustainable Energy Transition (ASET):	USD 377.5 Million (EUR 350 Million)	<input checked="" type="checkbox"/> Active
2	RBL / Concessional loan	Indonesia Sustainable Least-cost Electrification -1 (ISLE-1) Program	USD 47.5 Million (CAD 64.3 Million)	<input checked="" type="checkbox"/> Active
3	Equity	Xurya Solar Rooftop	USD 30 Million	<input checked="" type="checkbox"/> Active
4	RBL / Concessional loan	Results Based Loan (RBL) Sustainable Reliable Energy Access Program (SREAP)	USD 69 Million (EUR 63.9 Million)	<input checked="" type="checkbox"/> Active
5	RBL / Concessional loan	Results-Based Loan (RBL) Accelerating Indonesia's Clean Energy Transition (AICET)	USD 327 Million (EUR 300 Million+ USD 20 Million)	<input checked="" type="checkbox"/> Active
6	Concessional loan	Green Energy Corridor Sulawesi (GECS)*	USD 353.2 Million (EUR 300 Million)	Loan disbursement process
7	Grants and Technical Assistance	45 Grants and Technical Assistance*	USD 215.7 Million	<input checked="" type="checkbox"/> Active

Note:

\*JETP reach further milestone as of December 2025 which are ready for Joint Announcement:

- EUR 300 Million** for GECS Loan Agreement between KfW and PT PLN (Persero)
- EUR 7.82 Million** for GBDF Grant Agreement between KfW and PT SMI (Persero)



# AZEC Collaboration Accelerates Strategic Clean Energy Projects in Indonesia

Through AZEC, Indonesia is engaging in a regional decarbonization platform that combines policy commitment, transition finance, technology cooperation, and tangible project pipelines across geothermal, renewable energy, industrial decarbonization, carbon markets, and nature-based solutions. As of early 2026, AZEC has achieved concrete progress, including key financing approvals and partnerships. Several strategic projects are currently under a debottlenecking process to accelerate implementation and unlock significant investment value.



AZEC (Asia Zero Emission Community) is a regional cooperation initiative in Asia led by Japan to achieve carbon neutrality or net-zero emissions, promoting sustainable energy transition involving 11 partner countries—including Indonesia.

The 9th AZEC EGM was successfully held at the end of January 2026 as a real action of debottlenecking. In addition to the project progress listed above, achievements include:

- Approval of the JICA Loan Agreement for Hululais Geothermal Power Plant (PLTP)
- Positive intention for a joint study on the PPA Template for geothermal power plants

The total number of Indonesia’s MoUs under AZEC has reached 74 MoUs, consisting of 36 MoUs in 2023, 38 MoUs in 2024, 20 MoUs in 2025.

## Projects currently under debottlenecking process

Project Categorization	Project Name	Details	Investment Value
I (Commercial Project)	Muara Laboh Geothermal Project – Phase 2 (approx. 80 MW)	<ul style="list-style-type: none"> <li>• April 18, 2025: Financial Close</li> <li>• Ceremony on May 5, 2025</li> </ul>	Approx. USD 500 million
I (Commercial Project)	Legok Nangka Waste to Energy*) (40.79 MW)	<ul style="list-style-type: none"> <li>• Currently in the process of negotiating the PPA.</li> <li>• Expected to reach Financial Close in end of 2026 and be inaugurated by the President of Indonesia.</li> <li>• Currently discussing the signing of a grant from international investors.</li> </ul>	Approx. USD 420 million
I (Commercial Project)	Expansion of Sarulla Geothermal Power Plant	<ul style="list-style-type: none"> <li>• Two issues: Force majeure related to acidity and tariff adjustment.</li> <li>• A joint team is being formed between both parties, including PLN.</li> </ul>	
II (Preparing for Commercial Project)	Java – Sumatra Transmission Line	<ul style="list-style-type: none"> <li>• JBIC and Kansai Electric have conducted capacity building on transmission with PLN.</li> <li>• Kansai Electric is conducting a feasibility study for the Java–Sumatra connection.</li> </ul>	Approx. USD 3.5 billion

\*) The Legok Nangka Waste-to-Energy Project has the potential to become a **low-hanging fruit** and a model success for AZEC debottlenecking **after Muara Laboh Geothermal**, contributing to the circular economy, renewable energy, and waste management solutions in Greater Bandung.



# Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of Rp 147.5 trillion in 2026, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.



## Mineral (Total IDR 98.3 T)

Nickel	Rp 41.5 T	Iron & Steel	Rp 13.7 T
Copper	Rp 20.7 T	Tin	Rp 2.5 T
Bauxite	Rp 17.0 T	Others	Rp 2.9 T*

\*) Others: Silica Sand, Gold, Silver, Cobalt, Manganese, Coal, Buton Asphalt, LTJ



## Oil & Natural Gas (Total Rp 17.6 T)

Petroleum	Rp 13.6 T
Natural Gas	Rp 4.1 T



## Marine and Fisheries (Total Rp 6.4 T)

Commodities in this sector include salt, fish (Tuna, Skipjack, Mackerel) , shrimp, seaweed, crab, and tilapia.



## Plantations & Forestry (Total Rp 29.8 T)

Palm Oil	Rp 18.3 T	Rubber	Rp 2.4 T
Logs	Rp 7.0 T	Others*	Rp 2.1 T*

\*) Other : Nutmeg, Pine, Coconut, Cocoa, and Biofuel

Investment Realization of Downstream Industry Sectors

**Rp 147.5 Trillion** ▲ 8.1% (YoY)

29.6% of Total Investment Realization Q1 2026

THANK YOU

