Presentation Book
Republic of Indonesia

"Sustaining Stability and Economic Growth amid Global Uncertainty"



November 2026

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Section 1

Indonesia's Story

"Strong Fundamental Resilience Amidst Heightened 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 resilient 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 macroeconomic fundamentals remain solid, with growth accelerating to 5.47% (yoy) in Q3 2026 while inflation remains low and stable. Growth is expected to remain resilient at 4.9–5.7% in 2026 and strengthen further to 5.1–5.9% in 2027, supported by domestic demand, investment, and continued policy coordination
- **Low and Stable inflation:** Inflation remains under control, with CPI inflation stood at 3.23% (yoy) in October 2026, with annual inflation in 2026 and 2027 is projected to remain within the 2.5%±1% target range.
- **Sound external sector:** The external sector remains resilient, supported by ample foreign exchange reserves of USD146.8 billion, equivalent to 5.2 months of imports and the servicing of government external debt, at the end of October 2026.
- **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, with the deficit at the first half of 2026 at 0.76% of GDP. 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:** Bank Indonesia's policy mix remains focused on strengthening stability and supporting economic growth. In October 2026, Bank Indonesia maintained the BI-Rate at 5.75%, the Deposit Facility rate at 5.00%, and the Lending Facility rate at 6.50%, while strengthening its integrated policy mix. Monetary policy remained pro-stability to safeguard Rupiah stability and inflation, while macroprudential and payment system policies remained pro-growth by supporting financing, market deepening, liquidity, and digital payments.
- **Growth-enhancing Structural Reforms**: Structural reforms continue to strengthen competitiveness and support growth through priority programs focusing on human capital development, food and energy security, housing and local economic development. Meanwhile, robust investment in downstream industries reflects Indonesia's ongoing transformation toward a more diversified and higher value-added economic structure.
- **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.

National Transformation Strategy: Towards A Golden Indonesia 2045

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 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

State Budget as of 30 September 2026 is Well Performed

Revenue grew high (25.5% yoy). Spending continued to increase (grew 19.0% yoy). The deficit was maintained within safe and manageable limits. The State Budget continues to play crucial role in driving economic growth.

Item (IDR Trillion)	State Budget 2026	Outlook 2026			Realization as of 30 Sep 2026		
		Outlook	% of Budget	Growth (%)	Real. 30 Sep	% of Budget	Growth yoy (%)
A. STATE REVENUE	3,153.6	3,208.1	101.7	16.0	2,341.5	74.2	25.5
I. Taxation	2,693.7	2,631.4	97.7	18.6	1,847.7	68.6	21.8
1. Tax	2,357.7	2,310.8	98.0	20.5	1,607.6	68.2	24.1
2. Customs and Excise	336.0	320.6	95.4	6.8	240.1	71.5	8.5
II. Non-Tax State Revenue	459.2	575.1	125.2	6.2	492.3	107.2	41.7
III. Grant Revenue	0.7	1.5	227.5	(72.1)	1.5	219.2	(18.8)
B. STATE EXPENDITURE	3,842.7	3,942.4	102.6	14.8	2,660.5	69.2	19.0
I. Central Government Expenditure	3,149.7	3,245.5	103.0	25.5	2,061.3	65.4	29.6
1. Ministry Expenditure	1,510.5	1,630.4	107.9	9.9	1,069.4	70.8	33.5
2. Non-Ministry Expenditure	1,639.2	1,615.1	98.5	46.5	991.9	60.5	25.7
II. Regional Transfers	693.0	696.9	100.6	(17.9)	599.2	86.5	(7.1)
C. PRIMARY BALANCE	(89.7)	(152.1)	169.5	(2.5)	125.5	(139.9)	511.3
D. SURPLUS/(DEFICIT)	(689.1)	(734.3)	106.6	9.5	(319.0)	46.3	(13.5)
% of GDP	*(2.68)*	*(2.85)*			*(1.24)*		
E. BUDGET FINANCING	689.1	734.3	106.6	(1.1)	462.0	67.0	0.4

State Revenue
IDR2,341.5 T
▲25.5% (yoy)

State Expenditure
IDR2,660.5 T
▲19.0% (yoy)

Budget Deficit
(IDR319.0 T)
1.24% GDP

Primary Balance Surplus
IDR125.5 T

Realization and Outlook of Macroeconomic Basic Assumptions 2026 Remain On-track

Macroeconomic assumptions remain broadly on track, with resilient growth and manageable inflation amid continued global uncertainties.

Indicators	2026		
	APBN	Realization	*Outlook* *)
Economic Growth (%)	5,4	5,45 [1)]	5,6 – 6,0
Inflation (%, *yoy*)	2,5	3,19 [2)]	2,4 - 2,9
10-Year SBN Interest Rate (%)	6,9	7,17 (eop) [3)] 6,80 (ytd) [3)]	6,7 – 7,1
Exchange Rate (IDR/USD)	16.500	17.635 (eop) [4)] 17.415 (ytd) [4)]	17.000 - 17.500
Indonesian Crude Oil Prices *(US$/barrel, average)*	70	89,2 [2)]	75 – 85
Oil Lifting *(thousand barrels per day)*	610	575,6 [5)]	602 – 610
Gas Lifting *(thousand barrels of oil equivalent per day)*	984	926,8 [6)]	929 – 985

High economic growth, supported by strong investment, domestic demand, and government policy support.

Managed Inflation, supported by energy & food price policies to maintain people's purchasing power.

Weakened Rupiah, driven by geopolitical factors and the direction of global monetary policy.

SBN yield movement, influenced by global dynamics. The level and volatility can still be maintained.

Oil price dynamics are influenced by supply chain disruptions due to the Middle East conflict and the development of resolutions with the US.

Oil and gas lifting continues to be optimized amid volatile commodity market.

[1)] Realization of Q2 2026 (c-t-c)
[2)] Realizatioin as of Agustus 2026
[3)] Realization as of 15 Sep '26
[4)] BI middle rate as of 15 Sep 2026
[5)] *lifting* MK + NGL ytd Juni 2026
[6)] *lifting* gas (exc NGL) ytd Juni 2026
*) Data SKK Migas/ESDM (NGL as oil)
**) MoF data (NGL calculated as gas)

*) NK RAPBN 2027

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

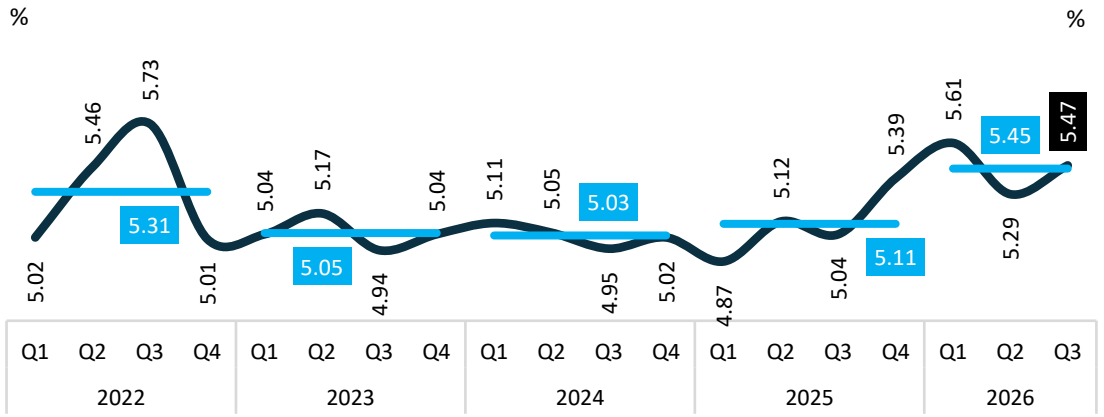
The 2026 Budget Posture

	Budget
A. Revenue	**3,153.6**
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. Expenditure	**3,842.7**
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
C. Primary Balance	**(89.7)**
D. Surplus/(Deficit)	**(689.1)**
E. Financing	**689.1**

Indonesia's Macroeconomic Fundamentals Remain Resilient

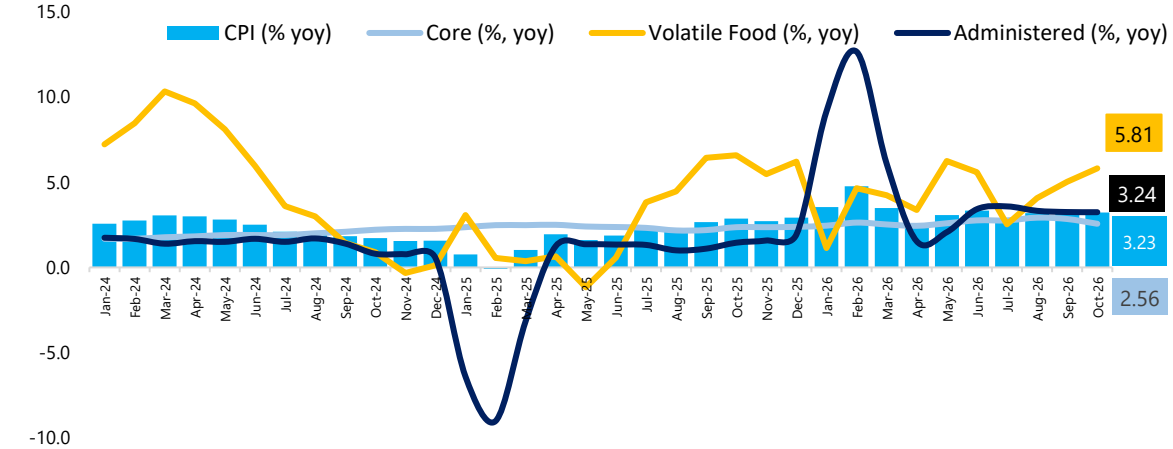
Indonesia's robust macroeconomic fundamentals underpin resilient growth of 5.47% in Q3 2026, supported by manageable inflation, a relatively stable rupiah, and a strengthened monetary policy framework, which reinforcing the economy's capacity for sustained long-term growth.

Resilient Economic Growth



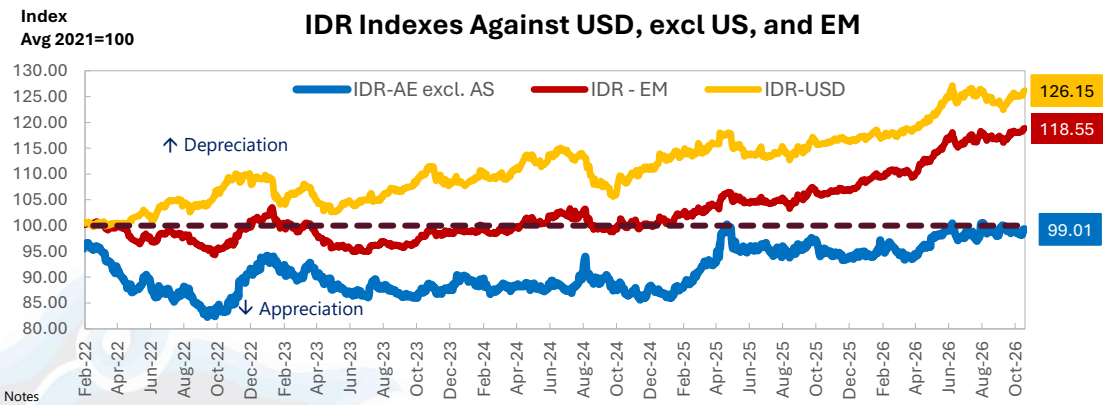
Source: Statistics Indonesia

Well Maintained Inflation Ensured Price Stability



Source: Statistics Indonesia

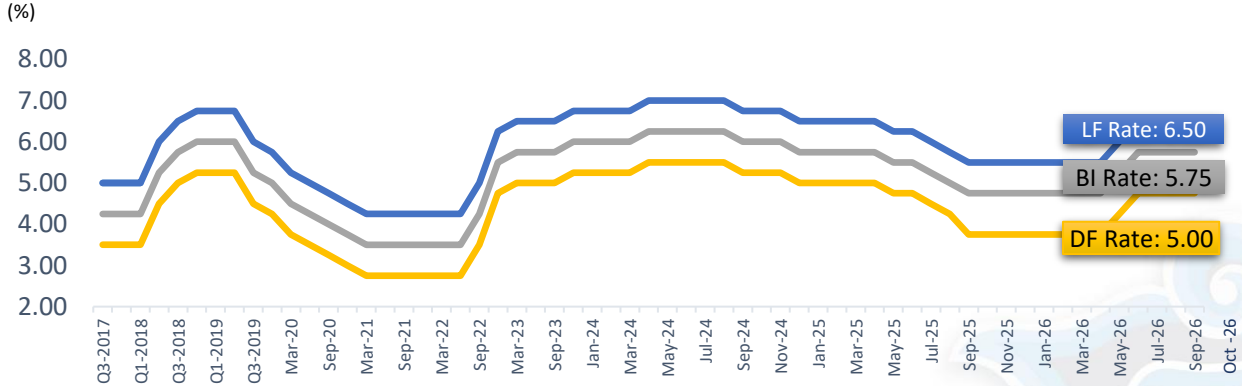
Relatively Stable Rupiah Exchange Rate



Notes
Based on daily data, as of 20 October 2026

Source: Bank Indonesia

Strengthened Monetary Policy Framework

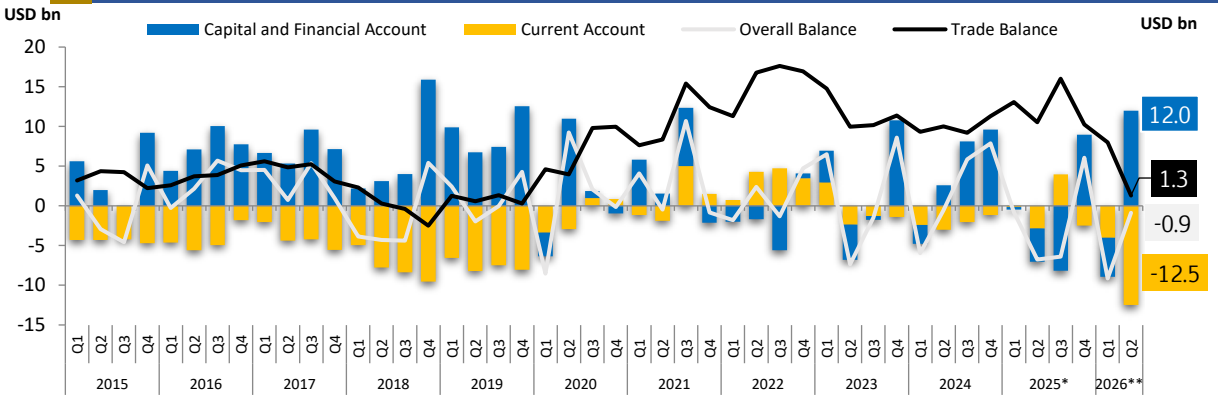


Source: Bank Indonesia

External Sector Remains Sound Amid Heightened Global Uncertainty

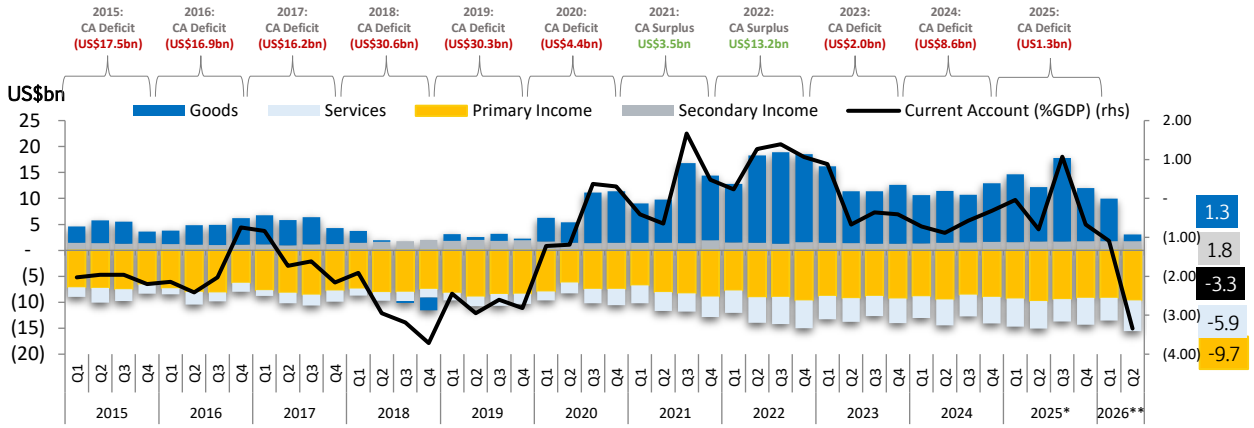
Indonesia's external sector remains resilient, supported by a balance of payments that remains maintained, a low current account deficit, a trade balance that stays in cumulative surplus, and adequate foreign exchange reserves that continue to bolster macroeconomic stability.

Indonesia's BOP performance must continue to be strengthened to support external resilience



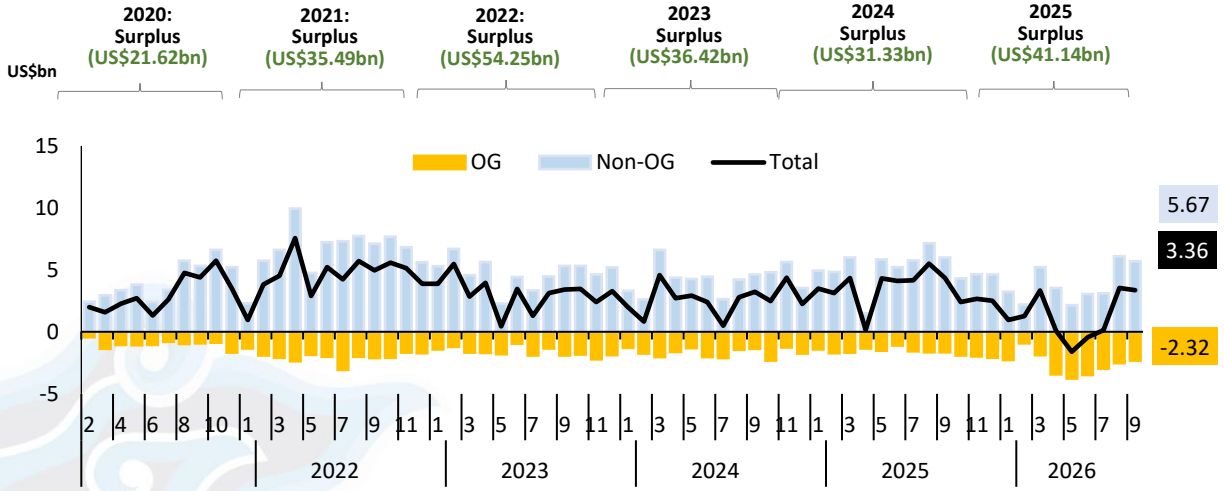
Source: Bank Indonesia

Current Account Deficit Remains at a Healthy Level



Source: Bank Indonesia

Trade Balance Surplus Continues



Source: Statistics Indonesia

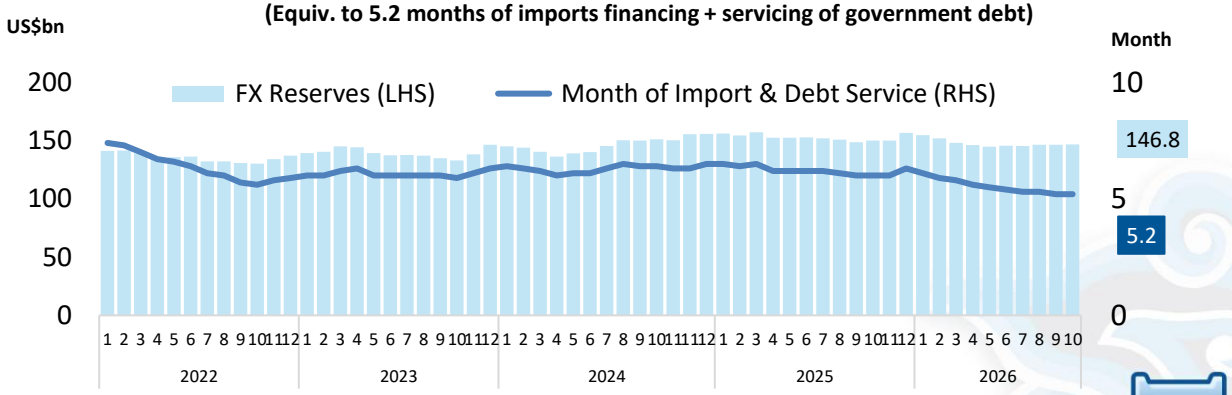
* Preliminary Figure

** Very Preliminary Figure

Official Reserve Assets Remain Solid in October 2026

FX Reserves as of October 2026: US$146.8bn

(Equiv. to 5.2 months of imports financing + servicing of government debt)



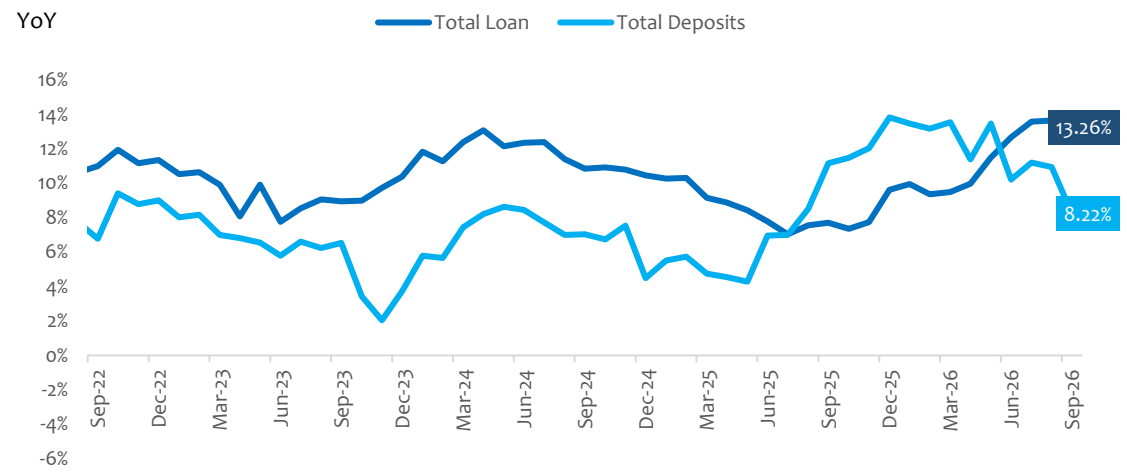
Source: Bank Indonesia

Source: Bank Indonesia

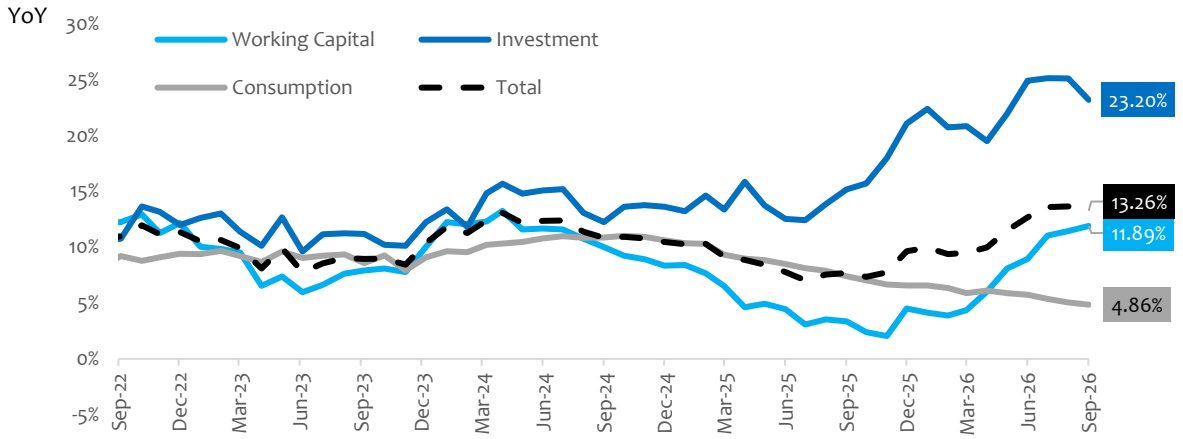
Banking Intermediation

Banking intermediation remained solid in September 2026, with loan growth maintaining a double-digit pace, while banking liquidity remained adequate.

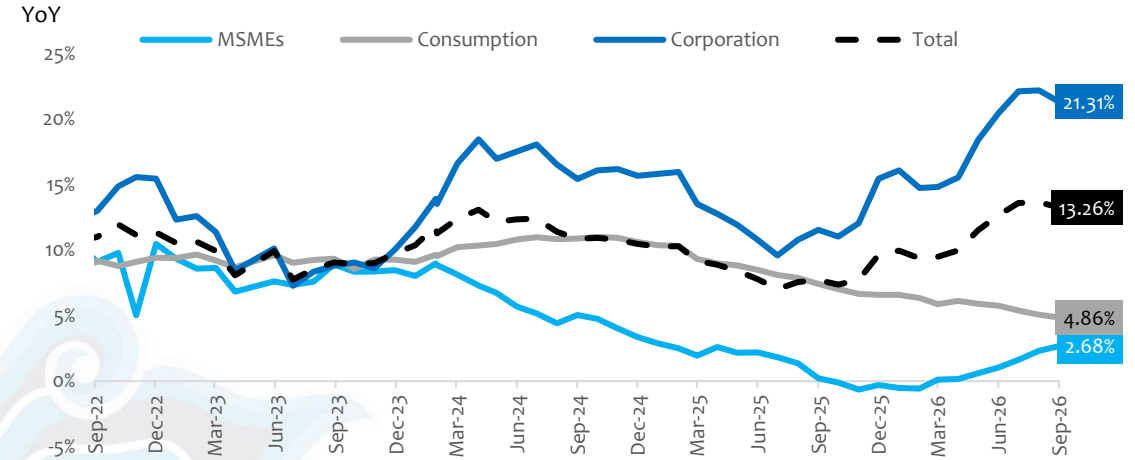
As of **September 2026**, banking loan grew by **13.26% (yoy)** to **IDR9,245 trillion**, while deposit increased by **8.22% (yoy)** to **IDR10,492 trillion.**



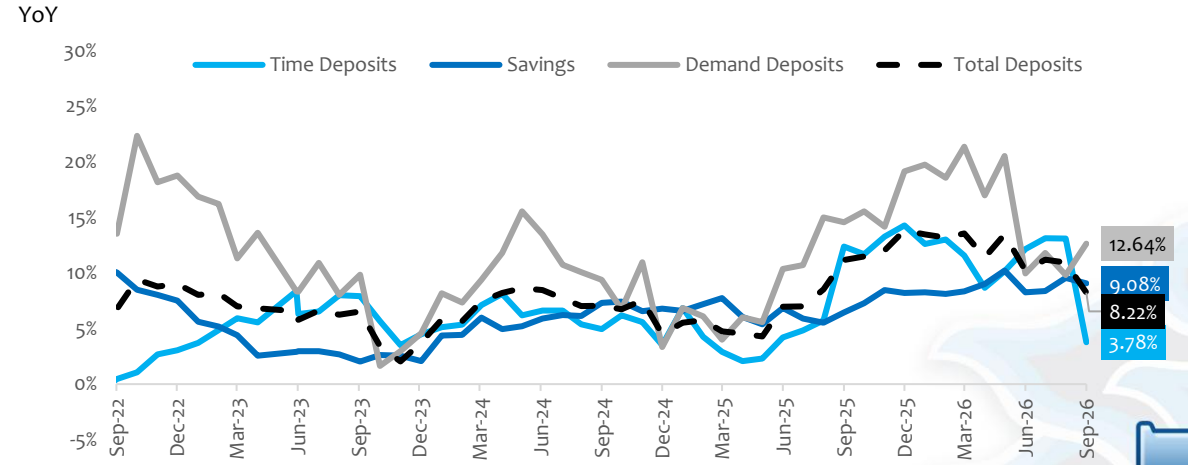
Investment loan continued to record the highest growth at **23.20% (yoy),** followed by **working capital loan at 11.89% (yoy).**



By borrower segment, **corporate loan maintained robust growth at 21.31% (yoy),** while **MSME loan growth** continued to improve, grew by **2.68% (yoy) in September 2026**.



Meanwhile, deposit growth was led **by demand deposit,** which recorded growth of **12.64% (yoy)**, followed by **saving and time deposit** at **9.08% (yoy) and 3.78% (yoy)**, respectively.

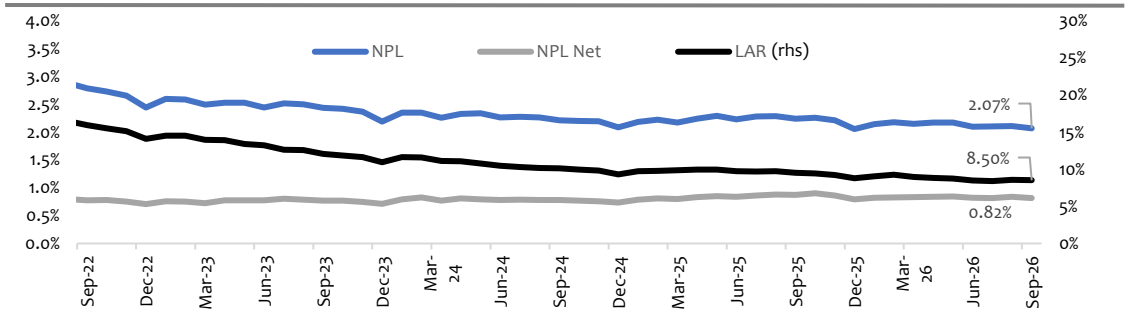


Source: OJK

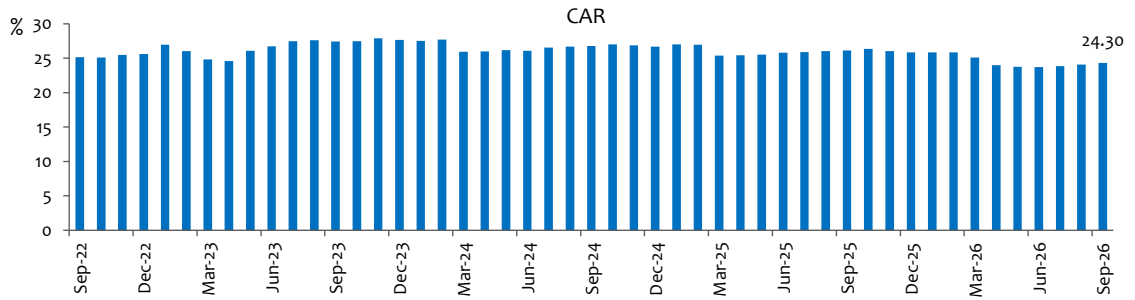
Banking Risk Profile and Profitability

Indonesia's banking sector continued to demonstrate solid performance in September 2026, supported by well-maintained credit quality, strong capital buffers, and stable profitability.

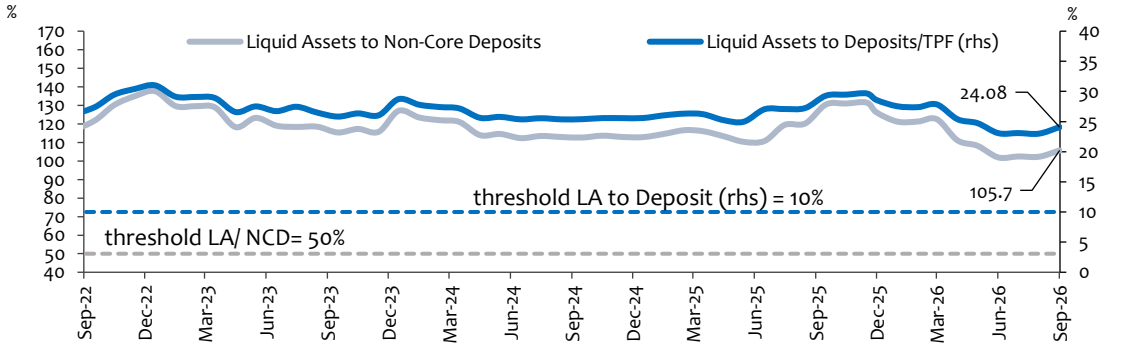
Banking asset quality improved in **September 2026**, with the gross **non-performing loan (NPL) and loan-at-risk (LaR)** ratios declining to **2.07% and 8.50%,** respectively.



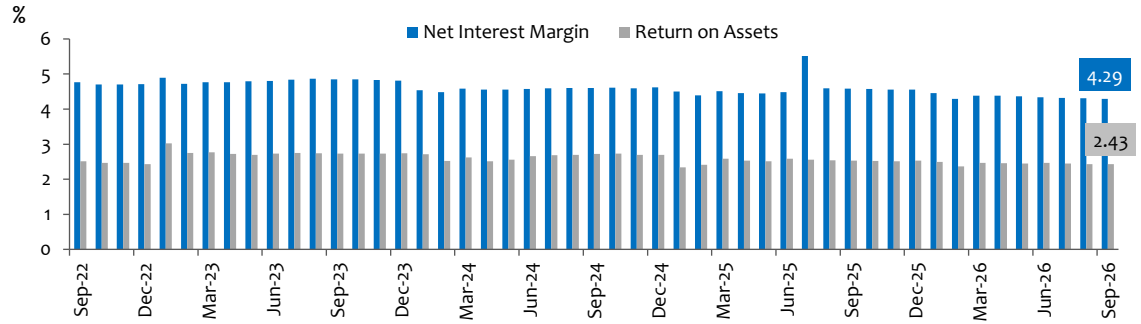
Capital buffers strengthened further, with the **capital adequacy ratio (CAR)** increasing to **24.30% in September 2026**, from 24.10% in the previous month.



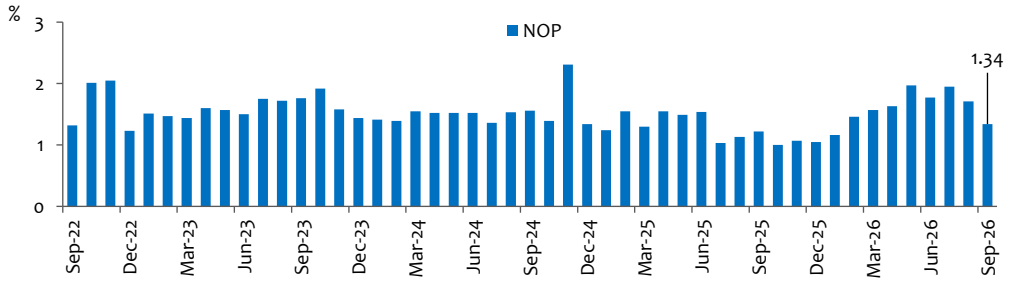
Liquidity remained ample, as reflected in the **liquid assets-to-non-core deposit (LA/NCD) and liquid assets-to-deposit (LA/Deposit)** ratios of **105.70% and 24.08%,** respectively.



Banking sector **profitability remained stable,** with **net interest margin (NIM) at 4.29%,** while **return on assets (ROA)** stood at **2.43% in September 2026.**



Foreign exchange risk remained well-contained, with the **net open position (NOP) declining to 1.34% in September 2026.**



Source: OJK

Bank Indonesia Policy Mix for Strengthening Stability and Supporting Economic Growth

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

BI – Rate(1)	5.75%
Deposit Facility (DF) rate(1)	5.00%
Lending Facility (LF) rate(1)	6.50%

PRO-STABILITY

MONETARY

PRO-GROWTH

MACROPRUDENTIAL | **PAYMENT SYSTEM** | **MONEY MARKET DEEPENING** | **INCLUSIVE AND SUSTAINABLE ECONOMY AND FINANCE**

MONETARY

- Strengthening the effective implementation of monetary policy to maintain inflation within the 2.5±1% target range in 2026 and 2027 and ensure adequate Rupiah liquidity by:
  - i. managing the interest rate structure in the money market in line with the BI-Rate and rates of pro-market monetary operations instruments, accompanied by a stronger pro-market monetary operations strategy,
  - ii. strengthening Rupiah liquidity adequacy by reducing the average reserve requirement ratio (GWM) as follows:
    - a. For Conventional Commercial Banks (BUK), reducing the reserve requirement from 9% to 7% incrementally as follows:
      - i. a reduction of 1 percentage point from 9% to 8%, effective from 1st November 2026,
      - ii. a reduction of 1 percentage point from 8% to 7%, effective from 1st December 2026,
    - b. For Sharia Commercial Banks (BUS) and Sharia Business Units (UUS), reducing the reserve requirement from 7.5% to 5.5% incrementally as follows:
      - i. a reduction of 1 percentage point from 7.5% to 6.5%, effective from 1st November 2026,
      - ii. a reduction of 1 percentage point from 6.5% to 5.5%, effective from 1st December 2026,

    The reductions in reserve requirements are linked to an adjustment to the Macroprudential Liquidity Incentive Policy (KLM), which will be reduced from 6% to 5%, effective from 1st December 2026,
    - c. The maximum portion of the average Rupiah reserve requirement eligible for remuneration is set at 5% of the average Rupiah reserve requirement, effective from 1st December 2026.
- Strengthening the effectiveness of Rupiah exchange rate stabilisation efforts by:
  - i. optimising the foreign exchange intervention strategy to strengthen Rupiah exchange rate stabilisation efforts through Non-Deliverable Forward (NDF) transactions in offshore markets as well as spot and Domestic Non-Deliverable Forward (DNDF) transactions in the domestic market,
  - ii. increasing incentives for Domestic Non-Deliverable Forward (DNDF) hedging instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, by increasing the premium reduction from 25% to 40% for 6-month tenors and from 30% to 45% for 12-month tenors,
  - iii. continuing to provide incentives for Conventional Hedging Buy Swap instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, through premium reductions of 15% for 3-month tenors, 20% for 6-month tenors and 25% for 12-month tenors,
  - iv. continuing to provide incentives for Local Currency Transactions (LCT) with partner countries to diversify foreign exchange transactions through: (a) a 10% increase in the premium for Conventional Hedging Sell Swaps with Bank Indonesia for international trade and investment transactions; and (b) a 10% reduction in the premium for DNDF hedging instruments with Bank Indonesia for international trade and investment transactions.

MACROPRUDENTIAL

- Strengthening the implementation of accommodative macroprudential policy to foster lending/financing growth, while maintaining financial system stability by:
  - i. setting the Macroprudential Liquidity Incentive Policy (KLM) at 5%, comprising a maximum financing channel incentive of 3% of third-party funds (TPF), with further expanded support for bank lending/financing to business sectors that support job creation, and a maximum money market deepening (KLM PPU) incentive of 2%, which is being strengthened to encourage liquidity redistribution and banking intermediation. These KLM refinements will become effective on 1st December 2026,
  - i. maintaining: (i) the Macroprudential Intermediation Ratio (RIM) within the 84-94% range; (ii) the Bank Foreign Funding Ratio (RPLN) at a maximum of 40% of bank capital; (iii) the Countercyclical Capital Buffer (CCyB) ratio at 0%; (iv) the Macroprudential Liquidity Buffer (PLM) at 4%, with repo flexibility of 4%, and the sharia MPLB at 2.5%, with repo flexibility of 2.5%; and (v) implementation of the strengthened Inclusive Macroprudential Financing Ratio (RPIM) Policy,
  - ii. continuing to provide incentives for Conventional Hedging Buy Swap instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, through premium reductions of 15% for 3-month tenors, 20% for 6-month tenors and 25% for 12-month tenors ,
  - iii. maintaining accommodative Loan-to-Value/Financing-to-Value (LTV/FTV) ratios for property loans/financing and downpayment requirements for automotive loans/financing, while continuing to prioritise prudential principles by:
    - a. extending the validity of the 100% LTV/FTV ratio for property loans/financing covering all property types (landed houses, apartments and shophouses/office-houses) at banks meeting certain Non-Performing Loan/Non-Performing Financing (NPL/NPF) criteria, originally scheduled to expire on 31st December 2026, for the period from 1st January 2027 to 31st December 2027,
    - b. extending the validity of the minimum 0% downpayment requirement for automotive loans/financing covering all types of new motor vehicles, originally scheduled to expire on 31st December 2026, for the period from 1st January 2027 to 31st December 2027,.

PAYMENT SYSTEM

- Strengthening the implementation of payment system digitalisation measures in accordance with the Indonesia Payment System Blueprint (BSPI) 2030 to drive economic growth and expand digital economic and financial activities by:
  - i. expanding QRIS Cross-Border cooperation through sandboxing of the Timor-Leste and Hong Kong corridors, starting in the fourth quarter of 2026,
  - ii. expanding implementation of the Indonesia Credit Card (KKI) by strengthening first-mover commitments and broadening next-mover participation in the retail KKI segment, as well as optimising online payment features for the Government KKI segment, starting in the fourth quarter of 2026,
  - iii. preparing Payment System Data Infrastructure through the issuance of a Bank Indonesia Regulation (PBI) on payment system data as the legal basis for payment system data exchange in accordance with the Personal Data Protection Act (PDP Act), starting in the fourth quarter of 2026,
  - iv. strengthening the payment system industry structure through arrangements governing cooperation between Payment System Providers (PSP) and Supporting Providers (PP), starting in the fourth quarter of 2026.
- Bank Indonesia continues strengthening policy coordination with the Government, Financial System Stability Committee (KSSK) and other stakeholders to bolster external resilience, maintain economic stability and support sustainable economic growth.

Source: Bank Indonesia

Note: (1) Board of Governors Meeting October 2026

Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of IDR 480 trillion in January –September 2026, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.

Investment Realization in Downstream Industry Sectors January-September 2026

IDR 480 Trillion ▲ 11.3% (YoY)

31.2% of Total Investment Realization Jan-Sep 2026

Mineral (Total IDR 335.1 T)

Nickel	IDR 118.9 T	Copper	IDR 39.5 T
Bauxite	IDR 115.7 T	Silica	IDR 7.0 T
Steel Iron	IDR 40.8 T	Others*	IDR 13.2 T

*) Tin, Coal, Cobalt, Manganese, Gold and Silver, Buton Asphalt, Rare Earth Metals

Plantation and Forestry (Total IDR 83.6 T)

Palm Oil	IDR 44.4 T	Rubber	IDR 8.9 T
Log	IDR 25.3 T	Others*	IDR 4.9 T

*) Nutmeg, Pine, Coconut, Cocoa, and Biofuel

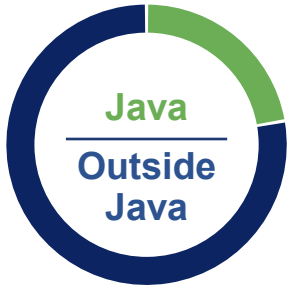
Oil and Natural Gas (Total IDR 54.0 T)

Oil	IDR 41.1 T	Natural Gas	IDR 12.9 T

Fisheries and Marine (Total IDR 7.3 T)

Commodities in this sector including Salt, Fish (Tuna, Skipjack, Mackerel), Shrimp, Seaweed, Blue Crab and Tilapia.

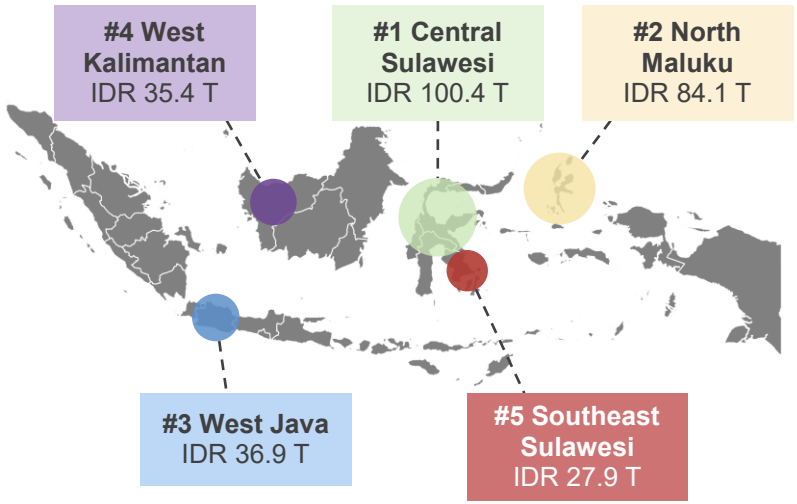
Source: Ministry of Investment and Downstream Industry



Java (22%)
IDR 106.9 T

Outside Java
(78%) IDR 373.1 T

Top 5 Downstream Industry Locations





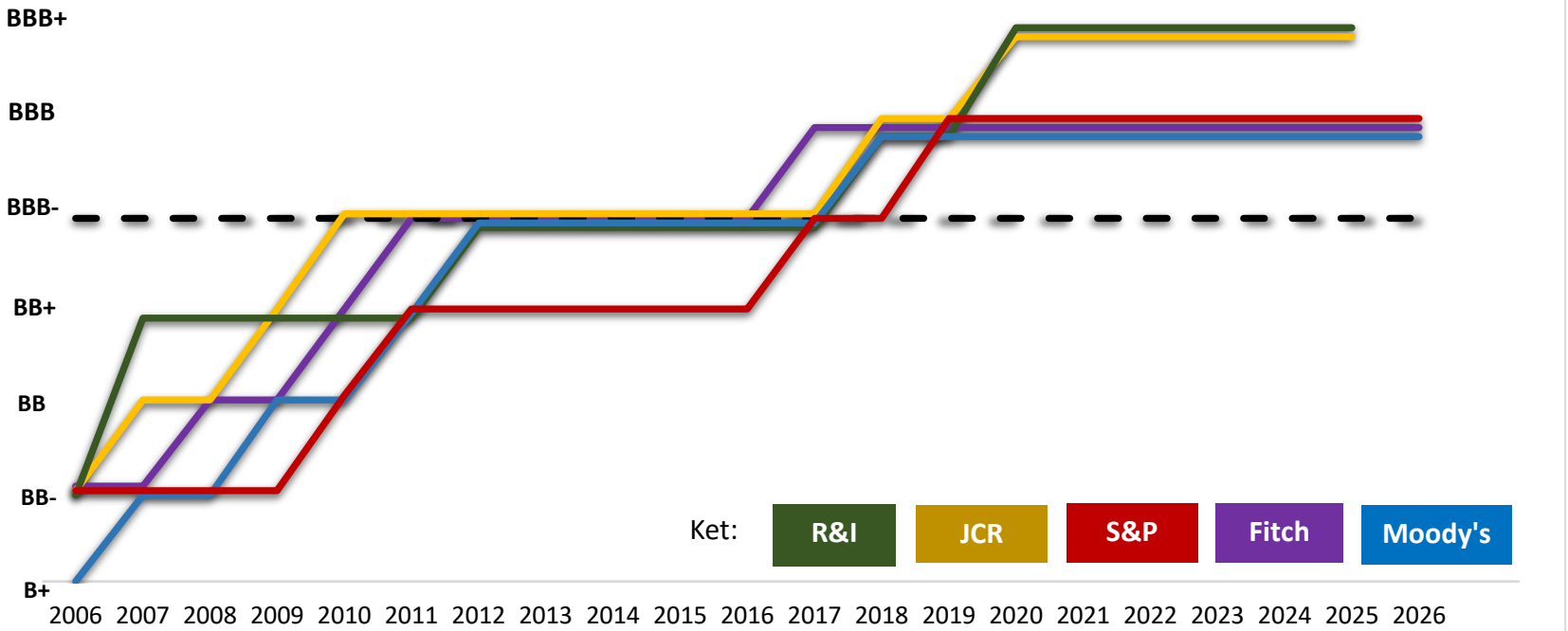
DDI (25%)
IDR 122.4 T

FDI (75%)
IDR 357.6 T

Top 5 FDI Origins (IDR T)



Indonesia's Investment-Grade Ratings Remain Supported by Resilient Fundamentals



FitchRatings

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 2026, Rating Affirmed at BBB/Stable Outlook

The stable rating outlook reflects our expectation that government revenue will continue to recover this year and export receipts will rebound with higher commodity prices. Policies to boost revenue and export earnings from the resource sector should also lift revenue over time, particularly if policy changes become more predictable and well-executed.

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

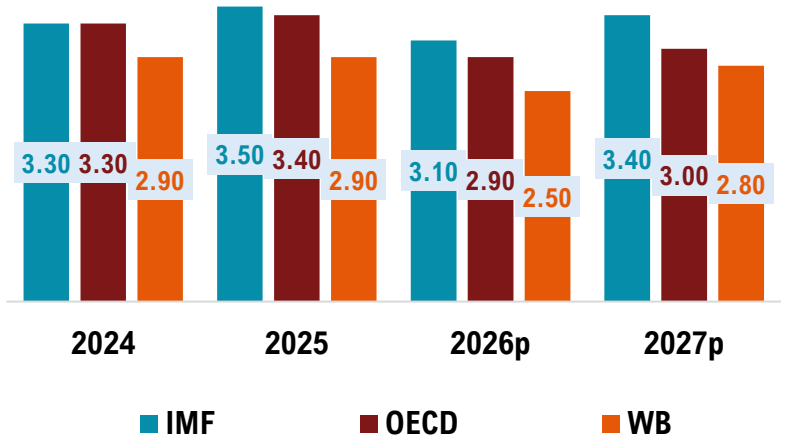
Macroeconomic

"Solid Growth Prospects Supported by Continued Economic Recovery Momentum"

Indonesia's Projected Robust Resilience Amidst Evolving Global Dynamics

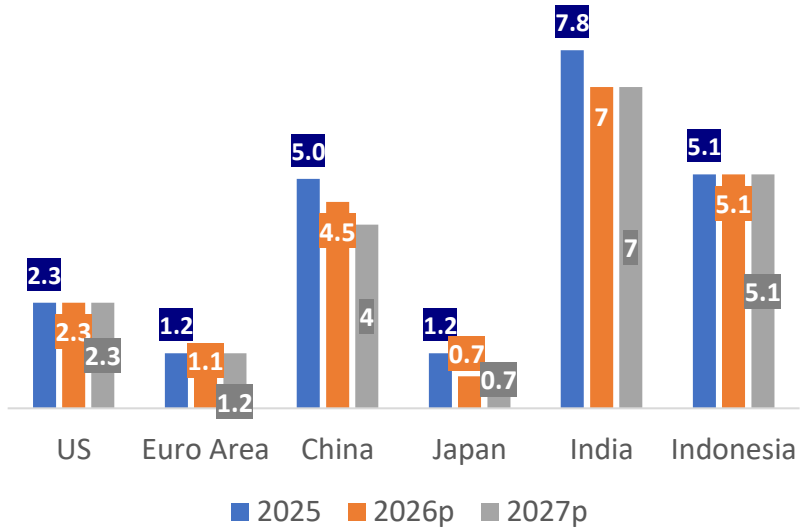
The Government targets economic growth of 5.4% in 2026 under the State Budget (RAPBN), reflecting its continued commitment to sustaining strong economic momentum. Consistent with this outlook, the IMF's October 2026 World Economic Outlook (WEO) projects Indonesia's economy to grow by 5.1%, underscoring the resilience of domestic demand and the strength of Indonesia's economic fundamentals amid evolving global dynamics.

Global GDP Growth Projection (% YoY)



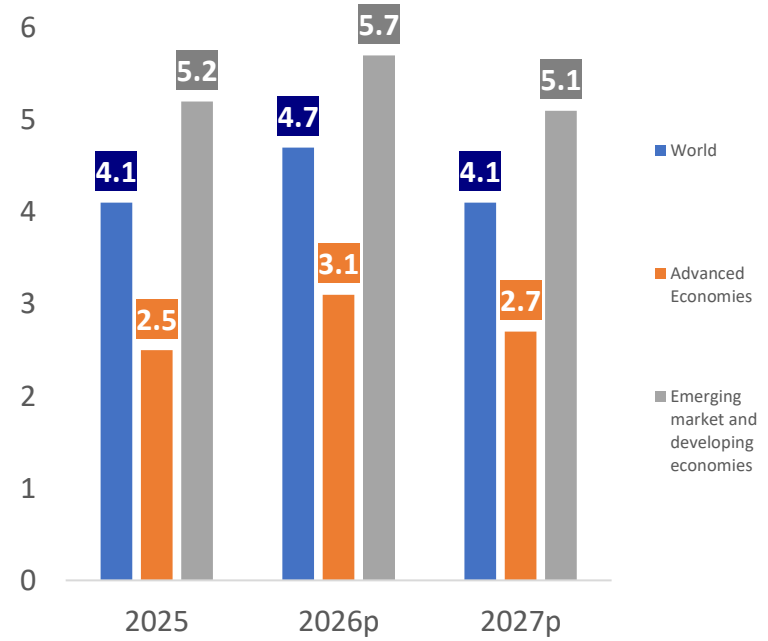
Source: GEP WB Jun'26, OECD Sept'26, WEO IMF Oct'26

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



Source: WEO IMF Oct'26

Global Inflation Projection (CPI) (% YoY)



Source: WEO IMF Oct '26

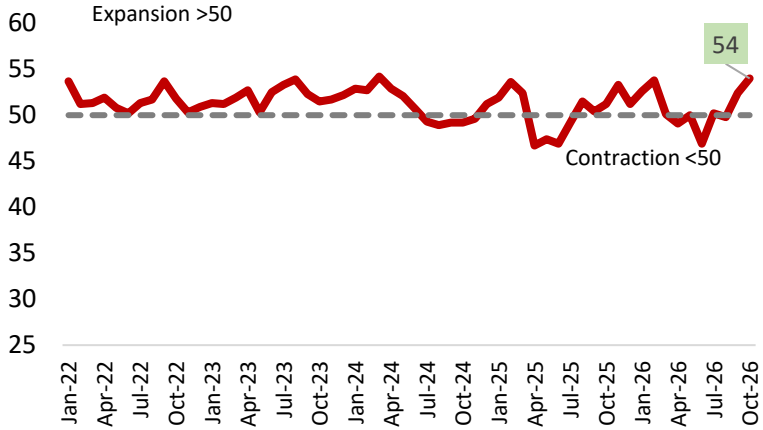
DOWNSIDE RISKS

1. Intensification of geopolitical Tensions
2. Eruption of domestic political tensions
3. Reevaluation of Technology Expectations
4. Disruption of the fragile balance of current trade policies
5. Repricing of borrowing costs triggered by fiscal vulnerabilities
6. Erosion of confidence in economic institutions

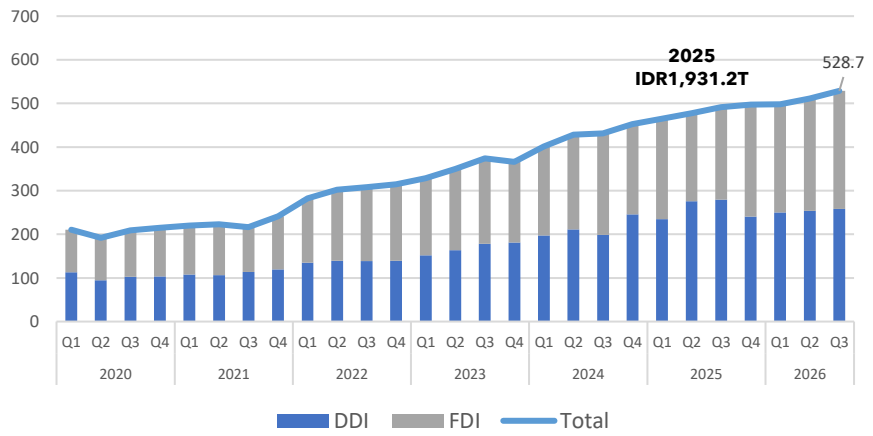
Indonesia's Leading Indicators Point to Steady Economic Stabilization

Indonesia's economic fundamentals remain resilient entering Q4-2026, supported by a strong Consumer Confidence Index of 118.1 in September and stable Retail Sales. Domestic economic activity is further reinforced by solid investment realization reaching IDR 528.7 trillion in Q3-2026, bringing total investment for the first nine months to IDR 1,539.3 trillion, alongside robust external buffers with Foreign Exchange Reserves at USD 146.3 billion in September and a continued trade surplus of USD 3.36 billion. With Manufacturing PMI expanding to 54.0 in October, sound financial buffers ensure continued national economic stability.

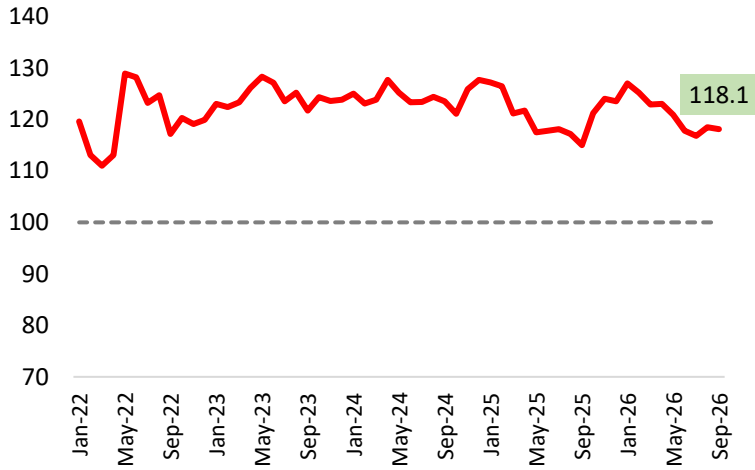
Manufacturing PMI



Total Investment (IDR Tn)



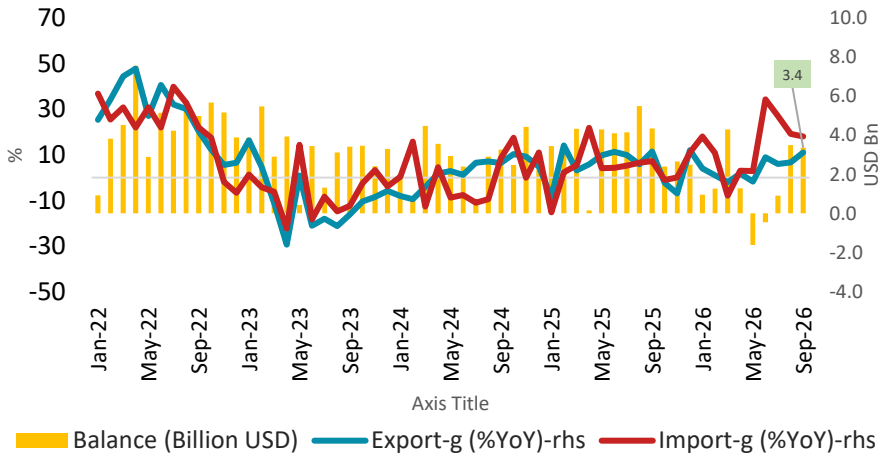
Consumer Confidence Index



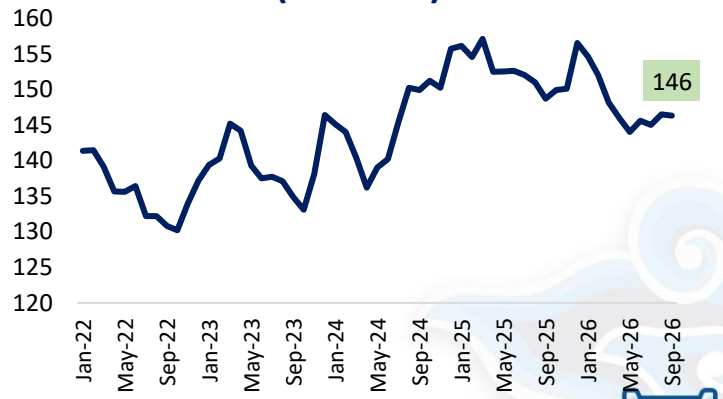
Retail Sales (%, yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)

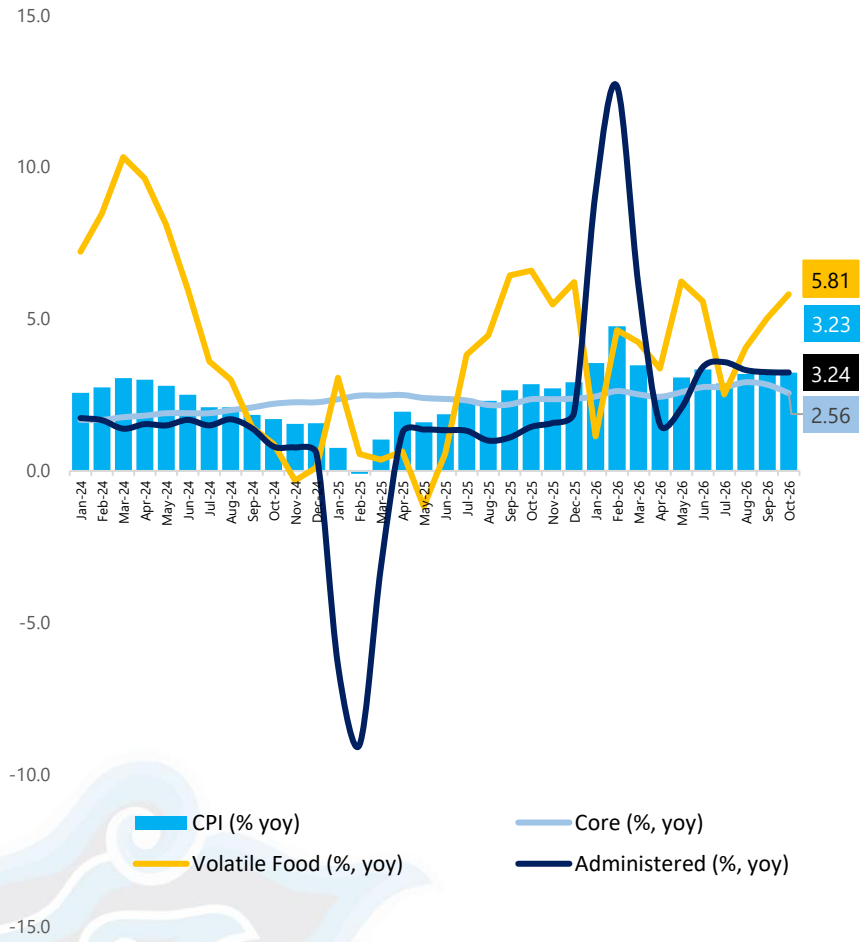


Sources: BI, BKPM, BPS, S&P

Consumer Price Index (CPI) Inflation Remains Under Control

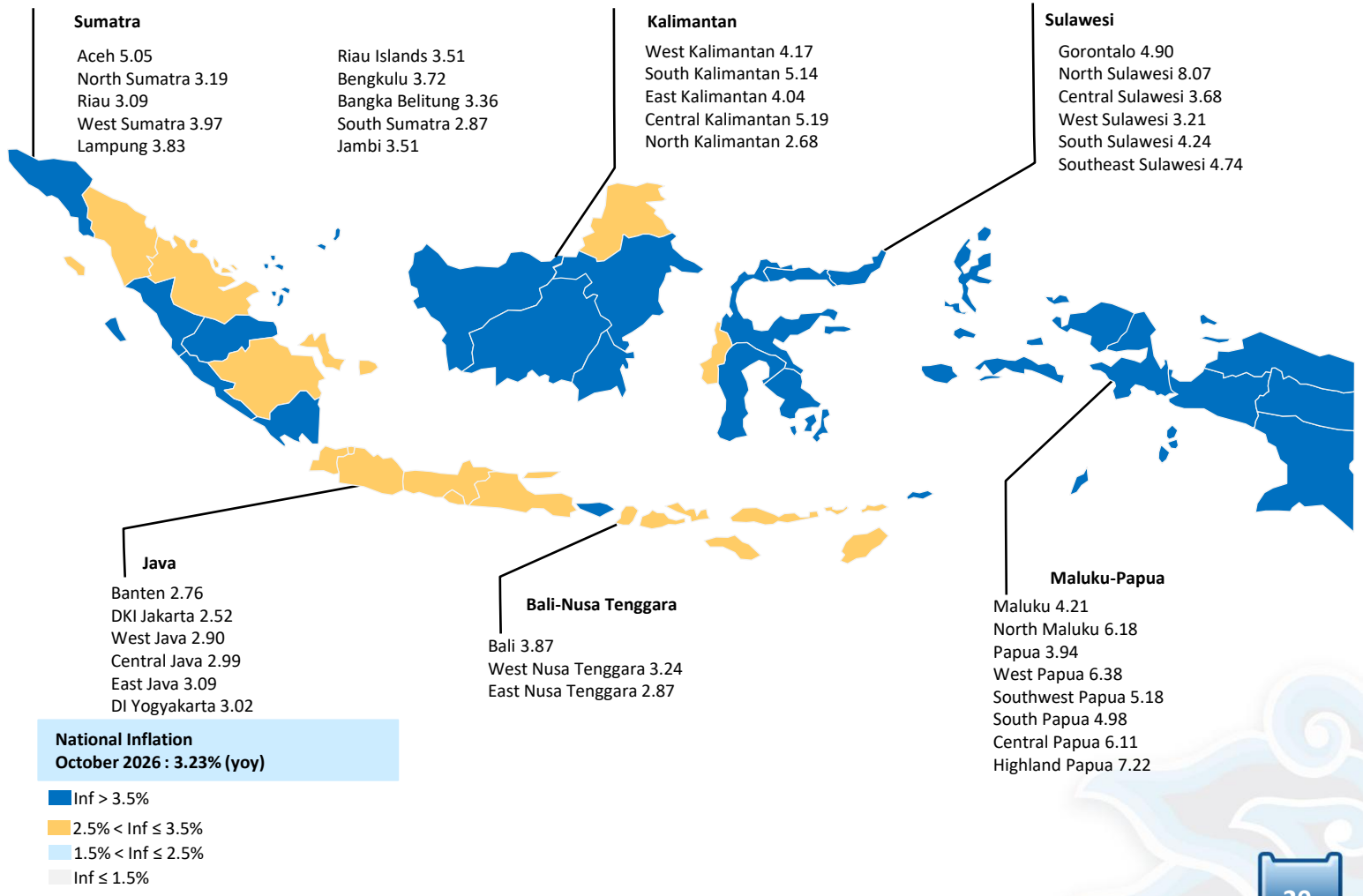
Inflation remained manageable within the 2.5% ± 1% target range at 3.23% (yoy) in October 2026, supported by easing core inflation, stable administered prices inflation and strong coordination across national and regional inflation control teams, despite rising volatile food inflation driven mainly by chili, rice, chicken meat and beef prices.

CPI Inflation and Component



Source: Statistics Indonesia

Inflation Rate By Provinces (%)



Source: Statistics Indonesia

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
- **Mannufacturing 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

Fiscal Incentives to Boost the Economy

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

TAX HOLIDAY & MINI TAX HOLIDAY

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

TAX ALLOWANCE

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

INVESTMENT ALLOWANCE

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

SUPER DEDUCTION TAX

Super Deduction for Vocational Activities

- Encourages industries to **participate in vocational programs**, facilitating **knowledge transfer and skill development**.
- **Maximum reduction of 200% in gross income** for costs related to **work practice, apprenticeships, and learning activities**.

R&D Super Deduction

- Supports **industry-driven innovation** and the **adoption of the latest technology** in production processes.
- **Maximum gross income deduction of 300%** for **eligible R&D expenditures in Indonesia**.

Source: Coordinating Ministry for Economic Affairs

Strengthening Indonesia's Inflation Control Strategy Against External And Domestic Headwinds

Proactive risk mitigation across food production, social assistance, and structural efficiency ensures domestic inflation remains contained despite external and climate headwinds

RISKS

1 EL NIÑO / DRY SEASON RISK

- Seasonal food production decline risk in April–June, with El Niño impact potentially extending through H2 2026
- Potential CPO and plantation commodity output disruptions
- Rising animal feed costs — maize and soybeans — threatening livestock producers

2 RISING ENERGY PRICES & GLOBAL COMMODITY PRESSURES

- Global oil price escalation placing upward pressure on domestic fuel and transport costs
- Food, transport and core inflation pressures eroding household purchasing power

3 IMPORTED INFLATION & RAW MATERIAL COST ESCALATION

- Escalating raw material import costs squeezing domestic industrial production margins
- Global trade disruptions threatening supply chain stability
- Rupiah exchange rate depreciation amplifying import-cost pass-through

MITIGATION

1 FOOD PRODUCTION REINFORCEMENT

- Water infrastructure reinforcement: irrigation optimisation, pumping systems, retention ponds
- Accelerated planting cycles and adaptive crop scheduling using early warning systems (EWS)
- Strengthening BULOG buffer stocks and national food reserves

2 PRICE STABILIZATION & PURCHASING POWER

- Accelerating regular social assistance disbursement (PKH: 10m households; BPNT: 18.8m households)
- Food aid: 2L cooking oil + 10kg rice per household (deciles 1–4; 33.2m beneficiaries)
- Transport fare discounts; civil service 13th-month salary payment
- Maintaining energy subsidies and compensation schemes

3 COMPETITIVENESS & SUPPLY CHAIN EFFICIENCY

- Logistics and supply-chain efficiency gains through inter-regional trade agreements (KAD)
- Domestic content requirements (TKDN) and strategic sector regulatory adjustment
- Fiscal incentives on plastic raw material imports
- Production financing: subsidised credit (KUR), agricultural machinery loans, crop insurance

Policy Coordination & Synergy To Keep Inflation Firmly Anchored

The government (central and regional) and Bank Indonesia continue strengthening coordination and synergy through TPIP-TPID amid to control inflation amid against global headwinds. Policymakers remain confident that 2026 inflation, will remain within the 2.5±1% target band.



MONETARY POLICY

Pro-stability and pro-growth monetary policy dan

- Rupiah stabilisation via FX interventions: spot, DNDF, secondary SBN
- Monetary operations via SRBI, SVBI, and SUVBI optimisation



FISCAL POLICY

APBN and APBD as fiscal shock absorbers

- Energy subsidiescompensation transfers
- Food security budget: optimisation of government commercial reserves (SPHP distribution)
- Social protection programmes, including food assistance
- **Purchasing-power stimulus measures**
- Regional budget (APBD) and contingency reserve (BTT) optimisation

THE 4-PILLAR INFLATION CONTROL STRATEGY

K1



Price Affordability

- **Expanded subsidised market operations and food price stabilisation (SPHP) Availability dan Affordability**
- **Social protection, food aid, electricity tariff discounts, transport subsidies**

K2



Supply Availability

- **Strengthening Government Food Reserves (CPP and CPPD)**
- **Subsidised credit (KUR) and agricultural machinery financing**
- Subsidised fertiliser provision

K3



Distribution Efficiency

- **Facilitating strategic food commodity distribution chains**
- **Sea-toll programme optimisation to reach remote 3TP areas**
- **Logistics cost subsidies**

K4



Effective Communication

- TPID coordination by Ministry of Home Affairs via weekly meetings
- **Zonal TPIP-TPID coordination meetings aligned with GNPIP**

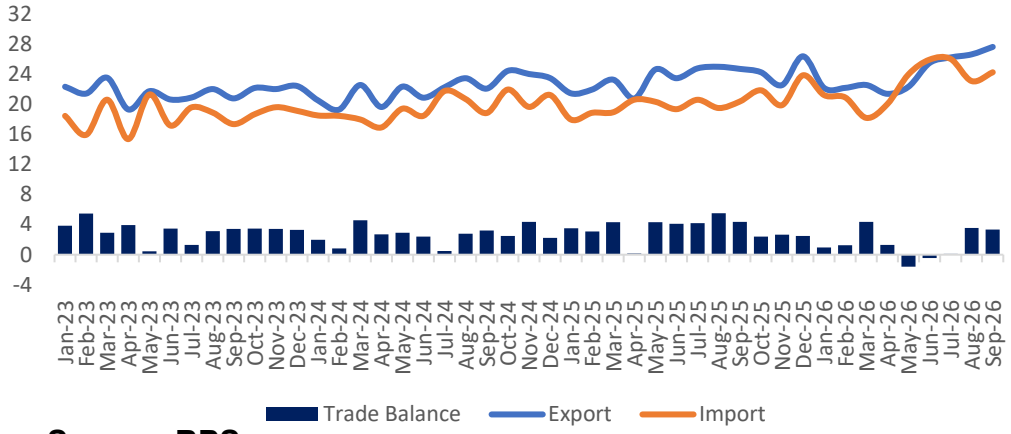


2026 INFLATION ANCHORED AT TARGET 2.5±1%

Task Force for Increasing National Exports to Strengthen Trade Balance

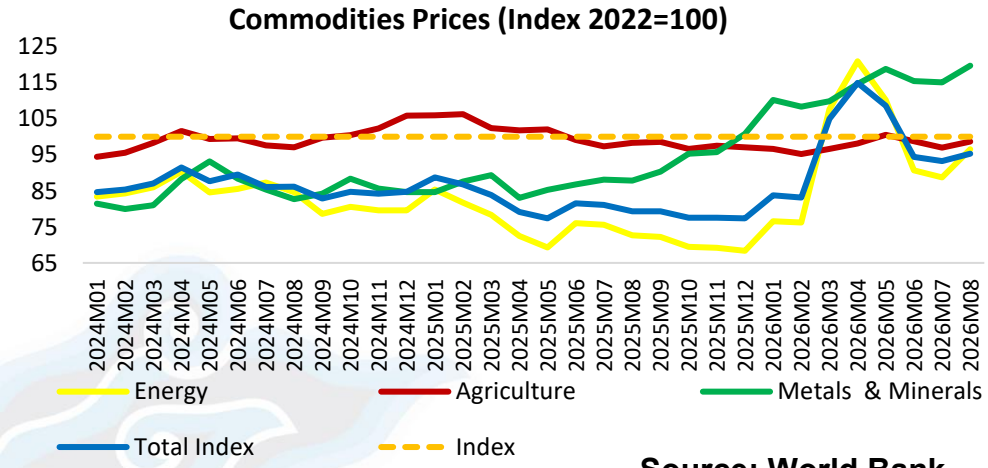
The government has established a task force to boost national exports to maintain export performance, strengthen the trade balance, and support economic growth. The initiative focuses on improving export industry productivity, expanding markets, simplifying processes, enhancing export financing, increasing 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

TASK FORCE FOR INCREASING NATIONAL EXPORTS
"MAINTAIN AND IMPROVE NATIONAL EXPORT PERFORMANCE"

TARGET

STRENGTHENING THE TRADE BALANCE TO DRIVE NATIONAL ECONOMIC GROWTH

WORKING GROUP

WG I	WG II	WG III	WG IV	WG V	WG VI
Increasing Productivity and Competitiveness of Export Industries	Diplomacy, Promotion, and Development of Export Market	Simplify, Synchronize, and Integrate of Export's Processes and Services	Export Financing	Increasing MSME Exports	Regulations

DRIVERS

AMIDST GLOBAL UNCERTAINTY, INDONESIA CONTINUES TO MAINTAIN A POSITIVE CUMULATIVE TRADE SURPLUS IN 2026.

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...

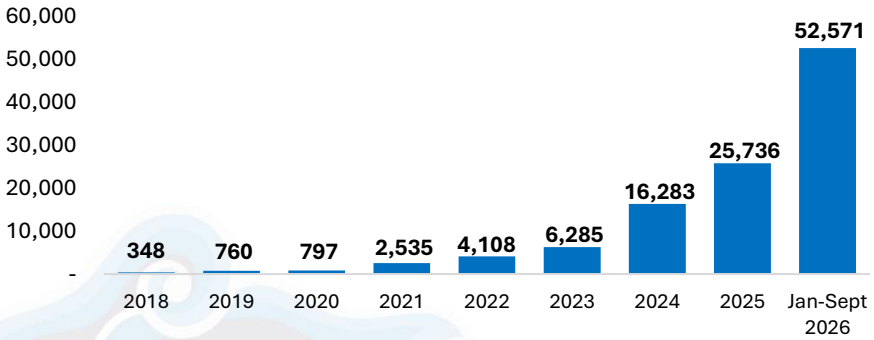
LCT transaction is growing

a) Currently, the implementation of Local Currency Transaction (LCT) cooperation between Indonesia has been established with Malaysia, Thailand, Japan, China, South Korea, United Arab Emirates, and Singapore.

b) Meanwhile, LCT cooperation between Indonesia and India, as well as the expansion of the existing Indonesia–China LCT framework to Hong Kong is in the final stages of preparation.

c) The total value of LCT throughout 2026 (Jan-Sept) reached the equivalent of USD52,57 billion, representing a 186,79% (yoy) increase compared to transaction value in Jan-Sept of the previous year (eq. 18,33 billion).

LCT transaction value (Eq. in Million USD)



Source: Appointed Cross-Currency Dealer (ACCD) Banks' Report

by expanding line of business and participants

Line of Bussiness	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

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

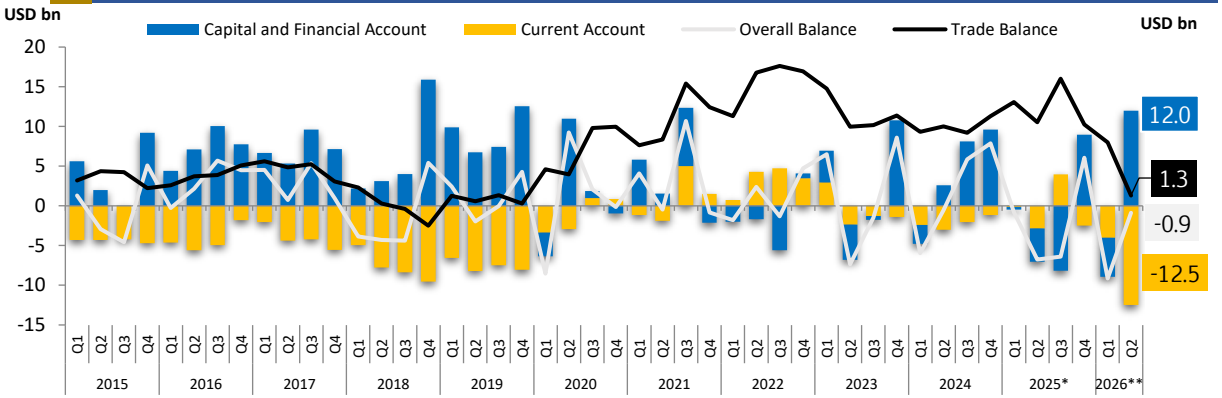
External Sectors

"Sound External Resilience Supported by a balance of payments that remains maintained and Ample Reserves"

External Sector Remains Sound Amid Heightened Global Uncertainty

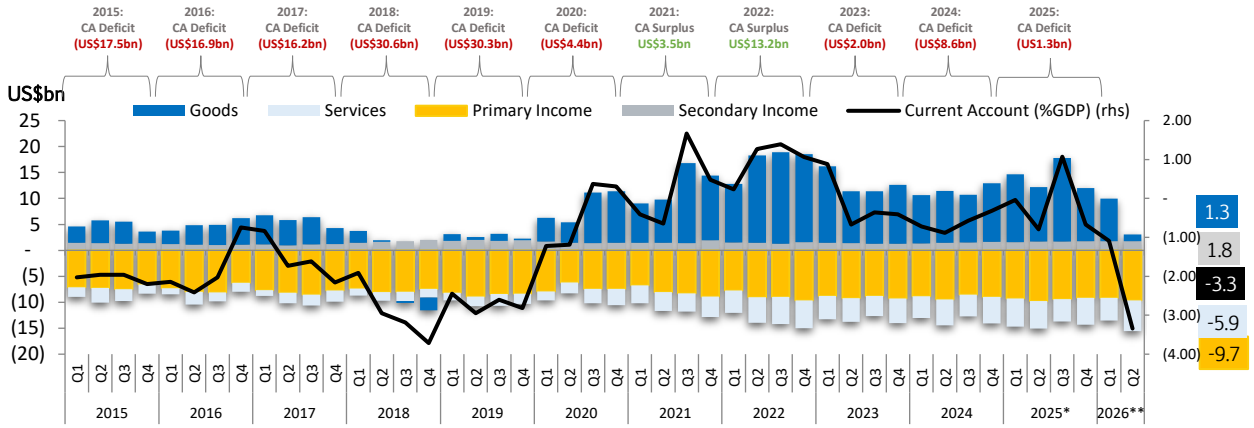
Indonesia's external sector remains resilient, supported by a balance of payments that remains maintained, a low current account deficit, a trade balance that stays in cumulative surplus, and adequate foreign exchange reserves that continue to bolster macroeconomic stability.

Indonesia's BOP performance must continue to be strengthened to support external resilience



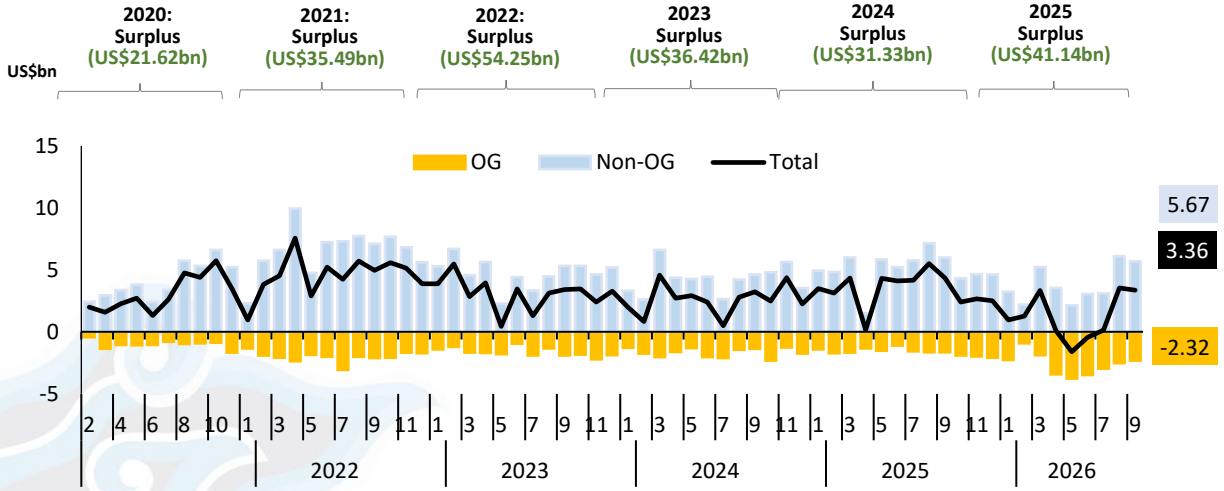
Source: Bank Indonesia

Current Account Deficit Remains at a Healthy Level



Source: Bank Indonesia

Trade Balance Surplus Continues



Source: Statistics Indonesia

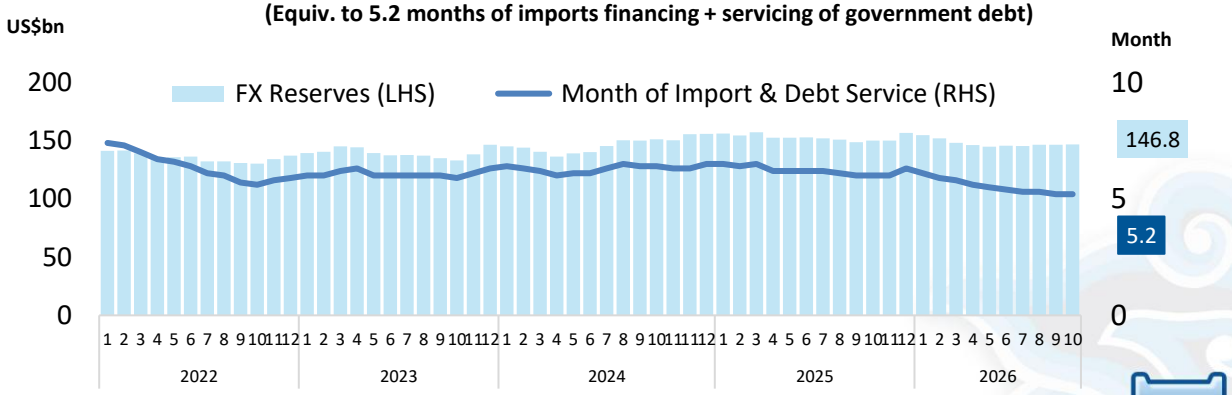
* Preliminary Figure

** Very Preliminary Figure

Official Reserve Assets Remain Solid in October 2026

FX Reserves as of October 2026: US$146.8bn

(Equiv. to 5.2 months of imports financing + servicing of government debt)



Source: Bank Indonesia

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 of October 2026: **US$146.8 bn**

Swap Arrangement

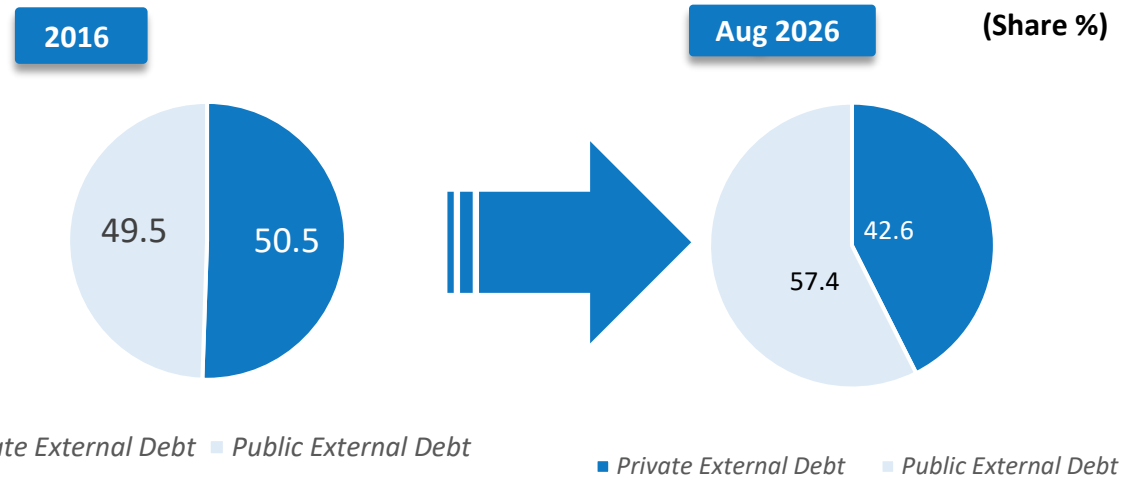
Bilateral	**Malaysia**	● RM/Rp swap arrangement with a size up to RM 24 billion / Rp 82 trillion (equivalent)
	Singapore	● SGD/Rp swap arrangement with the size up to SGD 9.5 billion / Rp 100 trillion (equivalent)
	China	● CNY 400 billion / Rp 878 trillion (equivalent)
	Japan	● Precautionary line Indonesia-Japan CMIM-linked US$ 9.104 billion
Regional	**Chiang Mai Initiative Multilateralization (CMIM) Agreement**	● Entitled to a maximum swap amount of US$ 9.104 billion under CMIM IDLP ● Came into effect in 2010 with a pool of US$ 120 billion ● Doubled to US$ 240 billion effective July 2014
Global	**IMF Global Financial Safety Net - GSFN**	● Indonesia is entitled to access IMF facilities for crisis prevention and to address potential or actual balance of payments problems. ● Such facilities include the Short-Term Liquidity Line (SLL), Flexible Credit Line (FCL), Precautionary and Liquidity Line (PLL), Stand-By Arrangement (SBA), Extended Fund Facility (EFF), and Rapid Financing Instrument (RFI).

Source: Bank Indonesia

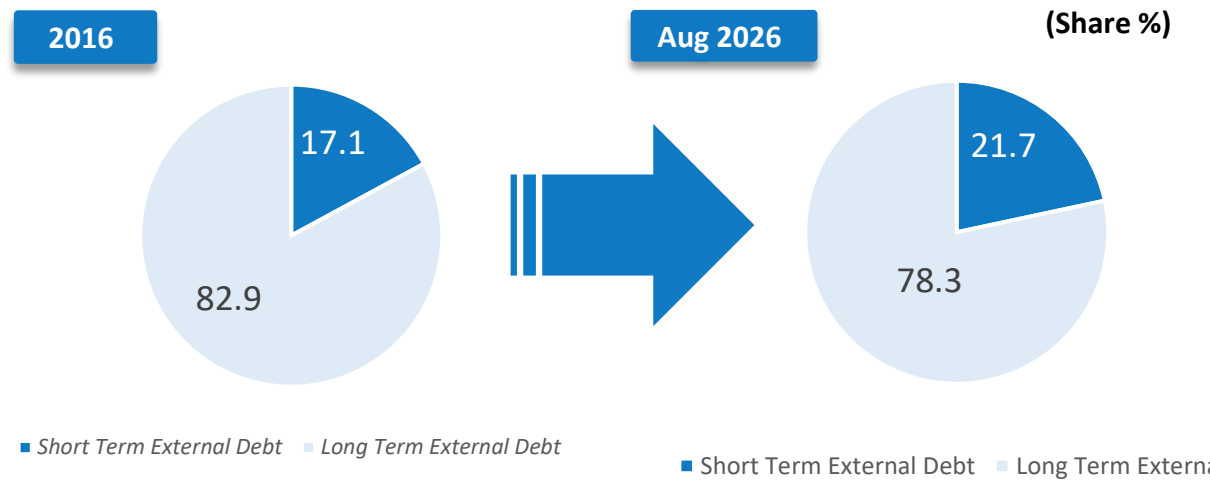
Healthy External Debt Profile

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.

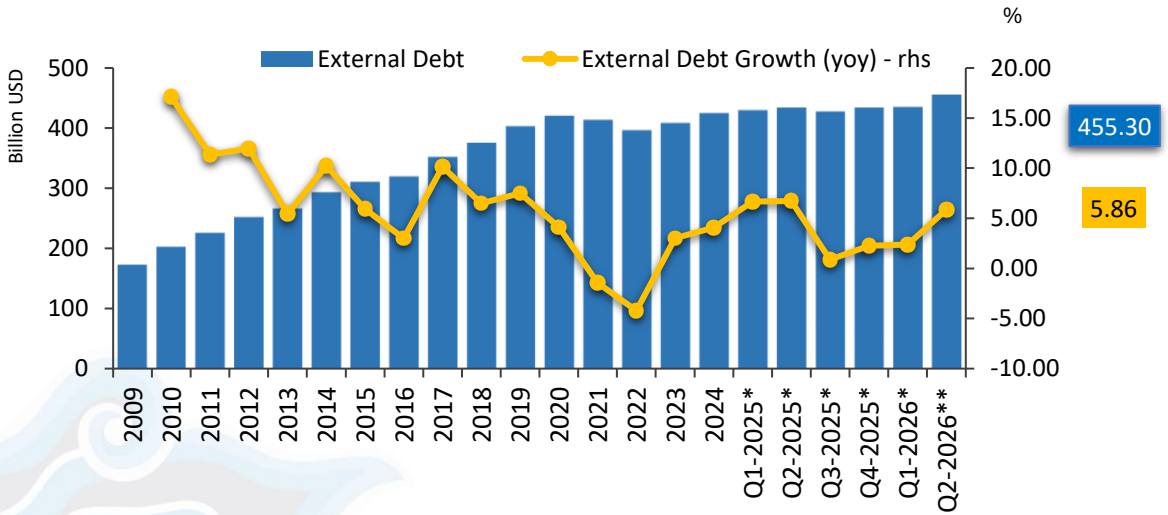
External Debt Structure



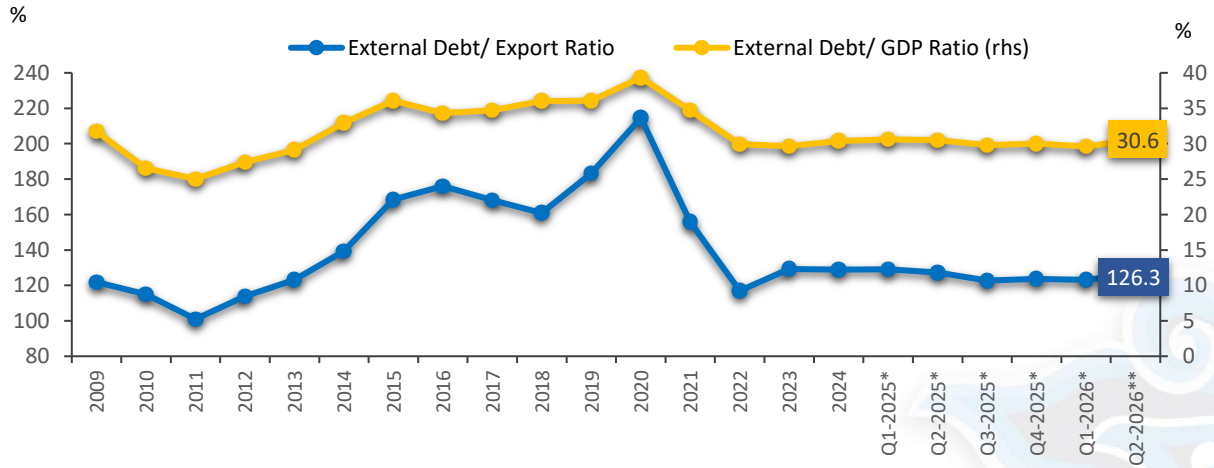
The Structure of External Debt is Dominated by Long-Term Debt



External Debt Remains Manageable



External Debt to GDP Ratio & Debt to Export Ratio



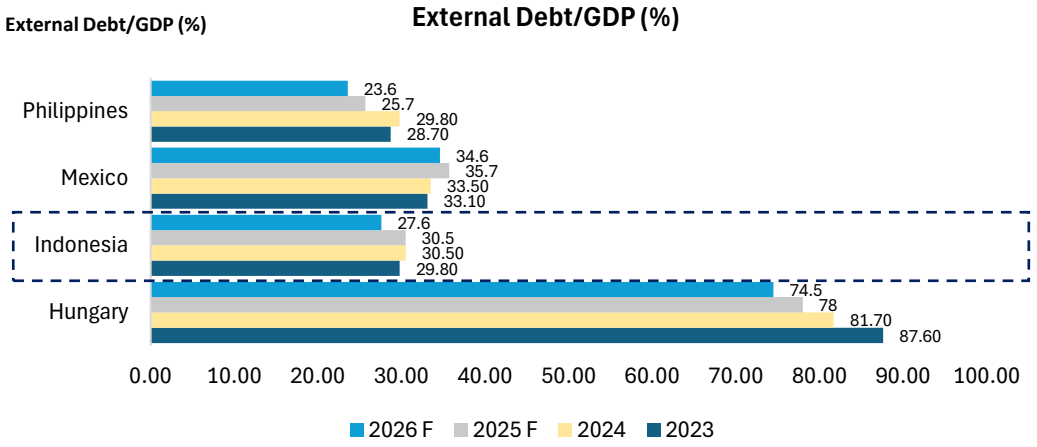
Source: Bank Indonesia, External Debt Statistics of Indonesia

*Provisional Figures **Very Provisional Figures

Strengthened Private External Debt Risk Management

Indonesia's External Debt Risks Remain Well Contained, Supported by a Relatively Low Debt Burden and Strong Corporate Compliance with Prudential Requirements

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



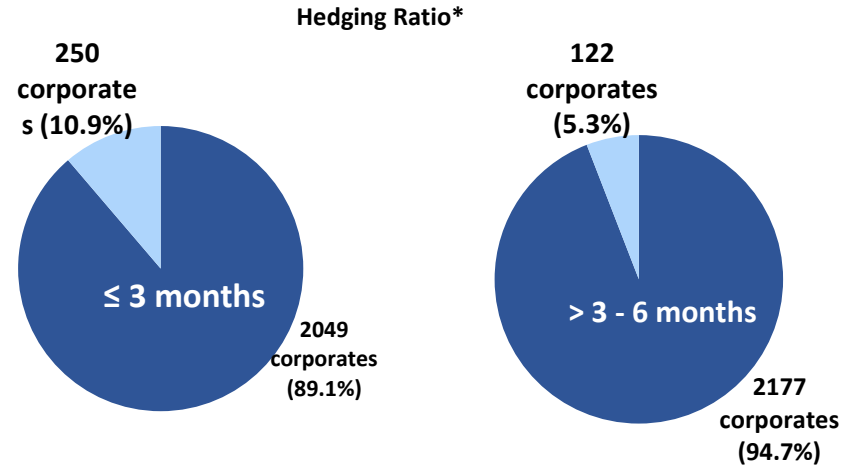
Source: Moody's Credit View Fundamental Data, Feb 2026

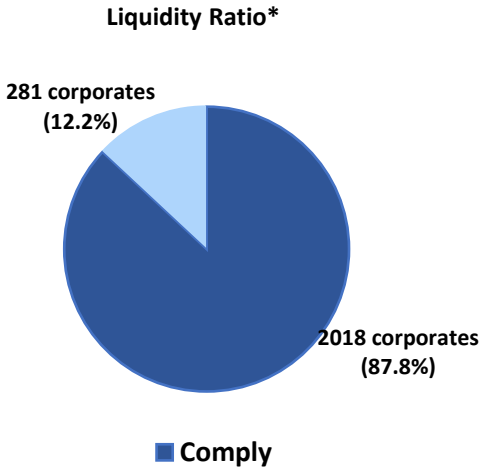
Regulation on Prudential Principle in Managing External Debt

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 Q1-2026, with total population 2,401 corporates

Source: Bank Indonesia



Section 4

Fiscal

"Solid Budget Performance with Strong Commitment to Maintain Fiscal Discipline"

State Budget as of 30 September 2026 is Well Performed

Revenue grew high (25.5% yoy). Spending continued to increase (grew 19.0% yoy). The deficit was maintained within safe and manageable limits. The State Budget continues to play crucial role in driving economic growth.

Item (IDR Trillion)	State Budget 2026	Outlook 2026			Realization as of 30 Sep 2026		
		Outlook	% of Budget	Growth (%)	Real. 30 Sep	% of Budget	Growth yoy (%)
A. STATE REVENUE	3,153.6	3,208.1	101.7	16.0	2,341.5	74.2	25.5
I. Taxation	2,693.7	2,631.4	97.7	18.6	1,847.7	68.6	21.8
1. Tax	2,357.7	2,310.8	98.0	20.5	1,607.6	68.2	24.1
2. Customs and Excise	336.0	320.6	95.4	6.8	240.1	71.5	8.5
II. Non-Tax State Revenue	459.2	575.1	125.2	6.2	492.3	107.2	41.7
III. Grant Revenue	0.7	1.5	227.5	(72.1)	1.5	219.2	(18.8)
B. STATE EXPENDITURE	3,842.7	3,942.4	102.6	14.8	2,660.5	69.2	19.0
I. Central Government Expenditure	3,149.7	3,245.5	103.0	25.5	2,061.3	65.4	29.6
1. Ministry Expenditure	1,510.5	1,630.4	107.9	9.9	1,069.4	70.8	33.5
2. Non-Ministry Expenditure	1,639.2	1,615.1	98.5	46.5	991.9	60.5	25.7
II. Regional Transfers	693.0	696.9	100.6	(17.9)	599.2	86.5	(7.1)
C. PRIMARY BALANCE	(89.7)	(152.1)	169.5	(2.5)	125.5	(139.9)	511.3
D. SURPLUS/(DEFICIT)	(689.1)	(734.3)	106.6	9.5	(319.0)	46.3	(13.5)
% of GDP	*(2.68)*	*(2.85)*			*(1.24)*		
E. BUDGET FINANCING	689.1	734.3	106.6	(1.1)	462.0	67.0	0.4

State Revenue
IDR2,341.5 T
▲25.5% (yoy)

State Expenditure
IDR2,660.5 T
▲19.0% (yoy)

Budget Deficit
(IDR319.0 T)
1.24% GDP

Primary Balance Surplus
IDR125.5 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
Economic Growth (%)	5.2	5.04	5.4
Inflation (%, yoy)	2.5	2.92	2.5
10Y T-Bonds Rate (%, average)	7.0	6.01	6.9
Exchange rate (IDR/US$, average)	16,000	16,782	16,500
Oil Price/ICP (USD/barrel, average)	82	67.95	70
Oil Lifting (tbpd)	605	577.6	610
Lifting Gas (tboepd)	1,005	965.5	984

The 2026 Budget Posture

	Budget
A. Revenue	**3,153.6**
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. Expenditure	**3,842.7**
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
C. Primary Balance	**(89.7)**
D. Surplus/(Deficit)	**(689.1)**
E. Financing	**689.1**

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.

Financing Needs

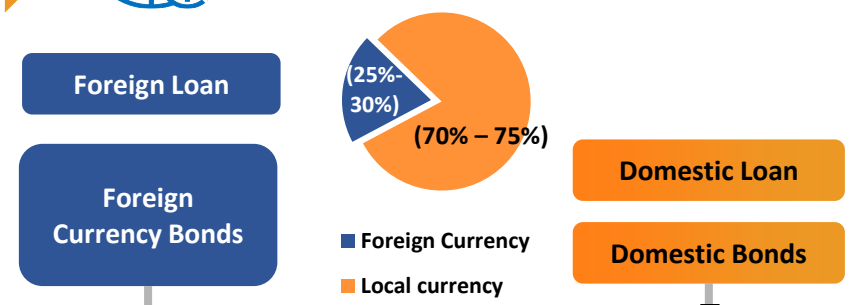
Budget Deficit (2.68% GDP)
Outlook Budget Deficit (2.85% GDP)*

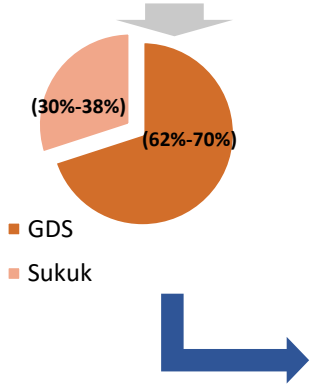
+

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

*) 1st Semester Report Outlook

Financing Sources





2026 GS Issuances Realization as of September 30th (Trillion IDR)	
Government Debt Securities (SUN)	956.58
IDR Denominated	736.24
FX Denominated	220.34
Sovereign Sharia Securities (SBSN)	322.58
IDR Denominated	289.14
FX Denominated	33.44

As of 30 August 2026, Tax Revenues Grows Strong, in Line with Increased Economic Activity

Total collections reached IDR 1,607.6 Trillion, achieving 68.2% of the annual target driven by robust domestic consumption and improved tax administration.

Tax Revenue as of September 30, 2026

IDR1.607,6 T
68,2% target
▲ 24,1%

Non-Oil & Gas Income Tax

IDR809.3 T

(70.1% target)

▲ 17.66%

VAT & Luxury Tax

IDR683.3 T

(68.6% target)

▲ 38,6%

Oil & Gas Income Tax

IDR43.6 T

(79.0% target)

▲ 128.2%

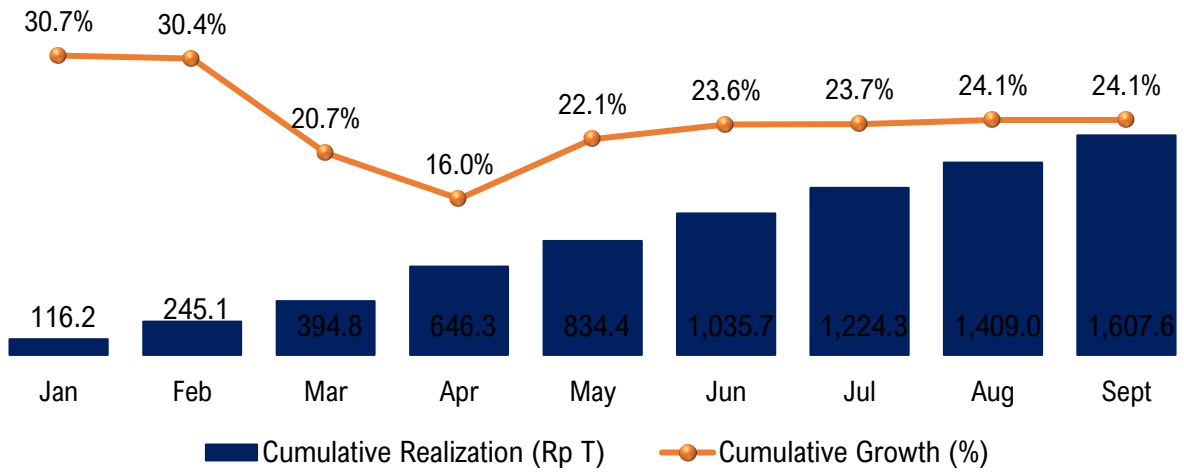
Property & Other Taxes

IDR71.4 T

(48.6% target)

▼ -24.8%

Tax Revenue Developments January - September 2026



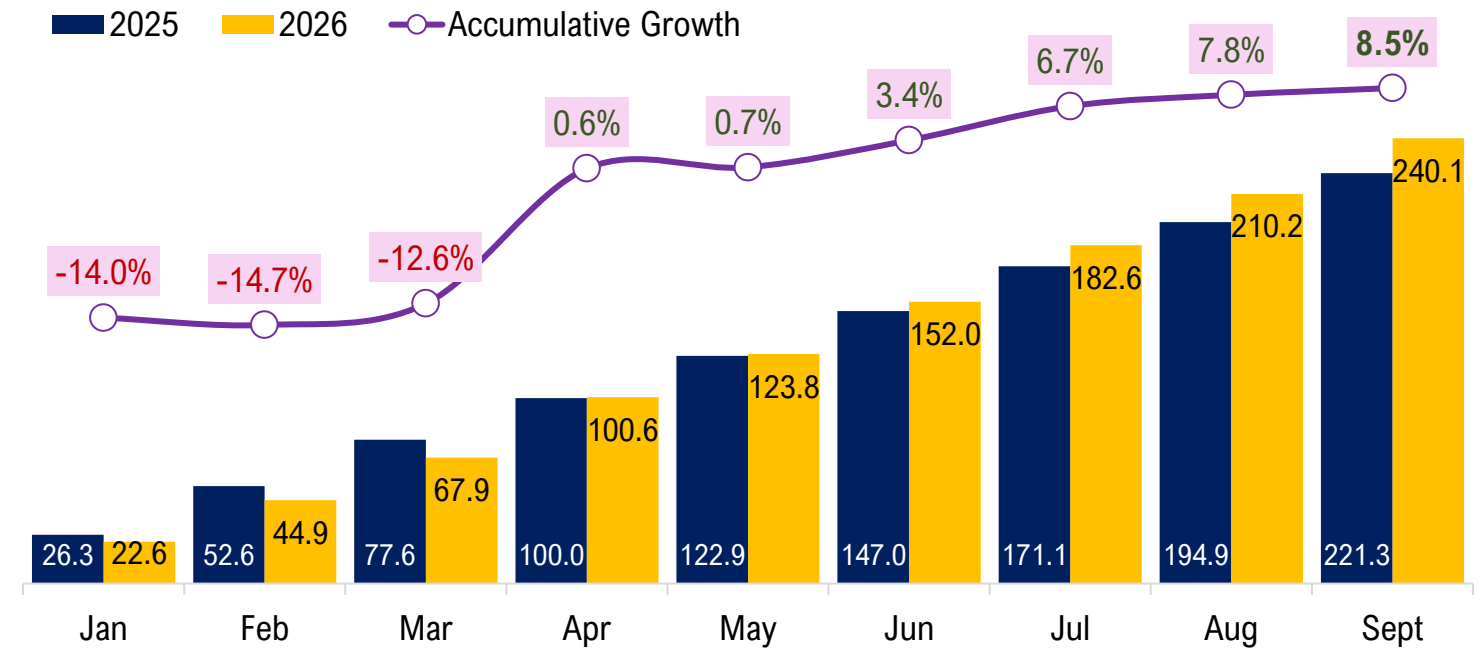
- Tax revenue continues to grow in line with **economic activity and the improving implementation of Coretax.**
- Non-oil and gas income tax increased, driven by **stronger economic activity and enhanced tax administration.**
- Oil and gas income tax grew in line with rising crude oil prices
- VAT & Luxury Goods Tax rose significantly, supported by **strong domestic consumption and purchasing power**.
- Property tax & Other Taxes declined due to higher **compliance in tax return (SPT) filings**, where outstanding tax liabilities were settled via deposits

Customs and Excise Revenue Grew Positively

Revenue realization as of September grew 8.5%, driven by strengthening across all types of revenue.

Revenue trend increases in line with improved performance across each sector.

(accumulative, IDR trillion)

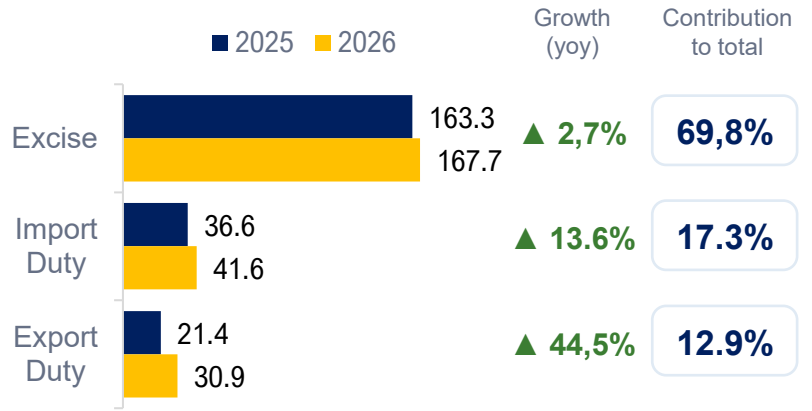


Source: Ministry of Finance, processed

Realization by Component

(IDR trillion)





Performance Drivers



Excise ▲2,7%

Growth driven by consistent enforcement and increased cigarette production.



Import Duty ▲13,6%

Growth remains sustained, driven by the increase in import volume and value



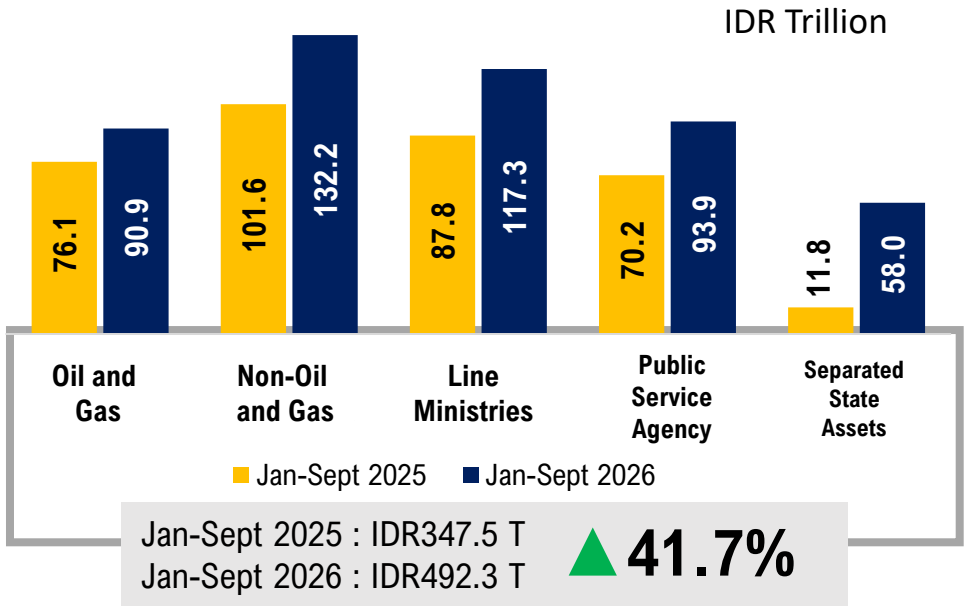
Export Duty ▲44,5%

Growth driven by strengthening prices and rising export volume of CPO.

Photo: MoF – DGCE

Non-tax Revenue (PNBP) Realization Grows High (41.7% Yoy)

Non-tax revenue surged, already achieving 107.2% of the state budget target, driven by strong performance in natural resource revenues



PNBP IDR Trillion	APBN	Semester Report Outlook	Realization as of Sept 30	Remaining Portion in Semester Report
Total Non-Tax Revenue	**459.2**	**575.1**	**492.3**	**84.4**
A. Natural Resources	**261.2**	**279.4**	**223.1**	**56.3**
1. Oil and Gas	117.4	138.1	90.9	47.2
2. Non-Oil and Gas	143.8	141.3	132.2	9.1
B. KND Revenue	**1.8**	**56.4**	**58.0**	**-**
C. Other PNBP Revenue	**97.9**	**124.0**	**117.3**	**6.7**
D. BLU Revenue	**98.3**	**115.4**	**93.9**	**21.4**



The Forest Area Regulation (PKH) Task Force has deposited **IDR57.1 T** (2025-2026)

→ PNBP/Fines IDR38.65 T dan Tax IDR18.45 T



The increase in crude oil prices (ICP) drove oil and gas non-tax revenue increased by 19.4% (yoy).

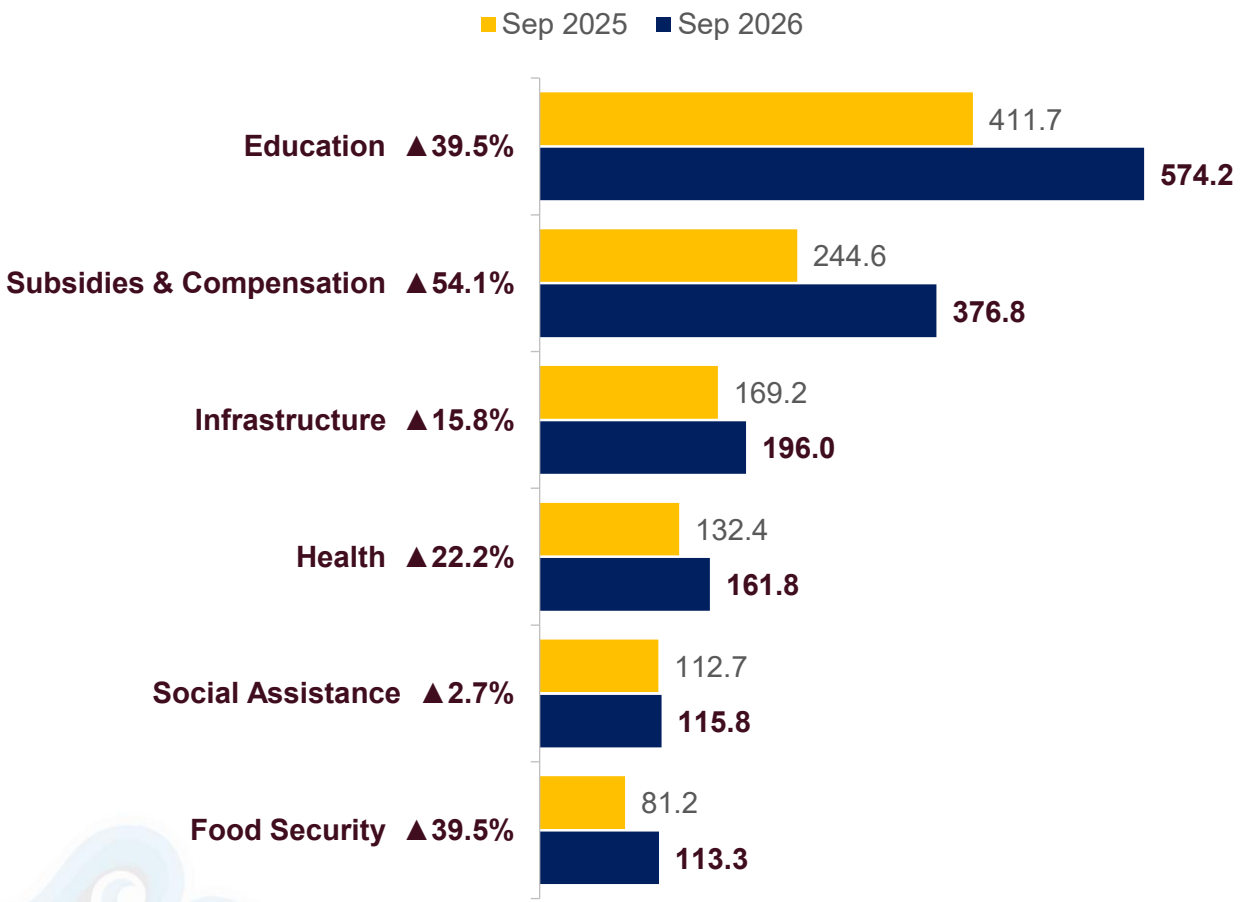


The increase in coal and mineral prices, along with the policy change in the Mineral Benchmark Price (HPM) calculation formula, boosted non-oil and gas natural resource revenue by 30.1% (yoy).

Budget Spending Priorities: Quality People, Food, and Connectivity

Spending is accelerating in human capital and food security, with measurable outcomes for millions of Indonesians

Realization as of 30 September 2026 (IDR trillion), with growth versus the same period of 2025



What the spending delivers

Education	• **46.2 mn** students receive MBG; • **16 mn** students on PIP; • **878 th** on KIP Kuliah
Subsidies & Compensation	• **13.4 mn KL** subsidized fuel (+9.1%); • **43.4 mn** electricity customers; • **6.6 mn tonnes** fertilizer
Infrastructure	• **37.2 thousands km** roads handled; • **165 thousands** FLPP housing units; • **IDR10.2 T** village electrification
Health	• **96.7 mn** PBI JKN participants; • **105.1 mn** free health checks; • **10,221** puskesmas funded
Social Assistance	• **10 mn** PKH families; • **17.6 mn** Sembako recipients; • disaster aid **IDR5.6 T**
Food Security	• **3.5 mn tonnes** grain absorbed from farmers; • **38,048 ha** new rice fields; • **33.1 mn** families get food aid

Functional groupings overlap (e.g., MBG counts toward education and health), so figures are not additive. Includes central government spending, transfers to regions, and financing.

Source: Ministry of Finance

Central Government Expenditure Becoming More Productive

Central government spending acceleration was driven by stronger budget execution across ministries and higher social assistance disbursements.

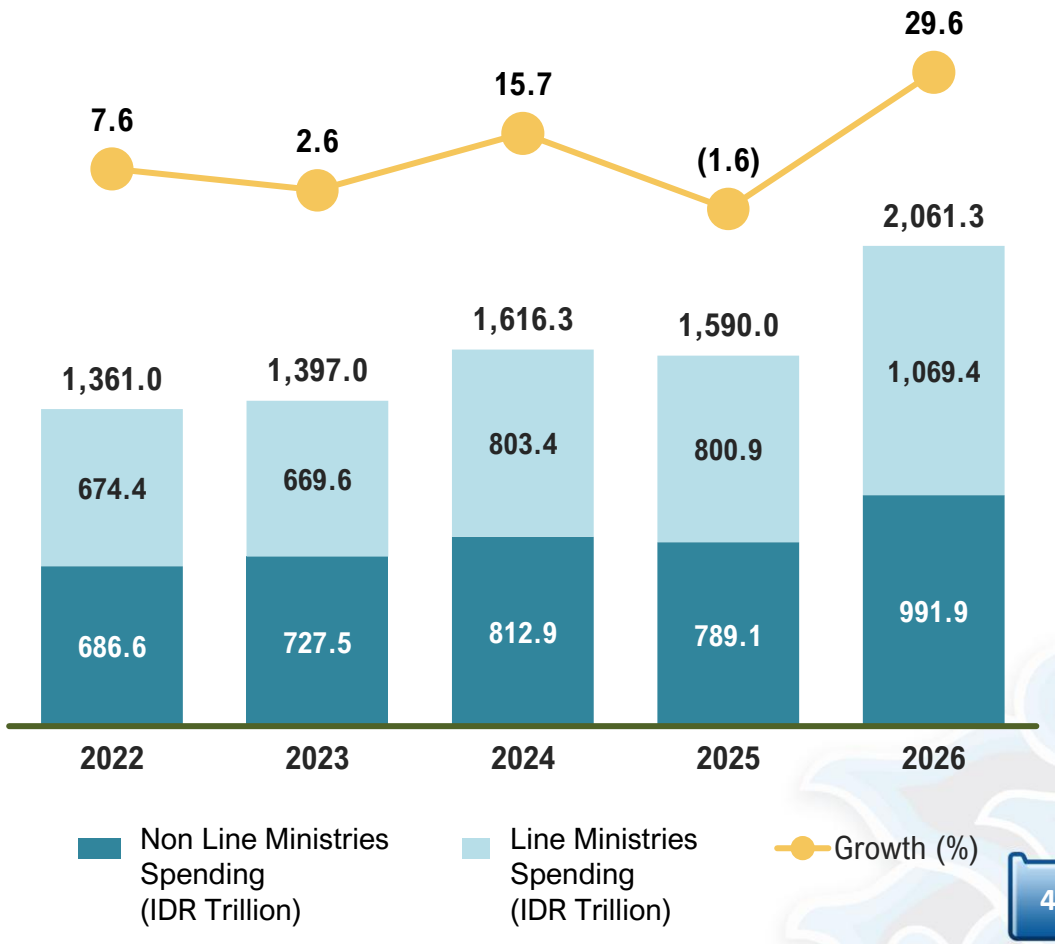
Realization as of September 30, 2026 IDR 2,061.3 T
(65,4% of the budget), ▲29,6% (yoy)

Central Government Spending	Real. as of Sep 30, 2025	*APBN 2026*	Real.as of Sep 30, 2026
Line Ministries Spending	**800.9**	**1,510.5**	**1,069.4**
inc. Social Spending	112.7	162.5	115.8
Non Line Ministries Spending	**789.1**	**1,639.2**	**991.9**
inc. Subsidies	176.0	318.9	222.5
TOTAL			

Central Government Spending is driven by:

- **Line Ministries Spending IDR1,069,4T** (70,8% of APBN), including MBG, social spending (PBI JKN, Sembako, PKH, KIP Kuliah), infrastructures, and education infrastructures.
- **Non-Line Ministries Spending IDR991,9 T** (60,5% of APBN), including pensions, electricity&fuel subsidy and compensation.

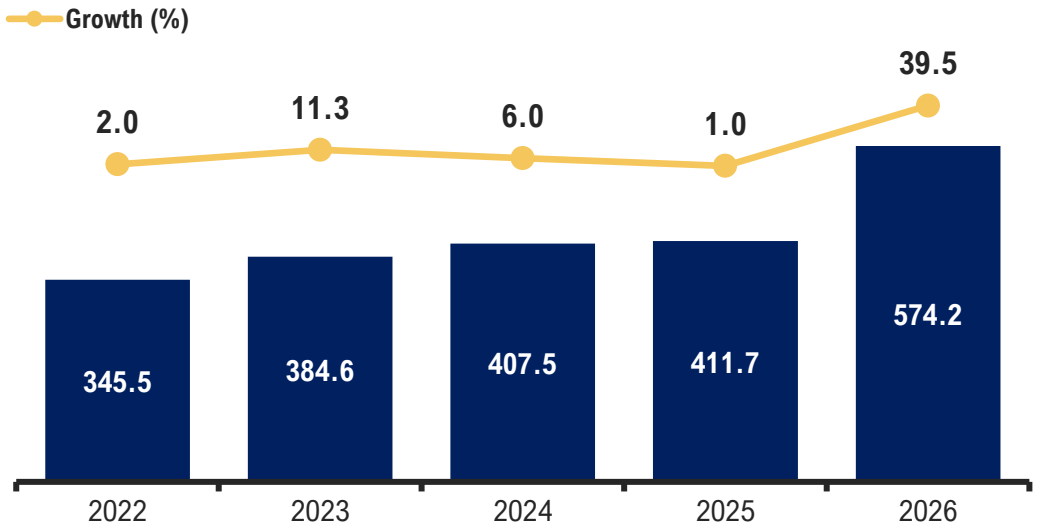
Realization as of September 30, 2022 – 2026
(IDR Tr)



Education Budget Realization as of September amounted to IDR 574.2 T

Indonesia is committed to realize superior and competitive human resources.

Realization 2022 to 2026 per 30 September (Tn IDR)



Education Ecosystem

Students/University Students (PIP, KIP Kuliah, MBG)	IDR184,3T
Teachers/lecturers/educators	IDR177,9 T
School/Campus	IDR204,1 T

Through Central Govt Spending — IDR330,9 T

- PIP **IDR11,2 T** for 16 millions students
- KIP Kuliah **IDR14,8 T** for **878 thousands** college students
- BOS (kemenag) **IDR10,1 T** for **9,2 millions students siswa**
- TPG Non PNS **IDR17,9 T** for **904 thousand teachers**
- MBG **IDR134,4 T** for **46,2 million students**
- School/Madrasah Revitalization **IDR26,4 T**
- Sekolah Unggul Garuda **IDR1,2 T** & Sekolah Rakyat **IDR19,3 T**

Through Transfers to Regions — IDR228,1 T

- DAU Teachers **IDR107,2 T**
- TPG ASND **IDR55,7 T** for **1,8 millions teachers**
- ASND Allowance **IDR2 T** for **66,2 thousands teachers**
- BOS **IDR52,8 T** for **43,7 million students**
- BOP PAUD **IDR3,8 T** for **6 million students**

Through Financing — IDR15,0 T

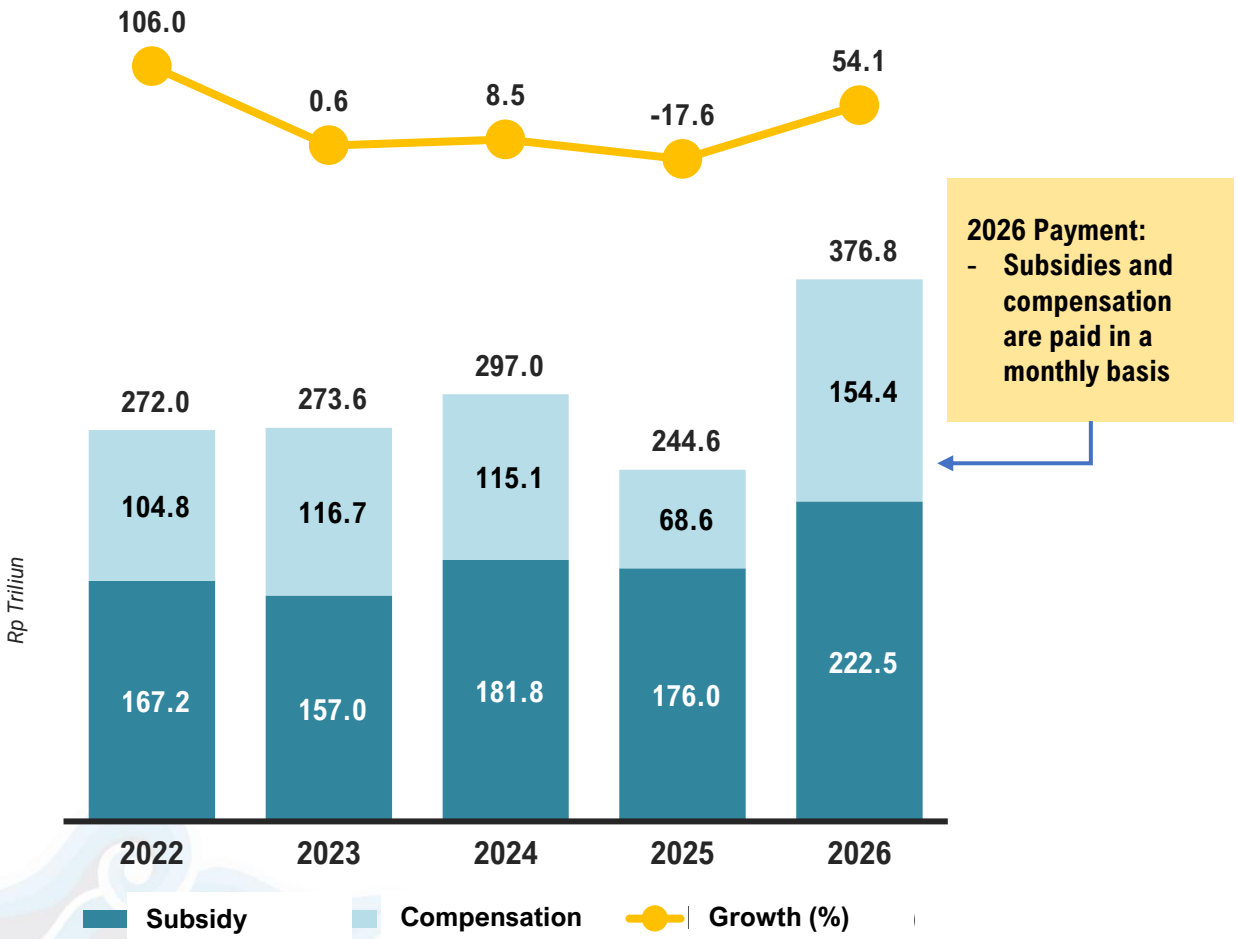
For Endowment Fund:

- Education: **LPDP 21.497 beneficiaries** (S2:13.501, S3:5.298, Non Degree 375, Doctors 2.323), **Collaboration Scholarship 17.311** beneficiaries (S1, S2, S3: 17.258 & Non Degree 53)
- Research: **1.674 projects**
- College: **8 PTNBH**
- Culture: **3.568 beneficiaries**

Government Subsidy and Compensation Expenditure Safeguards Household Purchasing Power

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

Realization of Subsidies & Compensation as of 30 September 2026



2026 Payment:
- **Subsidies and compensation are paid in a monthly basis**

Realization is driven by:

1. Fluctuations in the ICP (Indonesian Crude Price), the Rupiah exchange rate, and an increase in the volume of subsidized BBM (fuel), LPG, and electricity.
2. Oil price volatility due to global geopolitical dynamics can increase the realization of energy subsidies. Indonesia has had experience facing these conditions during the 2022 Russia-Ukraine conflict
3. Non-energy subsidies are primarily influenced by increased payments for fertilizer subsidies

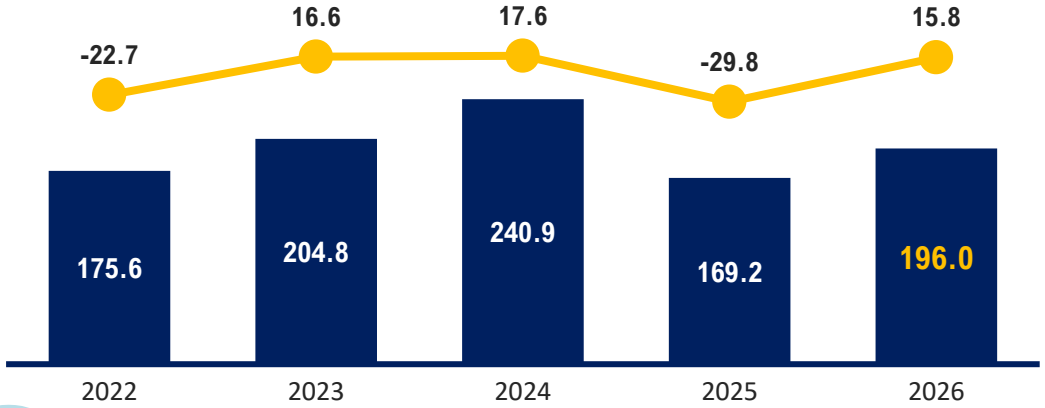
The public enjoys various goods at subsidized prices

Fuel	LPG 3 Kg	Electricity	Fertilizer	KUR
Volume (th KL)	Volume (mn kg)	Pelanggan (million)	Volume (mn tonnes)	Debtors (million)
2026	2026	2026	2026	2026
13.408,6	5.761,6	43,4	6,6	3,7
2025: 12.285,3	2025: 5.639,8	2025: 42,4	2025: 5,7	2025: 3,5
▲ 9,1%	▲ 2,2%	▲ 2,1%	▲ 15,7%	▲ 7,9%
yoy	yoy	yoy	yoy	yoy

Infrasctructure and Food Security Budget Realization as of September 2026

Substantial spending rebound in 2026 driven by Central Government execution, regional transfers, and strategic financing

Realization 2022 s.d. 2026 per 30 September (IDR Tn)



Through Central Govt Spending — Rp170,9 T

- Road **Rp19,4 T** (**progress 37,2rb km**)
- Toll Road **Rp4,4 T** (**progress 17,7 km**)
- Electricity for Villages **Rp10,2 T**

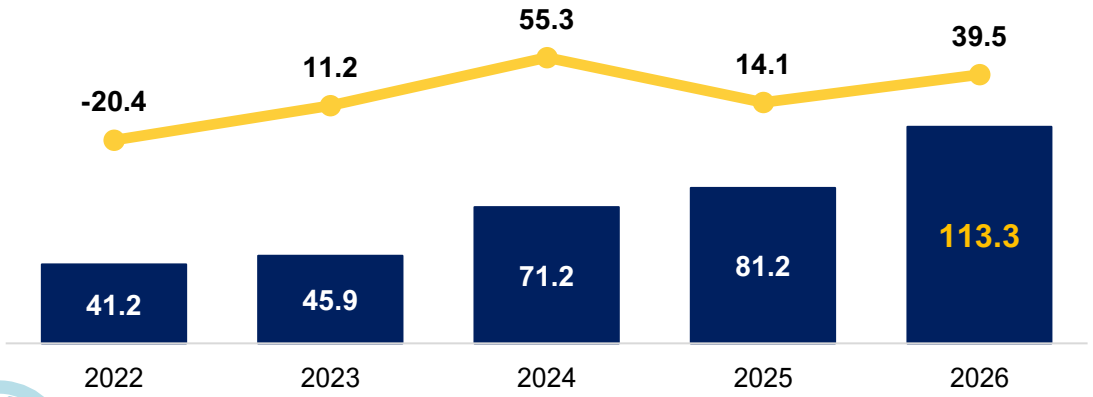
Through Transfers to Regions — Rp3,3 T

- DAK Physical **Rp1,8T** Water Infrastructure **12.472 SR,** SPALD-S **9.523 unit,** road treatment **398,6 km** and **82,1 m bridges**

Through Financing — Rp21,7 T

- FLPP **Rp11 T** for **165.008 unit** housing
- Financing BLU LMAN **Rp9,6 T** for **6,35 million m2 lands**

Realisasi 2022 s.d. 2026 per 30 September (IDR Tn)



Through Central Govt Spending — Rp87,5 T

- Rice Field Printing **IDR3.2 T (38,048 ha);**
- Distribution of Food Assistance Phase I of **IDR13.1 T (33.14 million KPM**);
- Fertilizer subsidy of **IDR 36.3 T.**

bulog

- Investment to support the purchase of rice, grain, and corn from farmers.
- As of September 30, 2026, it has been used to absorb 13.9 thousand tons of rice, 3.5 million tons of grain, and 55.0 thousand tons of corn from farmers.

Through Transfers to Regions — Rp2,9 T

- Village Fund **Rp2,6 T.**
- Physical DAK **Rp0,3 T.**

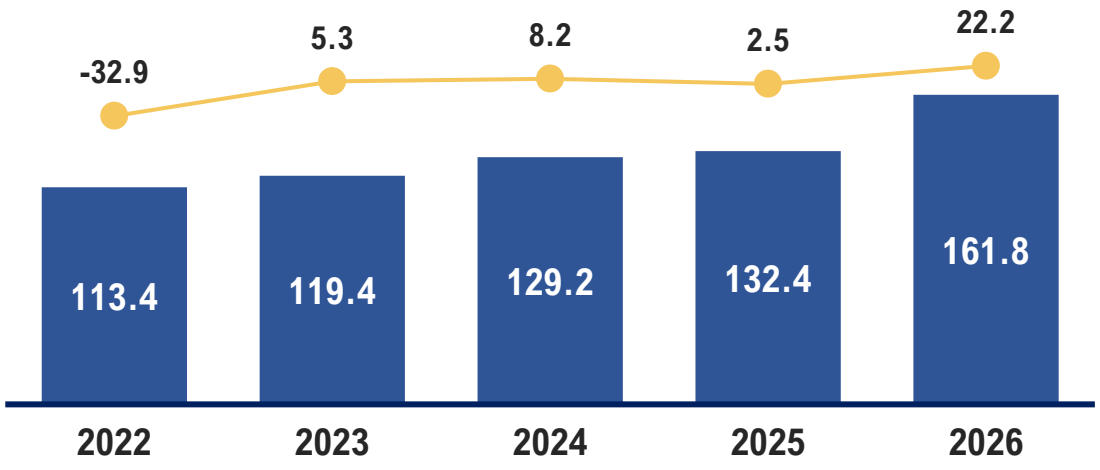
Through Financing — Rp22,8 T

- Financing OIP Bulog Fund **Rp22,7 T;**
- IFAD **Rp0,1 T.**

Health Budget Realization as of September amounted to IDR161.8 T

Heatlh budget focuses on improving access and equity of healthcare services

Realization 2022 s.d. 2026 per 30 September (IDR T)



Health Facilities and Infrastructure, hospital revitalization, Puskesmas, RSUD, Medical Devices	IDR66.6 T
Public Health Services PBI JKN, MBG Health, vaccines, CKG, TB treatment, contraceptives provision	IDR84.9 T
Management Support Support for ministry of health, BPOM, BKKBN	IDR10.3 T

Through Central Govt Spending — IDR105.7 T

- PBI JKN **IDR34.7 T (96.7 million beneficiaries)** and PBPU/BP JKN **IDR2.18 T (49.6 million beneficiaries)***
- Hospital Revitalization **IDR2.85 T**
- Free Health Check **IDR555.0 Billion (105.1 million beneficiaries)**
- TB treatment **IDR469.3 Billion (9.6million beneficiaries)**
- Nutritious Meal for pregnants/breastfeeding mothers, and toddlers **IDR15.6 T (10.8 million beneficiaries)**
- Vaccines **IDR3.5 T (10 packages)**

Social Security Fund Injection **of IDR 20 T** carried out in the 2026 fiscal year"

Through Transfers to Regions — IDR56.1 T

- Physical DAK **IDR 630.5 M,** among others for the construction of 10 severely damaged community health centers and strengthening of 77 Regional General Hospitals
- DAK Non-physical (BOK dan BOKB) **IDR10.5 T** for **10,221 puskesmas**
- DBH CHT **IDR1.04 T** for JKN Payments **1.1 millions people** and medical devices **803 units**
- DAU **IDR38.91 T** for health services

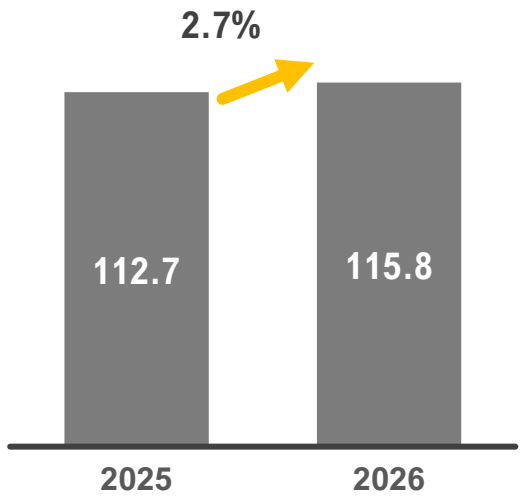
Realization of Social Spending IDR115.8 T (71.2% Budget)

Social assistance spending driven primarily by accelerated education support and targeted welfare distribution.

As of 30 September 2026

Social Spending

IDR115.8 T
(71.2% APBN)



The increase in social assistance spending is mainly driven by the realization of PIP and KIP distribution for Semester II of 2026

The Beneficiaries of Social Spending



The PKH has been distributed to 10 million beneficiaries amounting to IDR **21.8 T** to meet minimum living needs.



Sembako Program has been distributed to 17.6 million KPM amounting to **IDR 28.2 T** to meet food needs.



PIP has been distributed to 16 million students from poor and vulnerable families amounting to **IDR 11.1 T** for educational access.



KIP College has been distributed to 878 thousand university students from poor and vulnerable families amounting to IDR 14.4 T for educational access



PBI JKN has been distributed to 96.7 million participants amounting to IDR 34.7 T to help with healthcare access.



Assistance, Rehabilitation, and Disaster Management have been distributed amounting to IDR 5.6 T.

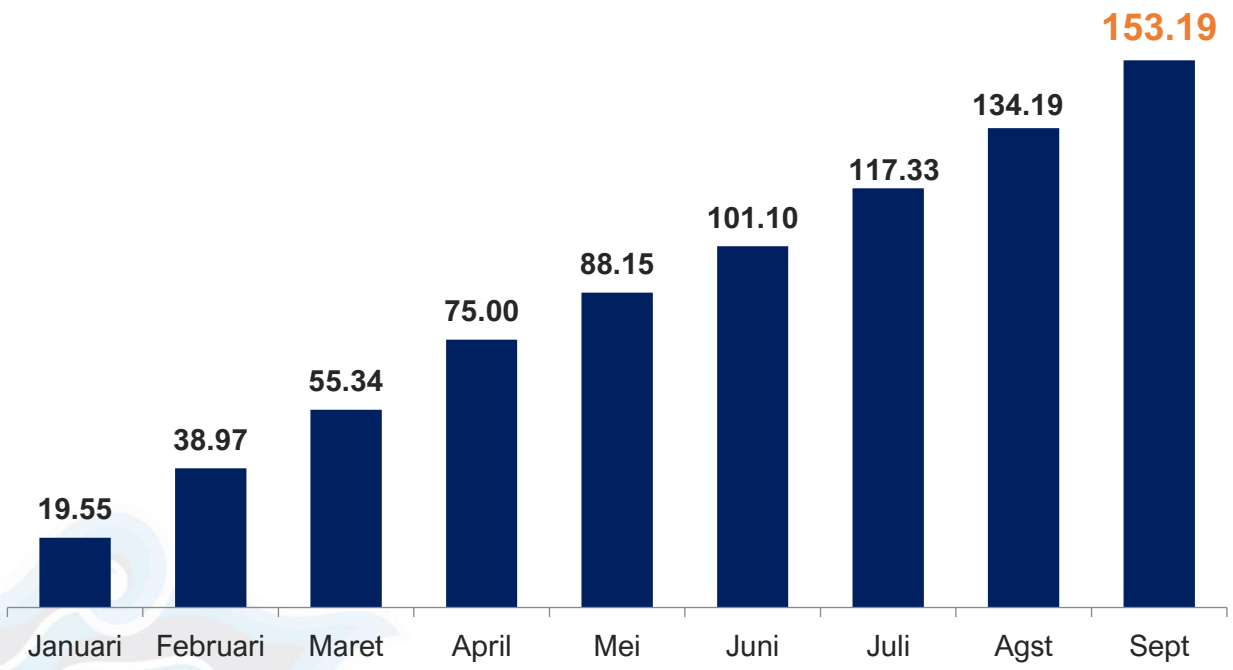
Free Nutricious Program (MBG) is Acvieving Greater Precision, Supported By BGN Reform

Realizing a healthy, smart, and highly competitive next generation of the nation

57 millions beneficiaries, 27.485 SPPG *)

Realization **IDR153,2 T**

Realization (in IDR Tn, as of 30 September 2026)



*) Realization as of 31 Agustus 2026

Continuous improvements are being made,through:

SPPGs are required to have a Sanitation Hygiene Eligibility Certificate (SLHS).

Closure of 1,276 SPPGs without SLHS in September 2026

Structuring of 3T Regions, among others, through the addition of 480 SPPGs (211 independent partner SPPGs & 269 remote SPPGs), which will operate by the end of October.

Determination of beneficiaries by BGN (National Nutrition Agency) so that MBG (Free Nutritious Meal) distribution is more optimal."



Transfer to Region (TKD) Distribution per September 2026 Amounted to IDR599.2 T (82.4% budget)*

*against the total revised allocation of Rp727.2 T

The State Budget (APBN) and Regional Budget (APBD) are a single unit for regional development and public services provision

General Transfer Funds

DAU · DBH



5.3 million Regional ASN
paid his salary

1.14 million JKN participants
funded from DBH CHT

596 thousand Jamsostek participants
financed from DBH CHT and DBH Sawit

IMPACT
Provision of basic public services;
Improved well-being and expansion
Social Protection Coverage.

STORIES FROM THE REGION
Social Security contribution assistance is given to oil palm plantation workers, tobacco farm workers, and vulnerable communities.

Special Transfer Funds

DAK Fisik · DAK Nonfisik · Hibah Daerah



43.7 million students
BOS recipient

1,042 thousand students
Equality

22.914 SR
SPAM

398,6 km
Roads Handled

5,9 juta siswa
PAUD (BOP)

1,68 juta guru
Beneficiaries

77 RSUD
Strengthened

IMPACT
Improving access to education, health, clean water and road connectivity according to national priorities.

STORIES FROM THE REGION
Road construction in Kupang Regency improves connectivity access and facilitates mobility community.

Village Fund, Incentive Fund, Special Autonomy Fund & Privilege Fund



75.172 villages
recipients of Village Funds

27.308 unit
Koperasi Desa/Kelurahan Merah Putih

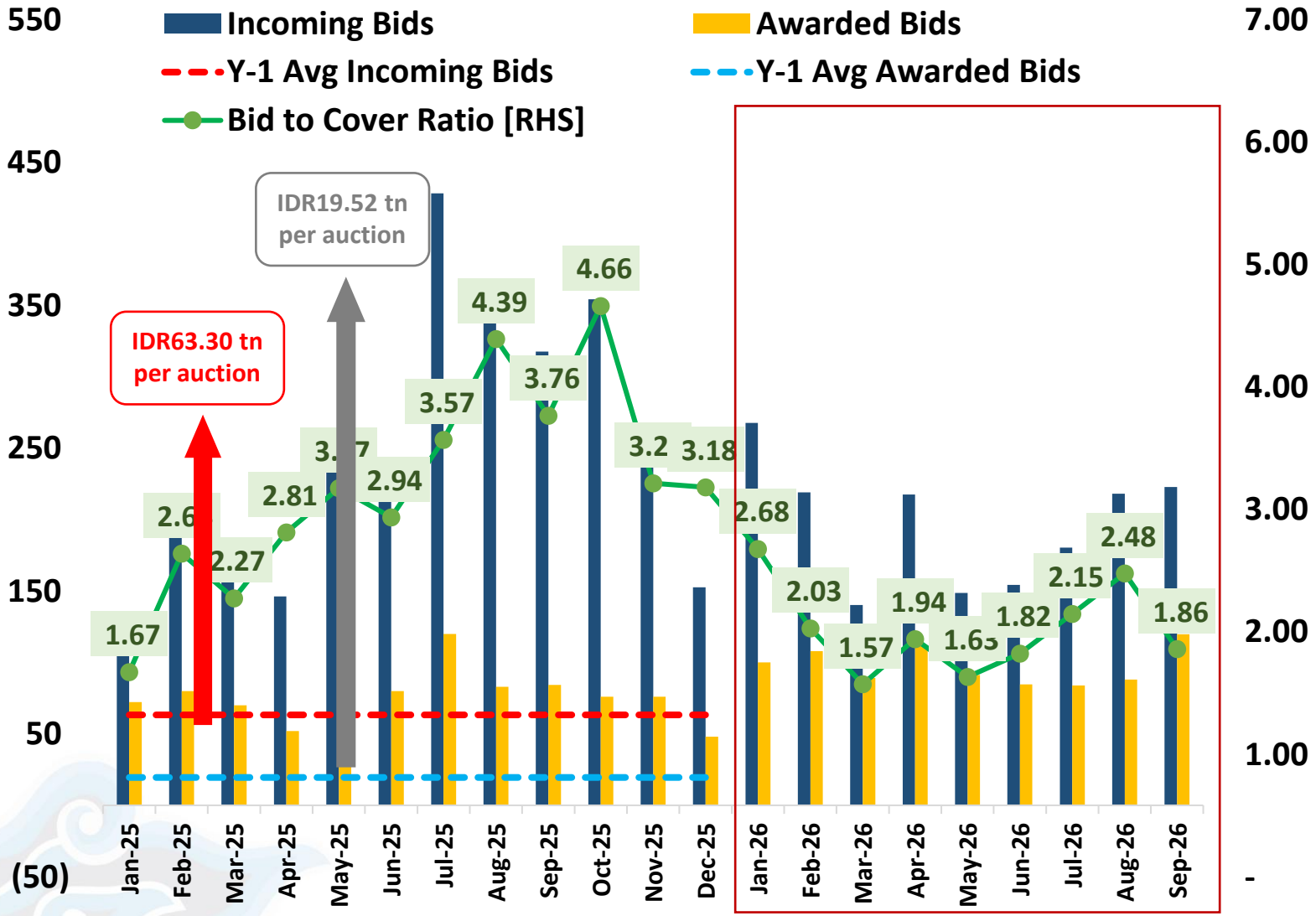
727.907
Beneficiary Groups (KPM)
recipients of Direct Cash Assistance (BLT)

IMPACT
Increasing the number of more independent villages;
Developing more accelerated special autonomous regions.

STORIES FROM THE REGION
Village BLT in Yahukimo Regency (Mountainous Papua Province) amounted to IDR 57.87 billion with a total of 16,203 KPM recipients.

Primary Market Performance 2025- 2026
Government Securities (GS)

Auction demand has remained robust in 2026, evidenced by an average incoming bid of IDR 47.81 trillion in government securities and a consistent bid-to-cover ratio.



In 2026 :

- Average incoming bid is **IDR47.81 tn/auction**
- Average awarded bid is **IDR23.69 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

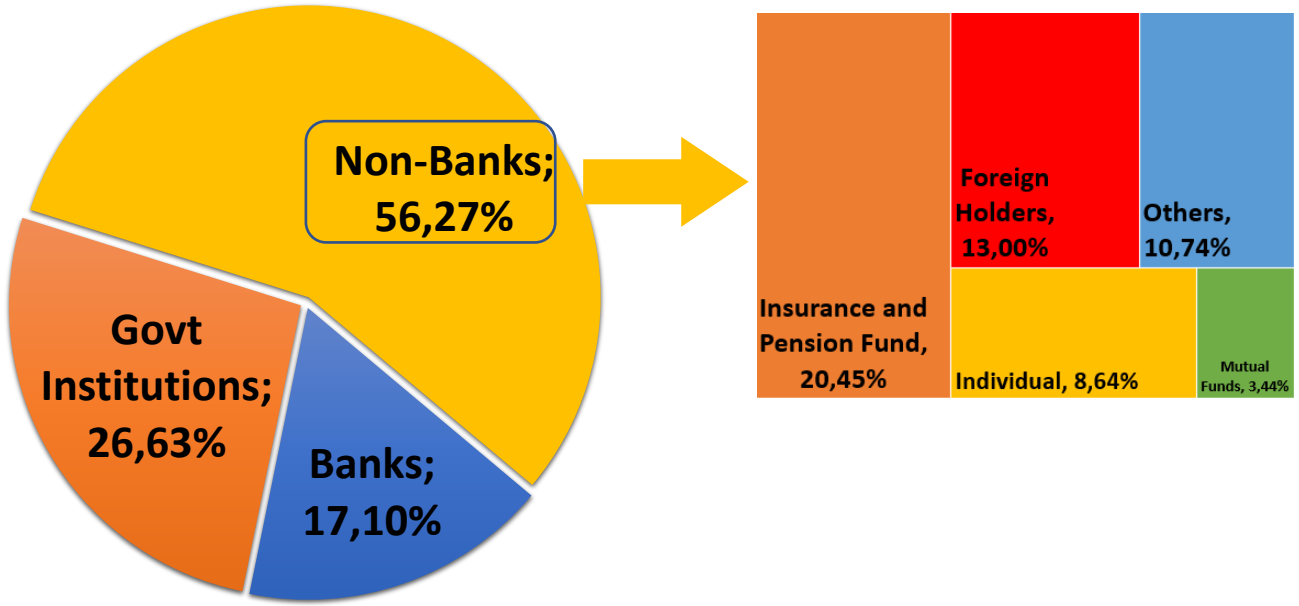
Description	Dec-21		Dec-22		Dec-23		Dec-24		Dec-25		Sep-26	
Banks*	**1.591,12**	**34,01%**	**1.697,43**	**31,97%**	**1.495,39**	**26,52%**	**1.051,40**	**17,41%**	**1.328,64**	**20,23%**	**1.194,03**	**17,10%**
Govt Institutions (Bank Indonesia)**	**801,46**	**17,13%**	**1.020,02**	**19,21%**	**1.095,51**	**19,43%**	**1.618,01**	**26,79%**	**1.641,66**	**24,99%**	**1.859,40**	**26,63%**
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%	1.742,32	24,96%
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%	(117,08)	-1,68%
Non-Banks	**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%**	**3.928,35**	**56,27%**
Mutual Funds	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	242,96	3,70%	239,89	3,44%
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%	1.428,11	20,45%
Foreign Holders	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	878,65	13,38%	907,45	13,00%
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%	278,30	3,99%
Individual	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	537,33	8,18%	603,37	8,64%
Others	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	648,90	9,88%	749,53	10,74%
Total	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.568,81	100%	6.981,78	100%

56.03% Portion of foreign ownership in the mid & long term sector (≥ 5 years)

IDR1,092.02 on January 24, 2020, foreign holders reach a record high in nominal terms

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

Source : SI-BISSSS

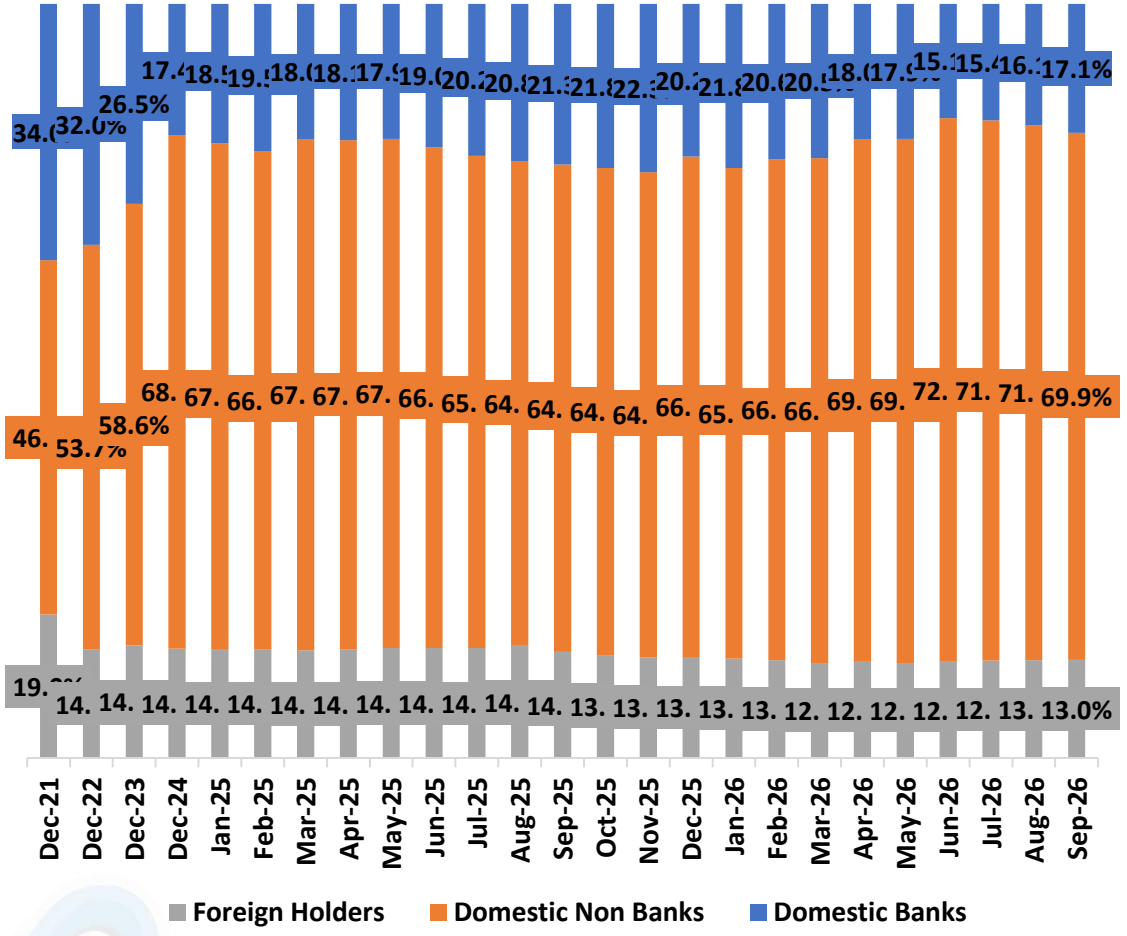


Holders Of Tradable Government Securities

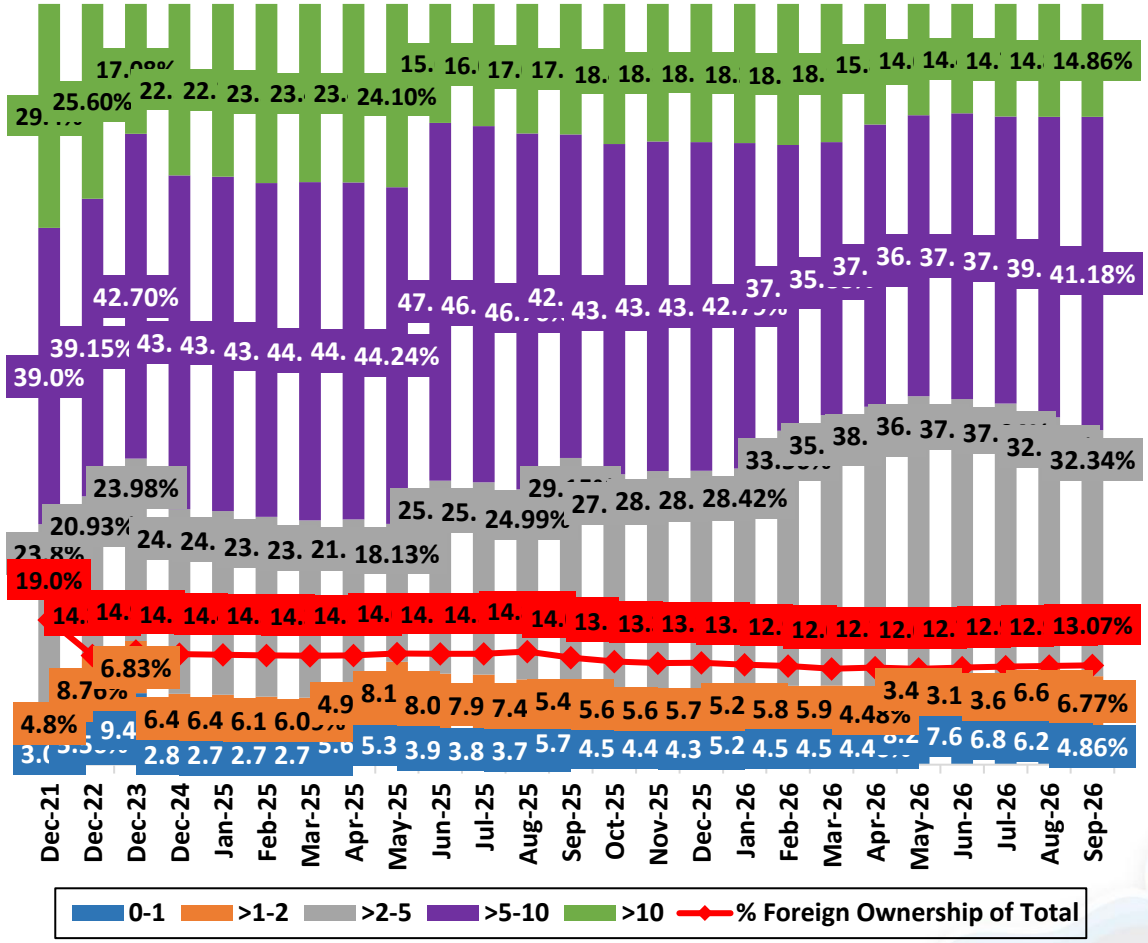
More Balance Ownership In Terms of Holders and Tenors

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

Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor



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.

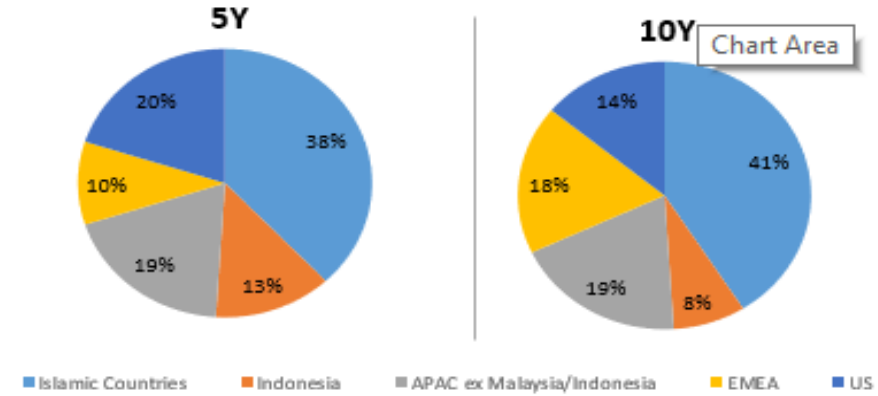
- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2025 and successfully priced a US$ 2.00 billion Sukuk offering comprising of US$ 1,100 million 5-year and US$ 900 million 10-year tranche.
- The transaction was met with positive response from investors 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 2025	
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	

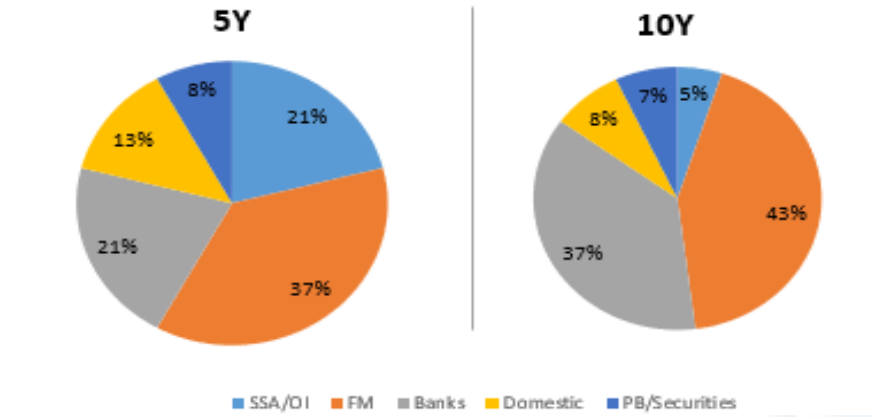
ORDERBOOK DISTRIBUTION

5-Year USD	10-Year USD
US$ 2.18bn+	US$ 1.76bn+
From 103 accounts	From 88 accounts

INVESTORS BY GEOGRAPHY (ALLOCATION)



INVESTORS BY TYPE (ALLOCATION)



Source : SI-BISSSS

SEC 19 Deal Review

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)

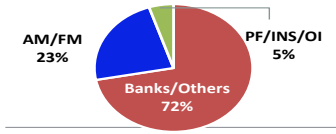
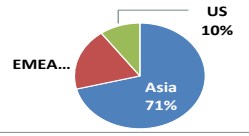
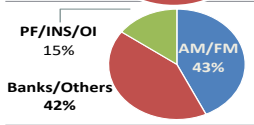
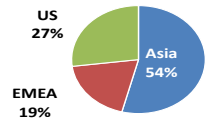
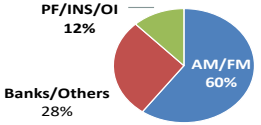
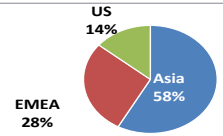
US$1,100MM 4.350% due 2031, US$1,100MM 4.950% due 2036, US$500MM 5.475% due 2056

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

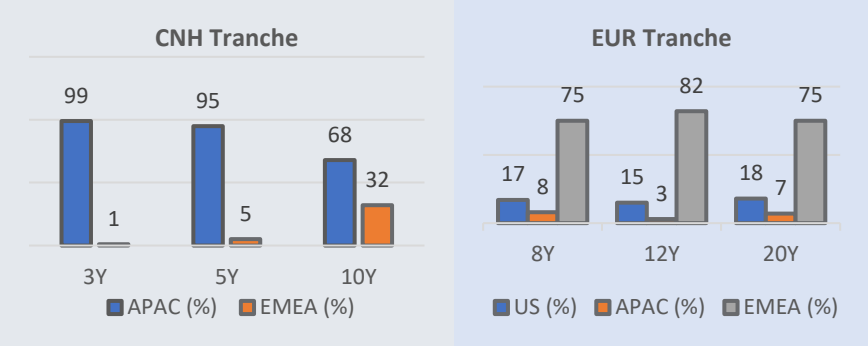
	By Investor Type	By Geography	
Long 5-yr			>US$1.9Bn c.1.7x covered across 99 accounts
Long 10-yr			>US$2.2Bn c.2.0x covered across 134 accounts
Long 30-yr			>US$840MM c.1.7x covered across 68 accounts

SEC 20 Deal Review

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

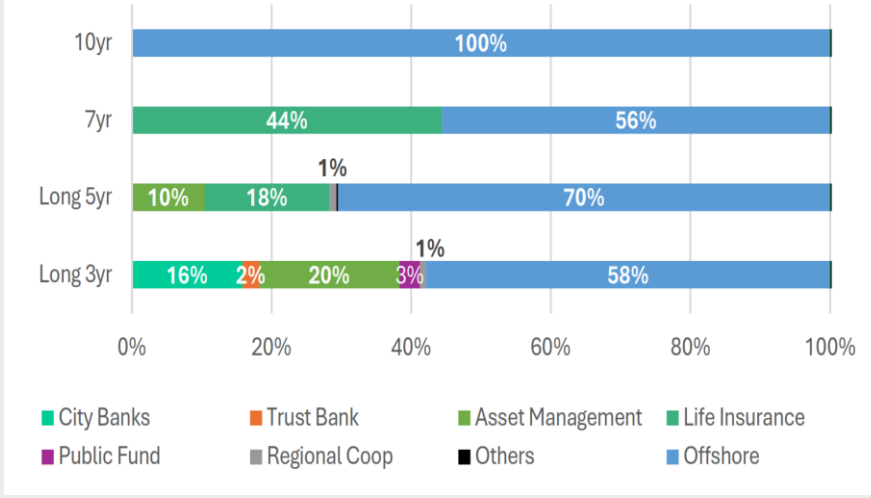
- ***Investor confidence remains high.*** Final CNH orderbook reached CNH 17.04 billion, with a bid-to-cover ratio of 1.84x. Meanwhile, the final EUR orderbook reached EUR 9.48 billion, with a bid-to-cover ratio of 3.5x**.**
- ***Solid demand.*** This enables pricing below the initial price guidance (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)

Indonesia's Samurai Bonds 2026– Deal Review

Leveraging momentum, solid demand, and stability in the Japanese market, the total issuance reached JPY 172.1 billion (equivalent to USD 1.08 billion)

Issuer	Republic of Indonesia			
Pricing Date	23 April 2026			
Issue Date	30 April 2026			
Format	Samurai			
Total Size	JPY 172.1bn			
Ranking	Senior, Unsecured			
Bond Rating	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)			
Tenor	3-year 2-month	5-year 2-month	7-year	10-year
ESG Label	-	-	BLUE	BLUE
Size (JPY bn)	JPY 126.3bn	JPY 39.3bn	JPY 4.5bn	JPY 2.0bn
Maturity Date	29 June 2029	30 June 2031	28 April 2033	30 April 2036
Re-offer Spread (YMS, TONA based)	+80bp	+90bp	+95bp	+105bp
Coupon	2.35%	2.67%	2.89%	3.23%
Issue Price	100%			

Investor Breakdown



Issuance Highlights

- The successful outcome of this issuance reflects strong investor confidence in Indonesia's macroeconomic stability and fiscal discipline, supported by proactive and effective engagement with Japanese investors, and the successful leveraging of market momentum.
- The issuance of Blue Bonds, our fourth since 2023, demonstrates Indonesia's continued commitment to advancing sustainable financing instruments in the global market, while further diversifying our funding sources.
- Supported by a solid order book, the final yields for the 7-year and 10-year tenors were successfully set at the lowest end of the Initial Price Guidance (IPG 7Y: TONA MS +95–100 bps; IPG 10Y: TONA +105–110 bps).

SEC 21 Deal Review

Strong Investor Demand and SDG commitment

US$ 3.45 billion equivalent

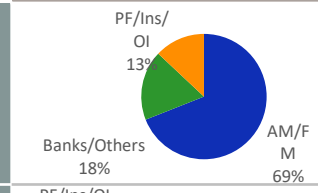
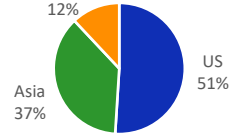
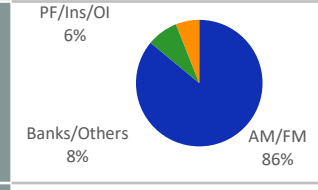
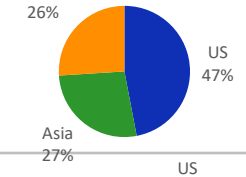
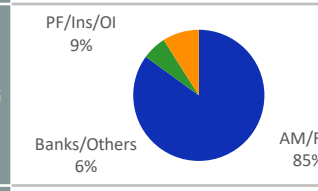
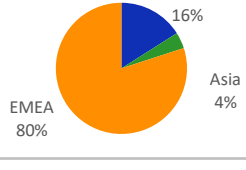
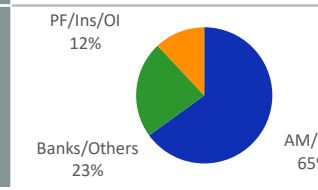
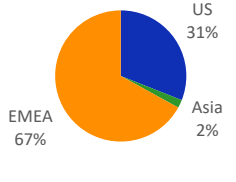
Baa2 Negative (Moody's) / BBB Stable (S&P) / BBB Negative (Fitch)

US$750mn 5.030% due 2031, US$1.25bn 5.690% due 2036,
€600mn 4.500% due 2033, €650mn 5.125% due 2038

Format:	SEC Registered			
Issue Ratings:	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)			
Tranche:	**US$ 5-year**	**US$ 10-year**	**€ 7-year SDG**	**€ 12-year**
Issue Size:	US$750mn	US$1.25bn	€600mn	€650mn
Pricing Date:	19 May 2026			
Settlement Date:	29 May 2026			
Maturity Date:	29 May 2031	29 May 2036	29 May 2033	29 May 2038
Initial Price Guidance:	5.300% area	5.950% area	MS+170 bps area	MS+205 bps area
Final Price Guidance:	5.050%	5.700%	MS+145 bps (#)	MS+185 bps (#)
Pricing:	**5.050%**	**5.700%**	**MS+145 bps**	**MS+185 bps**
Reoffer Price:	99.913	99.925	99.659	99.868
Reoffer Yield:	5.050%	5.700%	4.558%	5.140%
Coupon:	5.030%	5.690%	4.500%	5.125%
Denominations:	US$200,000 / US$1,000		EUR100,000 / EUR1,000	
Use of Proceeds:	US$ 5Y & 10Y, EUR 12Y: General budgetary purposes EUR 7Y **SDG**: The Republic of Indonesia's ("the Republic") intends to invest an amount equal to the net proceeds in projects that may qualify as eligible expenditures under the Republic's Sustainable Government Securities Framework			
Listing:	SGX-ST and Frankfurt Stock Exchange			
Governing Law:	New York Law			

Key Transaction Highlights

- ***The fourth Sustainable Development Goals ("SDG") Bond in EUR issued by the Republic, following the last EUR SDG offering in October 2025, showcasing the Republic's continuous commitment in supporting sustainable financing to achieve SDG targets by 2030***
- ***Successfully navigated significant intraday volatility supported by robust and ongoing confidence of global investors towards the country's economic stability, reinforcing the Republic's well-established reputation as a consistent and credible sovereign issuer in the global capital markets***
- ***The orderbook was well supported by global high-quality and real-money accounts, with the final orderbook size reaching over US$5.2 billion for the USD tranches in aggregate and over €3.2 billion for the EUR tranches***
- ***The healthy momentum of the orderbook allowed final pricing to tighten by 20-25 bps from IPG for all tranches***

	Allocation by Investor Type	Allocation by Geography	
US$ 5-year			**>US$1.7bn** **c. 2.3x covered across 101 accounts**
US$ 10-year			**>US$3.5bn** **c. 2.6x covered across 134 accounts**
€ 7-year SDG			**>€1.1bn** **c. 1.8x covered across 55 accounts**
€ 12-year			**>€1.2bn** **c. 1.8x covered across 44 accounts**

Inaugural Panda Bonds Issuance

Taking advantage of favorable conditions in the onshore Renminbi market, Indonesia successfully completed its inaugural Panda Bond issuance totaling CNY 7 billion (approximately USD 1.03 billion) with a strong orderbook.

CNY 7 billion

RICNY0729 (3Y)
CNY5.6 billion

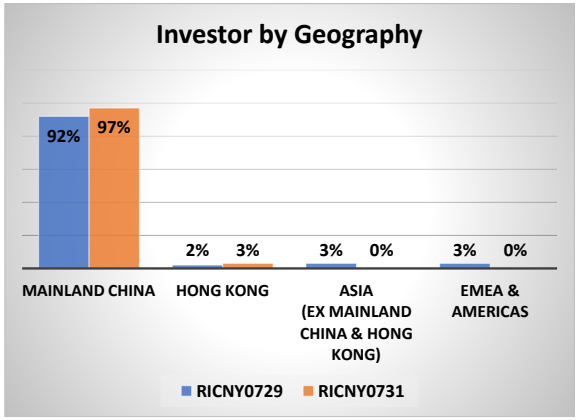
Tenor **3 Years**
Yield/Coupon **1.90%**
Maturity Date **30 July 2029**

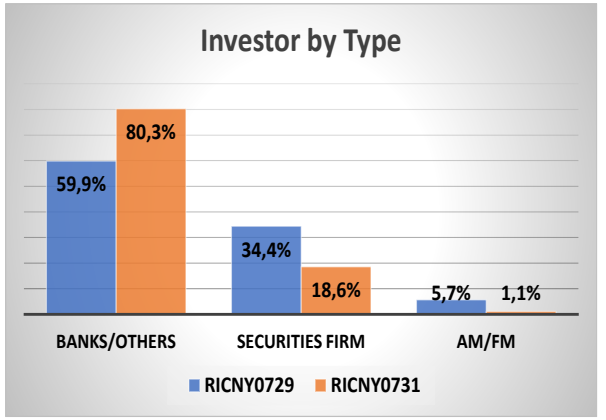
RICNY0731 (5Y)
CNY1.4 billion

Tenor **5 Years**
Yield/Coupon **2.19%**
Maturity Date **30 July 2031**

Onshore Rating	**AAA by China Lianhe Credit Rating**
Pricing Date	**23 July 2026**
Settlement/ Issuance Date	**30 July 2026**

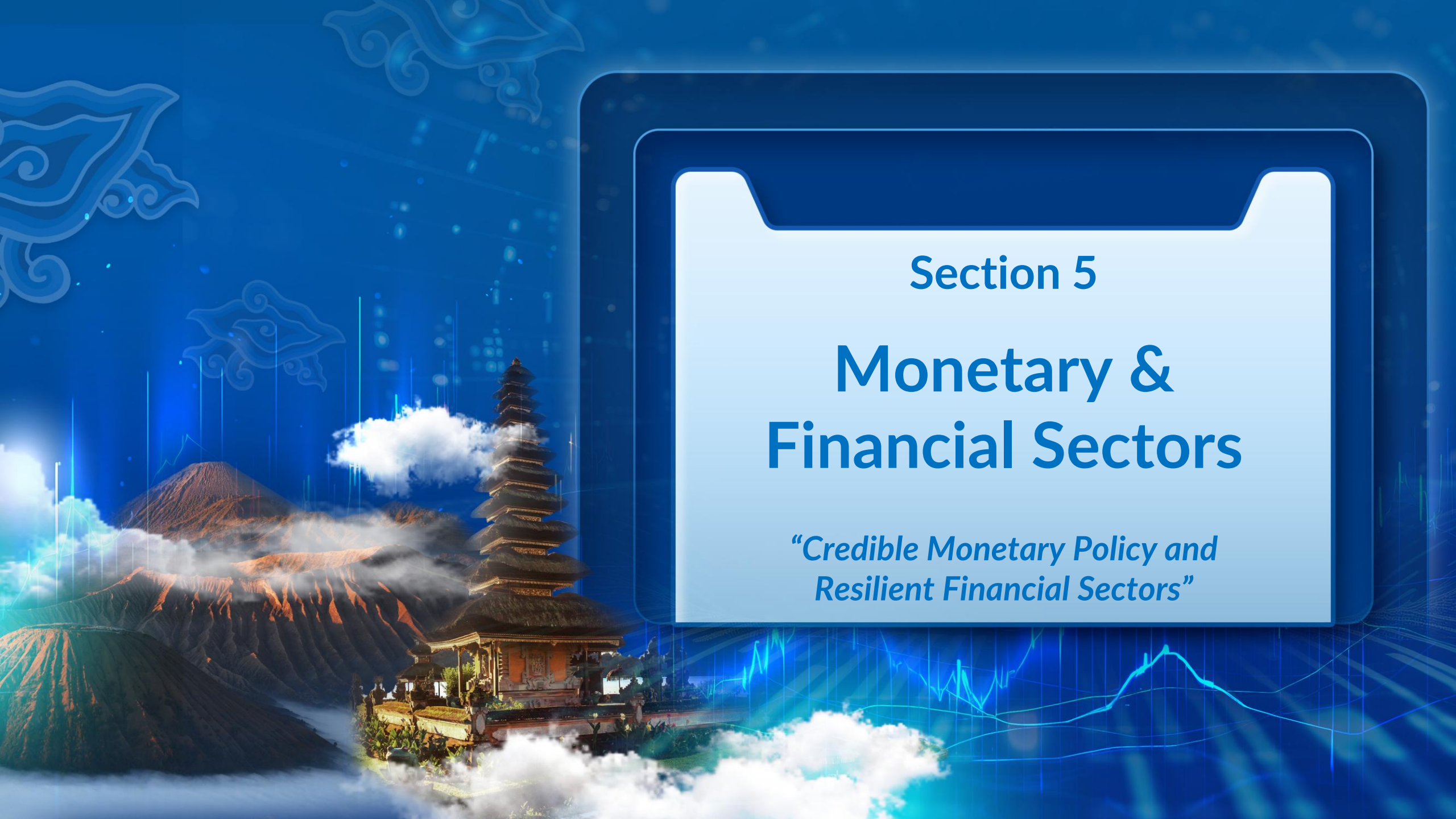
Investor Statistics





Highlight

- This transaction represents the largest sovereign Panda Bond issuance to date, demonstrating the strong confidence of onshore Renminbi investors in Indonesia's economic fundamentals and fiscal outlook.
- The total orderbook reached CNY 17 billion (2.4x bid-to-cover ratio), comprising:
  - **3Y:** CNY12.38 bio (bid-to-cover ratio 2.2x)
  - **5Y:** CNY4,62 bio (bid-to-cover ratio 3.3x)
- The transaction achieved highly competitive final yields and established a benchmark for Southeast Asian sovereign issuers seeking access to the onshore Renminbi bond market.



Section 5

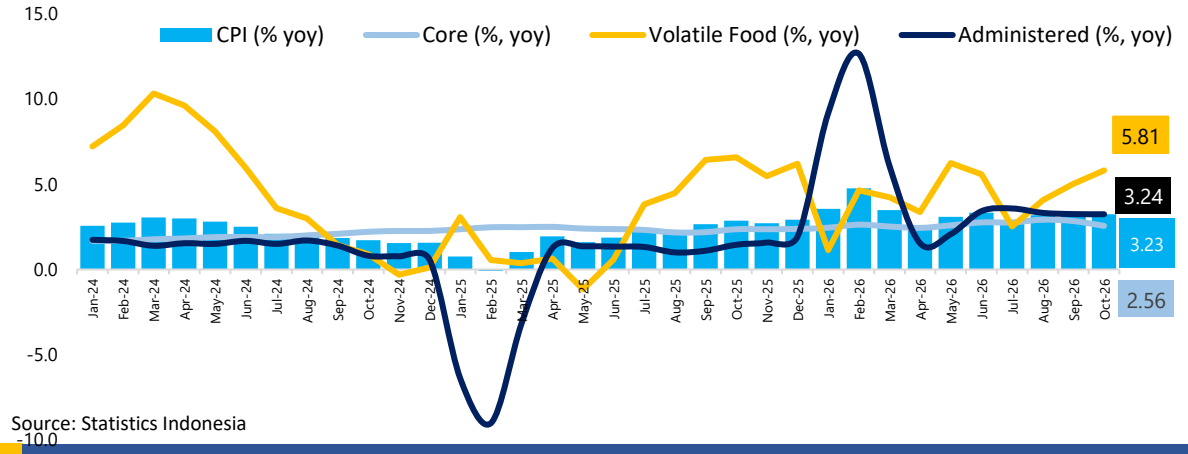
Monetary & Financial Sectors

"Credible Monetary Policy and Resilient Financial Sectors"

Inflation, Exchange Rate and Monetary Policy Framework

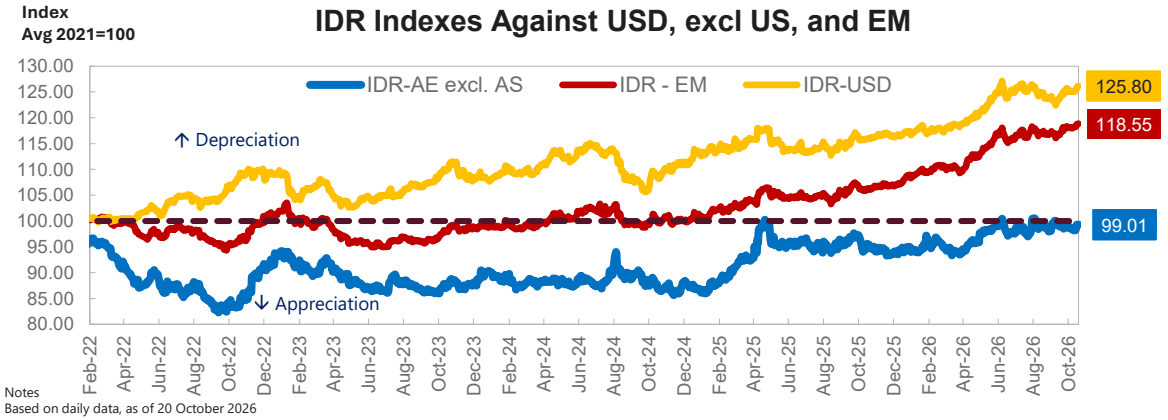
Inflation Remains within the Target Range, the Rupiah Relatively Stable, and Credit Growth Continues, Supported by a Strengthened Monetary Policy Framework.

Well Maintained Inflation Ensured Price Stability



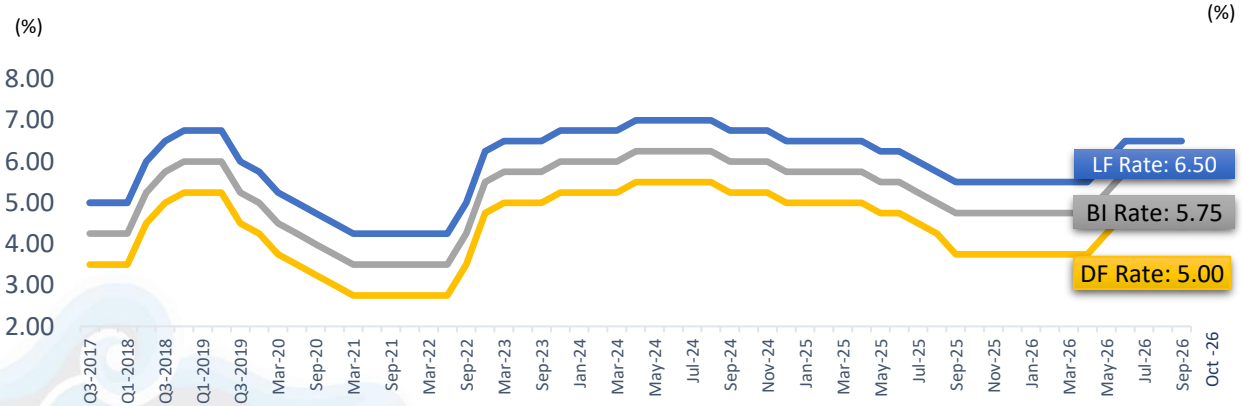
Source: Statistics Indonesia

Stable Rupiah Exchange Rate



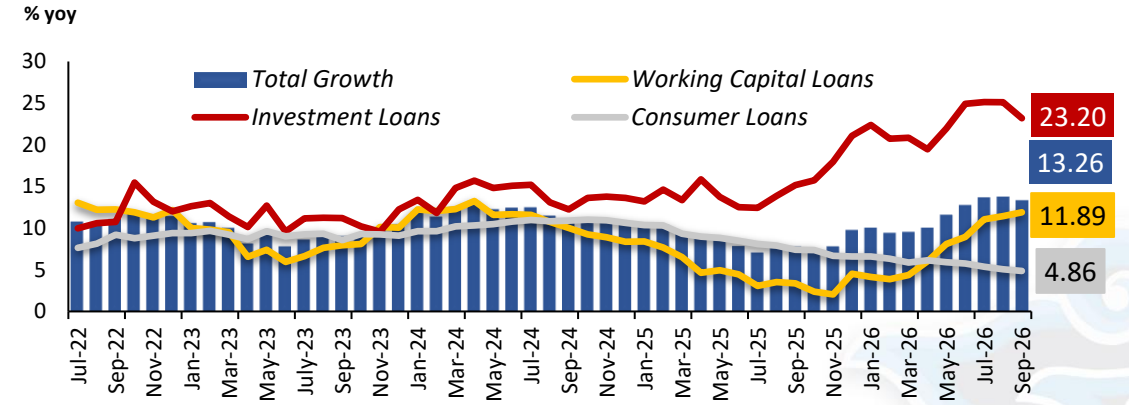
Notes
Based on daily data, as of 20 October 2026

Strengthened Monetary Policy Framework



Source: Bank Indonesia

Credit Growth Profile



Source: OJK, Bank Indonesia

Bank Indonesia Policy Mix for Strengthening Stability and Supporting Economic Growth

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



BI – Rate[1]	5.75%
Deposit Facility (DF) rate[1]	5.00%
Lending Facility (LF) rate[1]	6.50%

PRO-STABILITY

MONETARY

PRO-GROWTH

MACROPRUDENTIAL | **PAYMENT SYSTEM** | **MONEY MARKET DEEPENING** | **INCLUSIVE AND SUSTAINABLE ECONOMY AND FINANCE**

MONETARY

- Strengthening the effective implementation of monetary policy to maintain inflation within the 2.5±1% target range in 2026 and 2027 and ensure adequate Rupiah liquidity by:
  - i. managing the interest rate structure in the money market in line with the BI-Rate and rates of pro-market monetary operations instruments, accompanied by a stronger pro-market monetary operations strategy,
  - ii. strengthening Rupiah liquidity adequacy by reducing the average reserve requirement ratio (GWM) as follows:
    - a. For Conventional Commercial Banks (BUK), reducing the reserve requirement from 9% to 7% incrementally as follows:
      - i. a reduction of 1 percentage point from 9% to 8%, effective from 1st November 2026,
      - ii. a reduction of 1 percentage point from 8% to 7%, effective from 1st December 2026,
    - b. For Sharia Commercial Banks (BUS) and Sharia Business Units (UUS), reducing the reserve requirement from 7.5% to 5.5% incrementally as follows:
      - i. a reduction of 1 percentage point from 7.5% to 6.5%, effective from 1st November 2026,
      - ii. a reduction of 1 percentage point from 6.5% to 5.5%, effective from 1st December 2026,

    The reductions in reserve requirements are linked to an adjustment to the Macroprudential Liquidity Incentive Policy (KLM), which will be reduced from 6% to 5%, effective from 1st December 2026,
    - c. The maximum portion of the average Rupiah reserve requirement eligible for remuneration is set at 5% of the average Rupiah reserve requirement, effective from 1st December 2026.
- Strengthening the effectiveness of Rupiah exchange rate stabilisation efforts by:
  - i. optimising the foreign exchange intervention strategy to strengthen Rupiah exchange rate stabilisation efforts through Non-Deliverable Forward (NDF) transactions in offshore markets as well as spot and Domestic Non-Deliverable Forward (DNDF) transactions in the domestic market,
  - ii. increasing incentives for Domestic Non-Deliverable Forward (DNDF) hedging instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, by increasing the premium reduction from 25% to 40% for 6-month tenors and from 30% to 45% for 12-month tenors,
  - iii. continuing to provide incentives for Conventional Hedging Buy Swap instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, through premium reductions of 15% for 3-month tenors, 20% for 6-month tenors and 25% for 12-month tenors,
  - iv. continuing to provide incentives for Local Currency Transactions (LCT) with partner countries to diversify foreign exchange transactions through: (a) a 10% increase in the premium for Conventional Hedging Sell Swaps with Bank Indonesia for international trade and investment transactions; and (b) a 10% reduction in the premium for DNDF hedging instruments with Bank Indonesia for international trade and investment transactions.

MACROPRUDENTIAL

- Strengthening the implementation of accommodative macroprudential policy to foster lending/financing growth, while maintaining financial system stability by:
  - i. setting the Macroprudential Liquidity Incentive Policy (KLM) at 5%, comprising a maximum financing channel incentive of 3% of third-party funds (TPF), with further expanded support for bank lending/financing to business sectors that support job creation, and a maximum money market deepening (KLM PPU) incentive of 2%, which is being strengthened to encourage liquidity redistribution and banking intermediation. These KLM refinements will become effective on 1st December 2026,
  - i. maintaining: (i) the Macroprudential Intermediation Ratio (RIM) within the 84-94% range; (ii) the Bank Foreign Funding Ratio (RPLN) at a maximum of 40% of bank capital; (iii) the Countercyclical Capital Buffer (CCyB) ratio at 0%; (iv) the Macroprudential Liquidity Buffer (PLM) at 4%, with repo flexibility of 4%, and the sharia MPLB at 2.5%, with repo flexibility of 2.5%; and (v) implementation of the strengthened Inclusive Macroprudential Financing Ratio (RPIM) Policy,
  - ii. continuing to provide incentives for Conventional Hedging Buy Swap instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, through premium reductions of 15% for 3-month tenors, 20% for 6-month tenors and 25% for 12-month tenors ,
  - iii. maintaining accommodative Loan-to-Value/Financing-to-Value (LTV/FTV) ratios for property loans/financing and downpayment requirements for automotive loans/financing, while continuing to prioritise prudential principles by:
    - a. extending the validity of the 100% LTV/FTV ratio for property loans/financing covering all property types (landed houses, apartments and shophouses/office-houses) at banks meeting certain Non-Performing Loan/Non-Performing Financing (NPL/NPF) criteria, originally scheduled to expire on 31st December 2026, for the period from 1st January 2027 to 31st December 2027,
    - b. extending the validity of the minimum 0% downpayment requirement for automotive loans/financing covering all types of new motor vehicles, originally scheduled to expire on 31st December 2026, for the period from 1st January 2027 to 31st December 2027,.

PAYMENT SYSTEM

- Strengthening the implementation of payment system digitalisation measures in accordance with the Indonesia Payment System Blueprint (BSPI) 2030 to drive economic growth and expand digital economic and financial activities by:
  - i. expanding QRIS Cross-Border cooperation through sandboxing of the Timor-Leste and Hong Kong corridors, starting in the fourth quarter of 2026,
  - ii. expanding implementation of the Indonesia Credit Card (KKI) by strengthening first-mover commitments and broadening next-mover participation in the retail KKI segment, as well as optimising online payment features for the Government KKI segment, starting in the fourth quarter of 2026,
  - iii. preparing Payment System Data Infrastructure through the issuance of a Bank Indonesia Regulation (PBI) on payment system data as the legal basis for payment system data exchange in accordance with the Personal Data Protection Act (PDP Act), starting in the fourth quarter of 2026,
  - iv. strengthening the payment system industry structure through arrangements governing cooperation between Payment System Providers (PSP) and Supporting Providers (PP), starting in the fourth quarter of 2026.
- Bank Indonesia continues strengthening policy coordination with the Government, Financial System Stability Committee (KSSK) and other stakeholders to bolster external resilience, maintain economic stability and support sustainable economic growth.

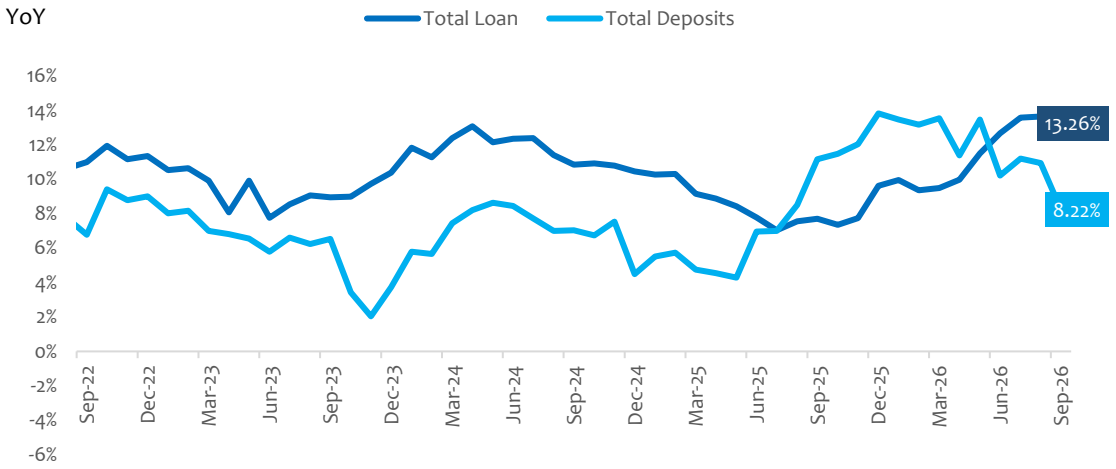
Source: Bank Indonesia

Note: (1) Board of Governors Meeting October 2026

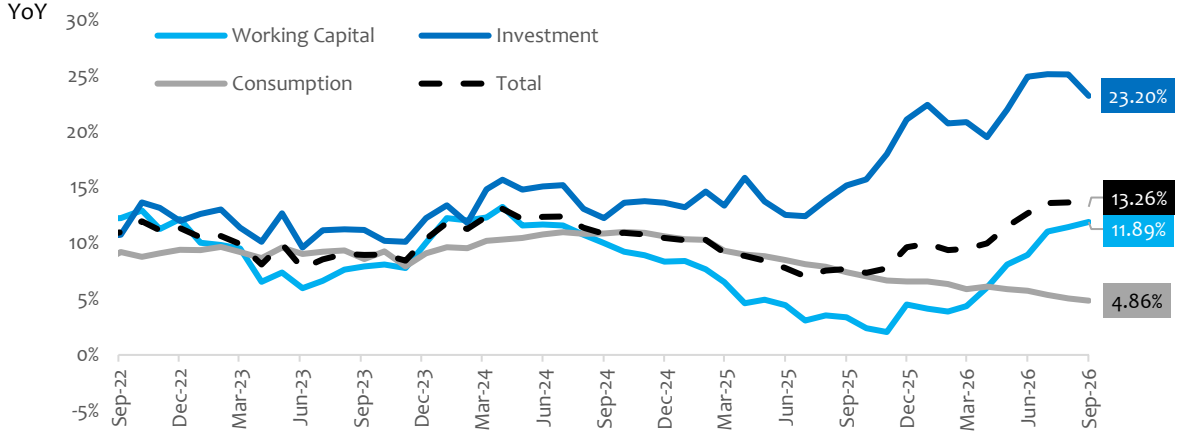
Banking Intermediation

Banking intermediation remained solid in September 2026, with loan growth maintaining a double-digit pace, while banking liquidity remained adequate.

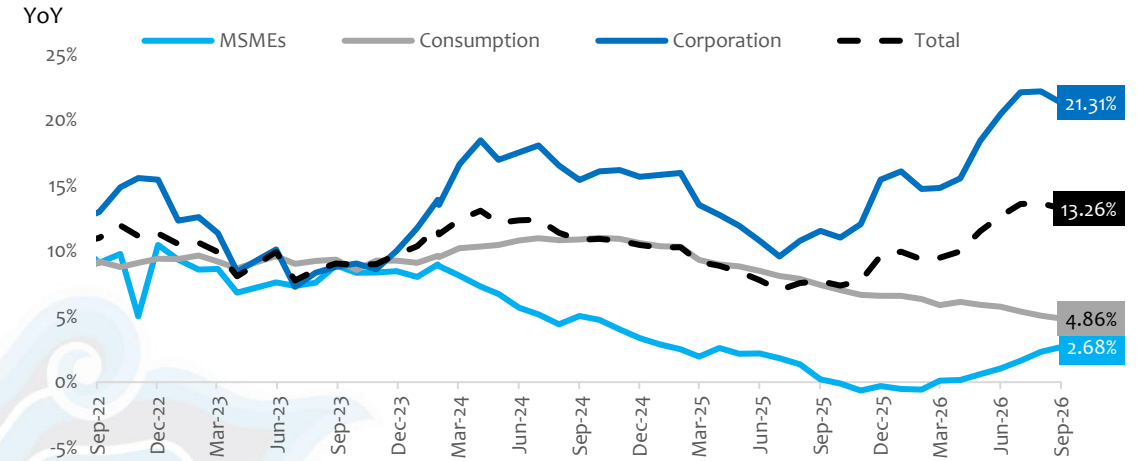
As of **September 2026**, banking loan grew by **13.26% (yoy)** to **IDR9,245 trillion**, while deposit increased by **8.22% (yoy)** to **IDR10,492 trillion.**



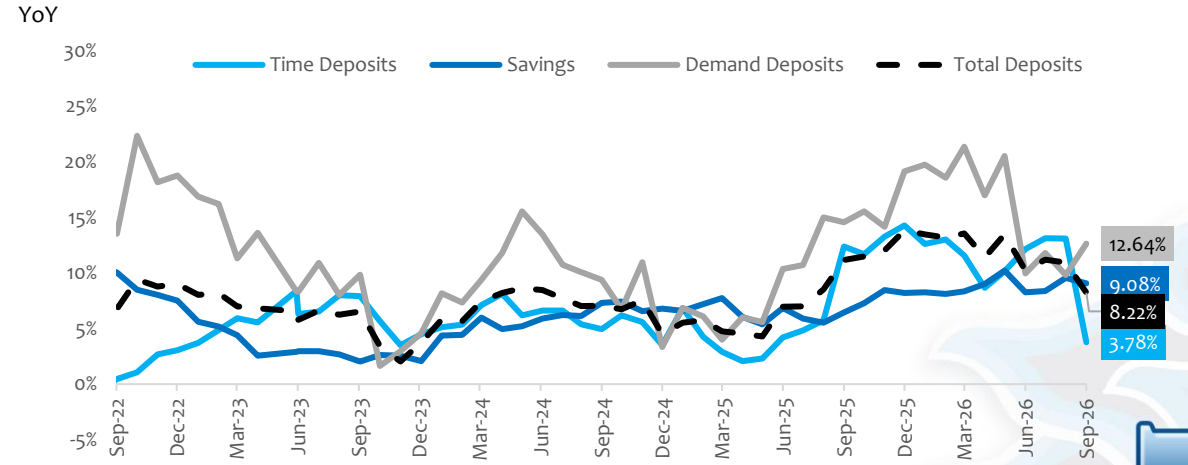
Investment loan continued to record the highest growth at **23.20% (yoy),** followed by **working capital loan at 11.89% (yoy).**



By borrower segment, **corporate loan maintained robust growth at 21.31% (yoy),** while **MSME loan growth** continued to improve, grew by **2.68% (yoy) in September 2026**.



Meanwhile, deposit growth was led **by demand deposit,** which recorded growth of **12.64% (yoy)**, followed by **saving and time deposit** at **9.08% (yoy) and 3.78% (yoy)**, respectively.

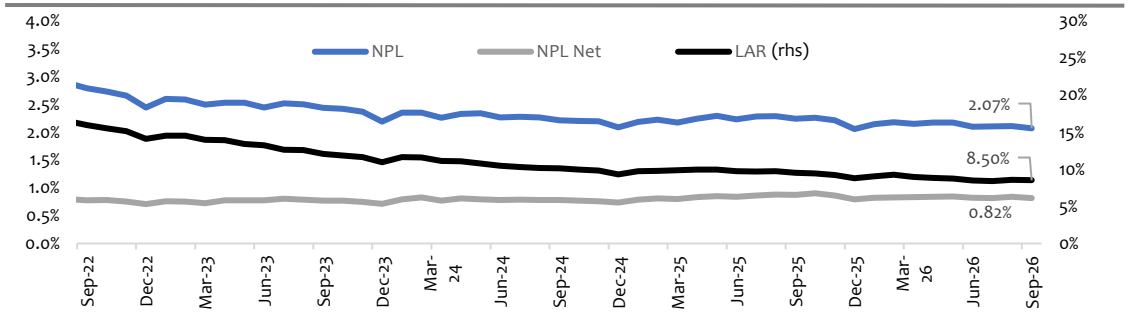


Source: OJK

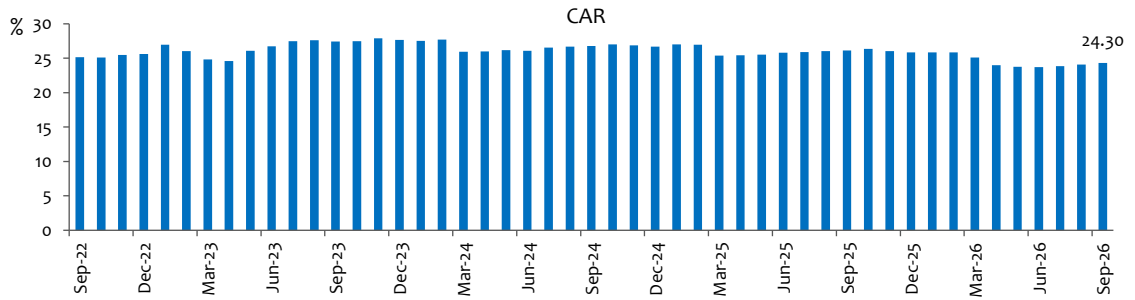
Banking Risk Profile and Profitability

Indonesia's banking sector continued to demonstrate solid performance in September 2026, supported by well-maintained credit quality, strong capital buffers, and stable profitability.

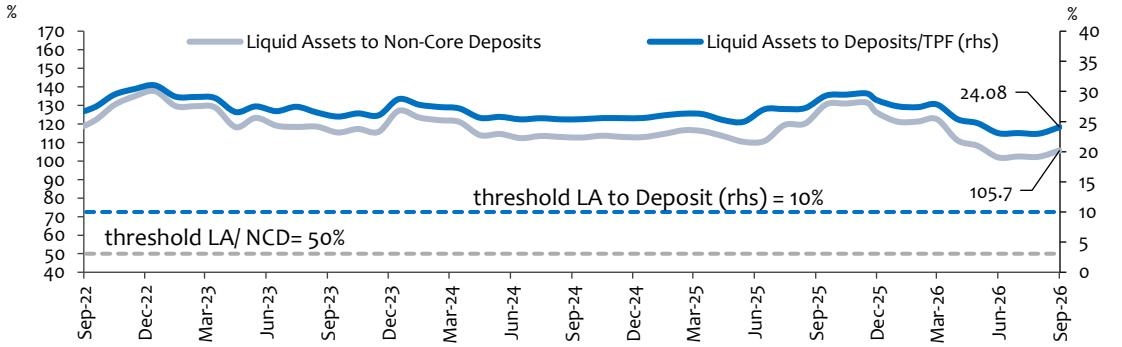
Banking asset quality improved in **September 2026**, with the gross **non-performing loan (NPL) and loan-at-risk (LaR)** ratios declining to **2.07% and 8.50%,** respectively.



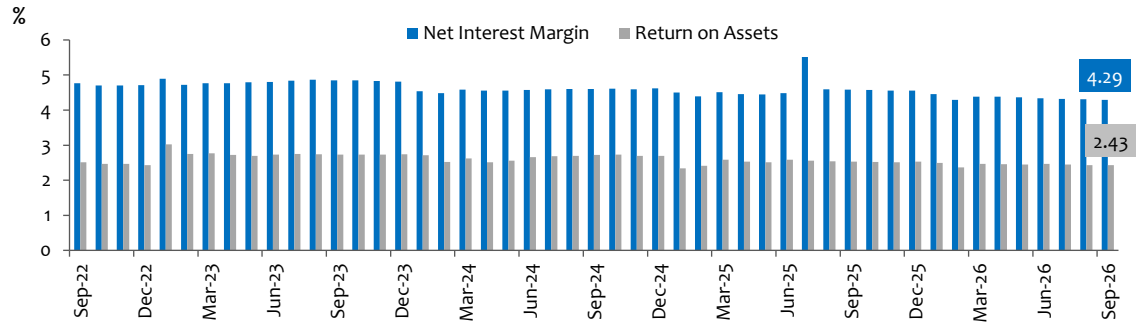
Capital buffers strengthened further, with the **capital adequacy ratio (CAR)** increasing to **24.30% in September 2026**, from 24.10% in the previous month.



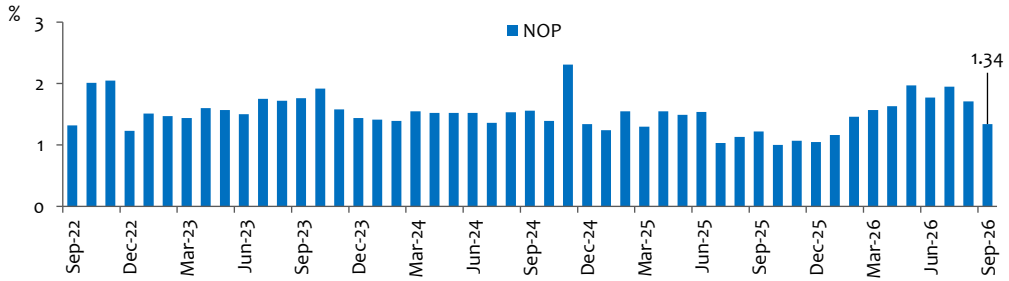
Liquidity remained ample, as reflected in the **liquid assets-to-non-core deposit (LA/NCD) and liquid assets-to-deposit (LA/Deposit)** ratios of **105.70% and 24.08%,** respectively.



Banking sector **profitability remained stable,** with **net interest margin (NIM) at 4.29%,** while **return on assets (ROA)** stood at **2.43% in September 2026.**



Foreign exchange risk remained well-contained, with the **net open position (NOP) declining to 1.34% in September 2026.**



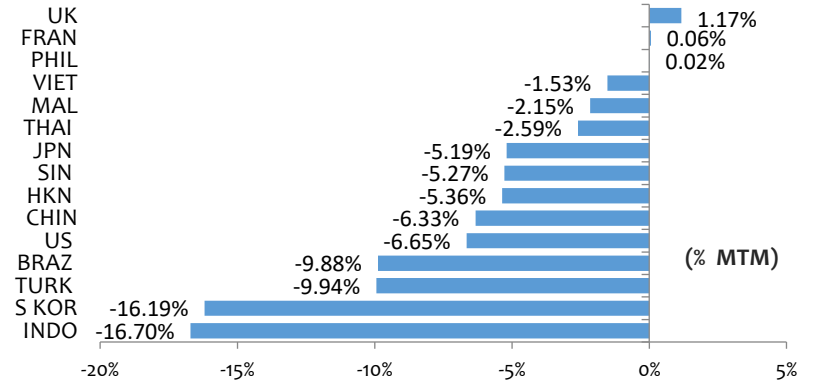
Source: OJK

Indonesia Capital Market Performance

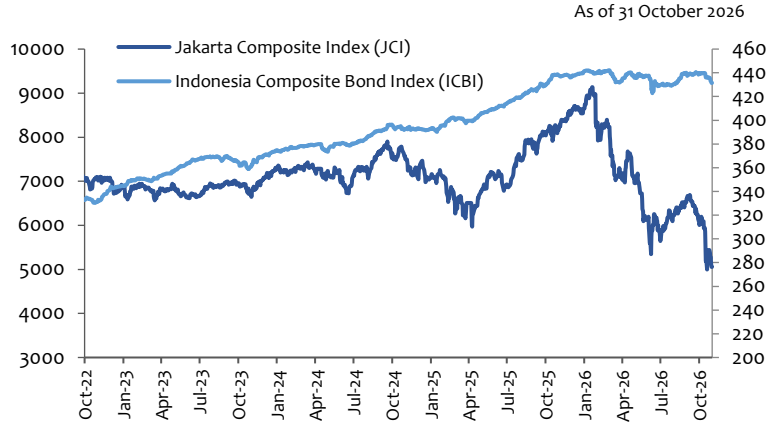
Indonesia's capital market faced heightened volatility in October 2026 amid global uncertainty and shifting investor sentiment. Nevertheless, fundraising activities and domestic investor participation remained active, supported by OJK's continued efforts to strengthen market integrity and transparency.

By the end of October 2026, the **Jakarta Composite Index (JCI)** closed at **5,057.05, declining by 16.70% (mtm)**

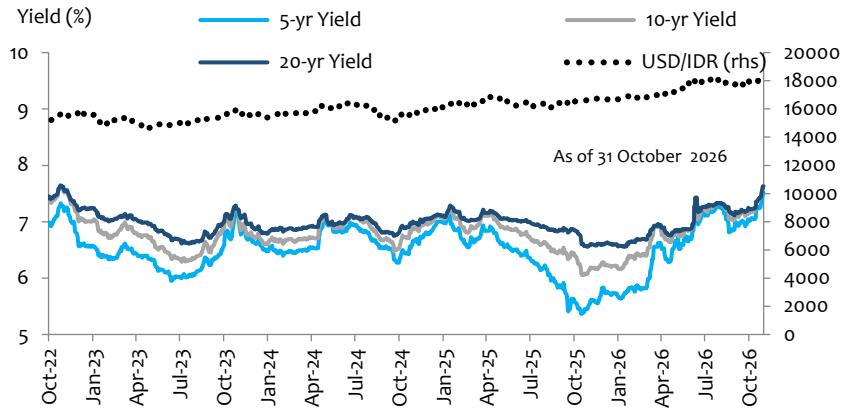
Stock Index Performance as of 31 October 2026 (compared to 30 September'26)



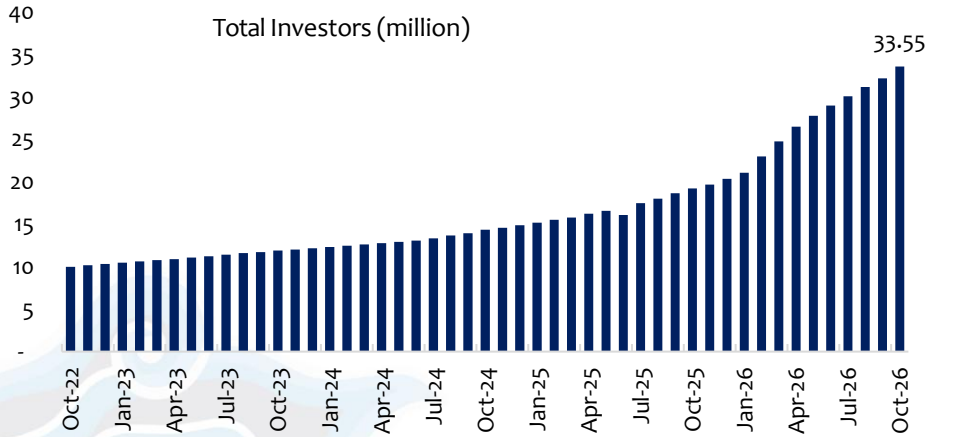
The **Indonesia Composite Bond Index (ICBI)** also moderated by **1.75% (mtm), closing at 431.35.**



Government bond **(SBN) yields** increased by an average of **39.35 bps (mtm)**, in line with rising global bond yields.



Domestic capital market participation continued to expand, with **1.38 million new investors** added in **October 2026**, bringing the total investor base **to 33.55 million, an increase of 64.75% (ytd).**



OJK continues to strengthen supervision and enforcement in the capital market to uphold market integrity, enhance compliance, and maintain public confidence.

Capital Market Enforcement Actions

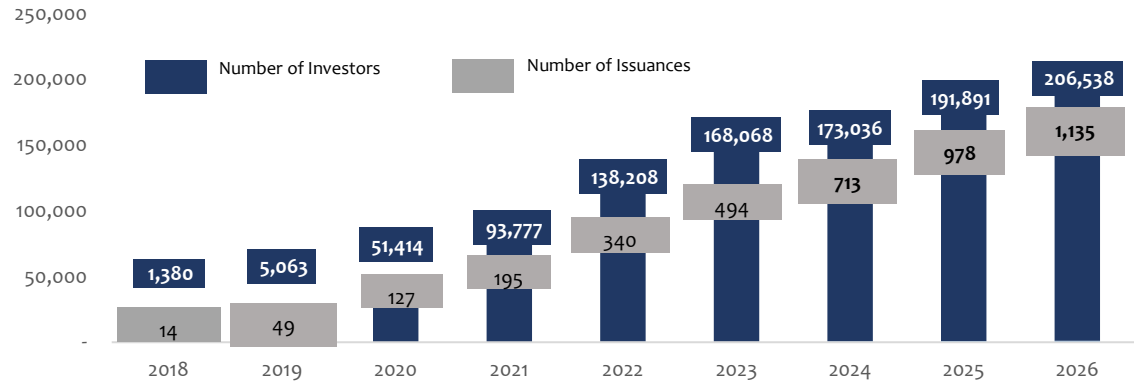
Period	Category	Enforcement Actions
Jan–Oct 2026	Case-related violations	**IDR2.23 trillion in fines** imposed on 169 parties; 6 license revocations; 1 registration cancellation; 8 license suspensions; 27 written warnings; and 5 written orders.
Jan–Oct 2026	Late submissions	**IDR327.70 billion in fines** imposed on 790 parties; 257 written warnings.
Jan–Oct 2026	Other non-case violations	**IDR500 million in fines**; 270 written warnings.
October 2026	Monthly enforcement	**IDR2.12 trillion in fines**; 4 license revocations; 2 license suspensions; and 9 written warnings.

Source: Bloomberg, OJK

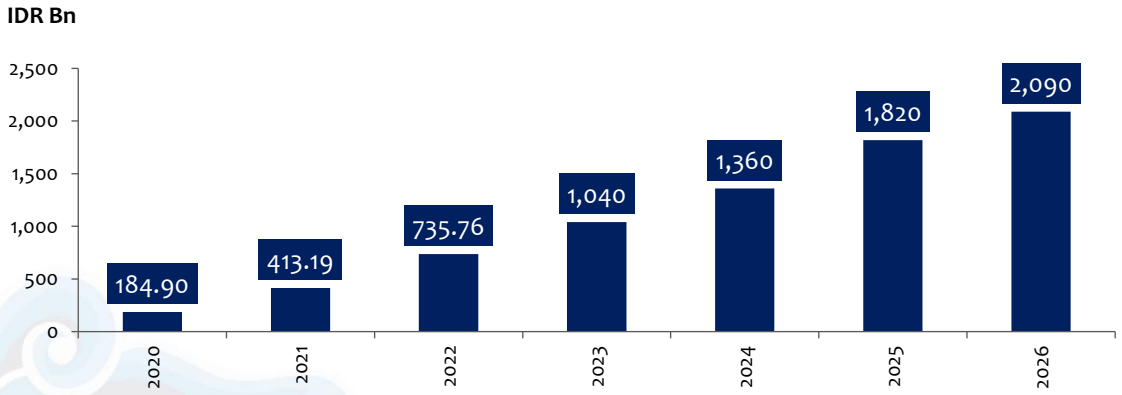
Securities Crowd Funding and Carbon Exchange

Securities Crowdfunding (SCF) and the Carbon Exchange continued to support the development of alternative financing and sustainable finance.

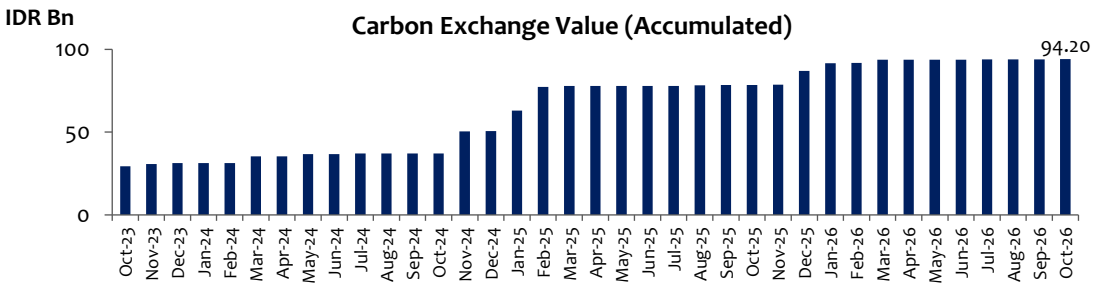
During **October 2026,** SCF recorded **6 new issuers** and **15 new securities issuances.**
As of **October 2026,** the market comprised **1,135 securities issuances and 206,538 investors.**



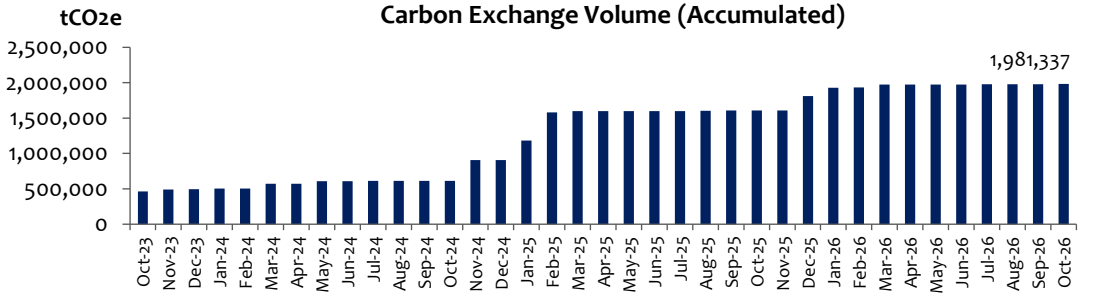
Cumulative funds raised through SCF increased to **IDR2.09 trillion as of October 2026.**



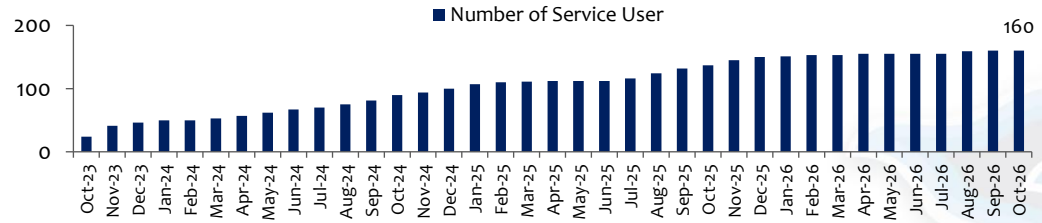
Since its launch in September 2023, **the Carbon Exchange recorded a cumulative transaction value** of **IDR94.20 billion as of October 2026.**



While the cumulative **trading volume** reached **1.98 million tCO_2e**



The number of **registered service users** remained at **160.**

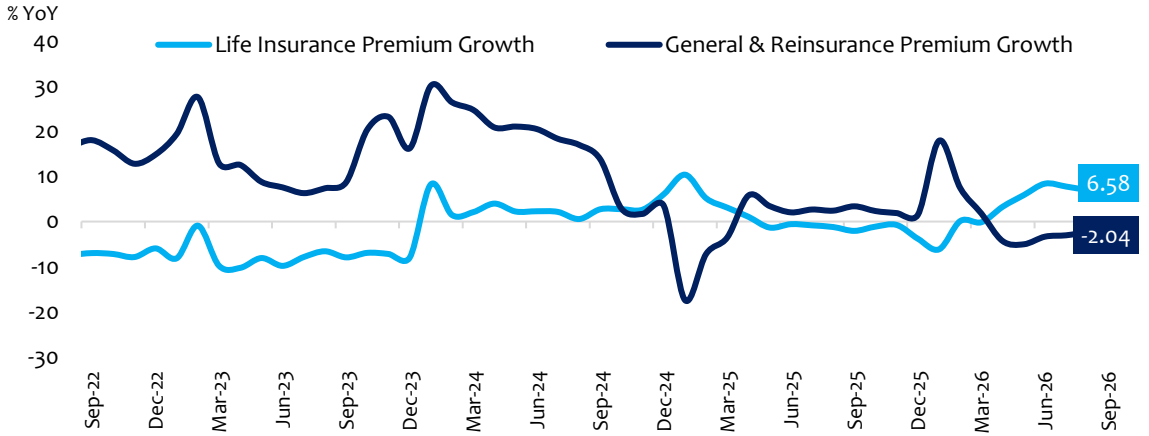


Source: OJK

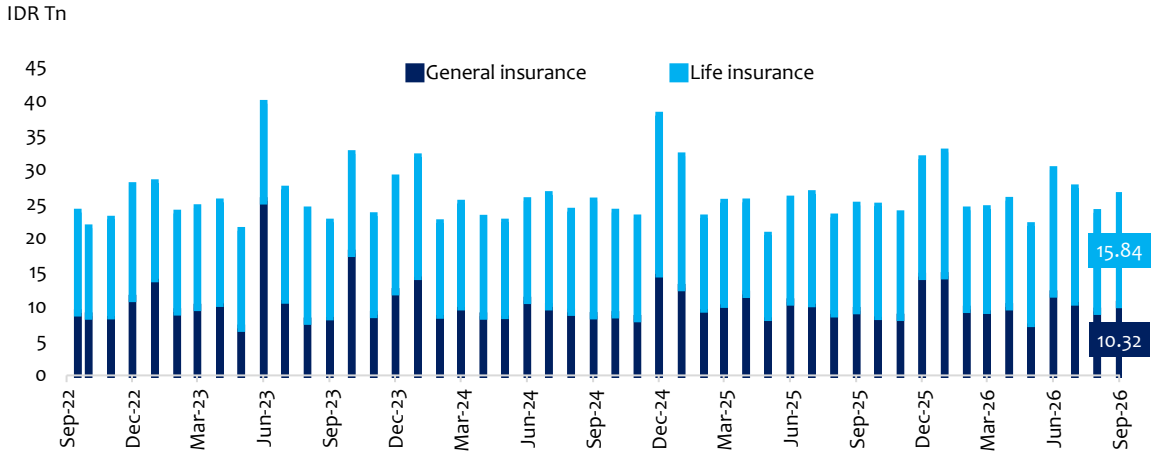
Insurance Sector

Indonesia's insurance sector remained stable in September 2026, supported by premium growth, particularly in the life insurance segment.

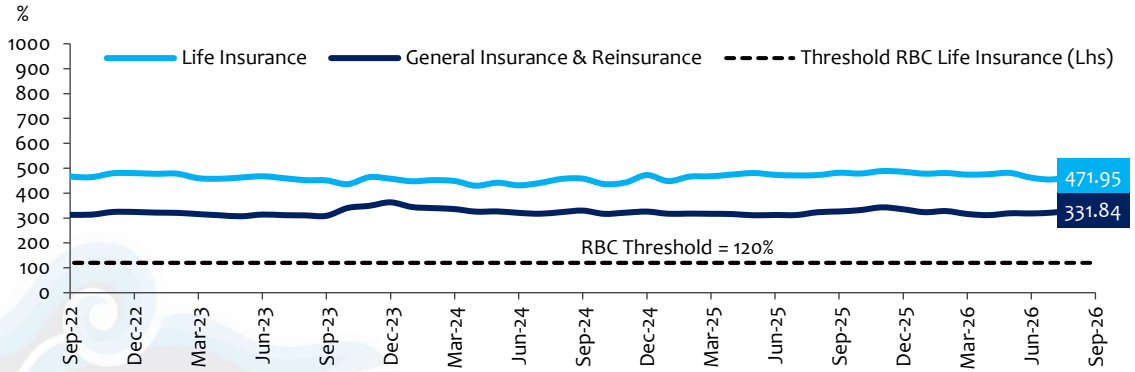
As of **September 2026, life insurance premium** increased by **6.58% (yoy) to IDR141.59 trillion,** while **general insurance and reinsurance premium** stood at **IDR111.18 trillion,** reflecting a **2.04% (yoy) adjustment.**



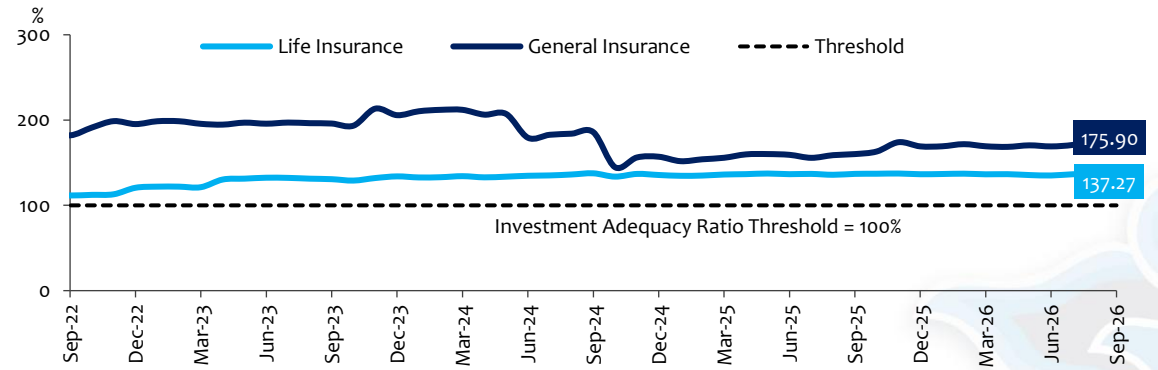
In **September 2026, life insurance** and **general insurance** generated monthly premium income of **IDR15.84 trillion** and **IDR10.32 trillion,** respectively.



Solvency buffers remained robust, with **risk-based capital (RBC)** ratios was at **471.95% for life insurance** and **331.84% for general insurance and reinsurance,** both comfortably above the regulatory minimum of 120%.



Investment adequacy ratios remained at adequate levels. In **September 2026,** the ratio stood at **175.90% for general insurance and reinsurance** and **137.27% for life insurance.**

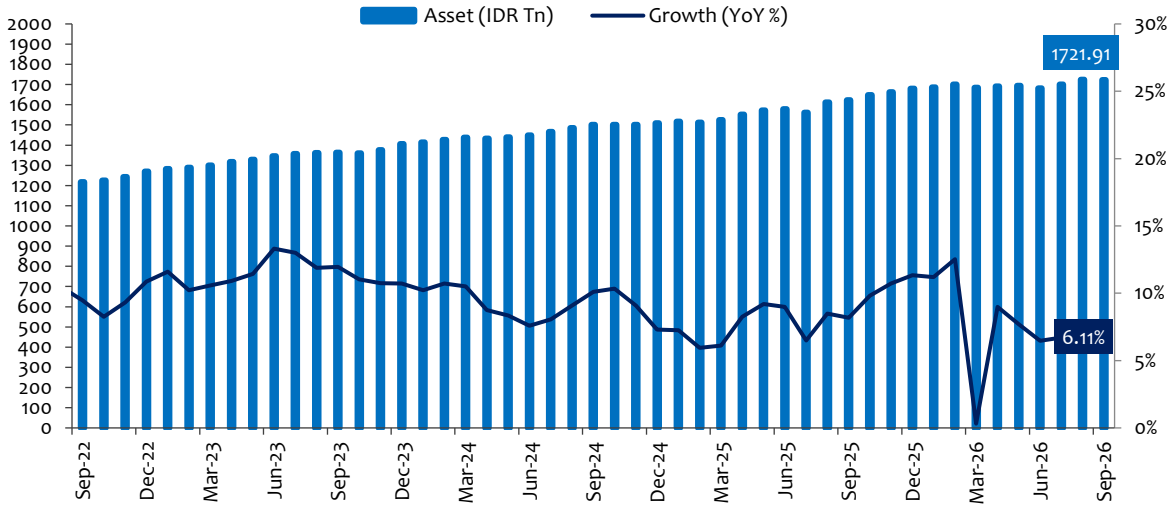


Source: OJK

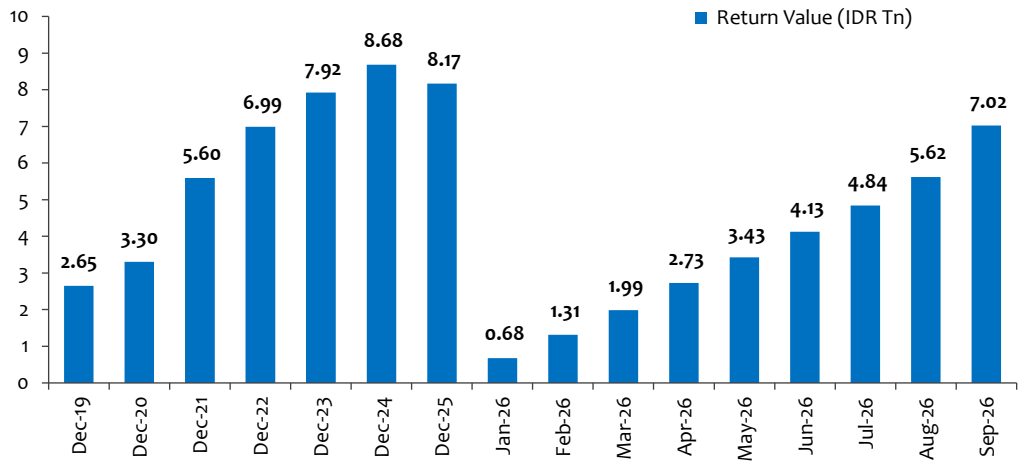
Pension Funds and Guarantee Institutions Performance

Pension fund assets maintained positive growth in September 2026, while the accumulated return value for guarantee institutions remained stable.

As of **September 2026,** total **pension fund assets** reached **IDR1,721.91 trillion**, grew by **6.11% (yoy) and 2.53% (ytd),** supported by increased investment in government securities.



As of **September 2026**, the **accumulated return value** of guarantee institutions reached **IDR7.02 trillion.**



In September 2026, guarantee institutions assets reached IDR47.26 trillion, with the annual contraction narrowing to 2.03% (yoy) from 5.17% in August 2026.

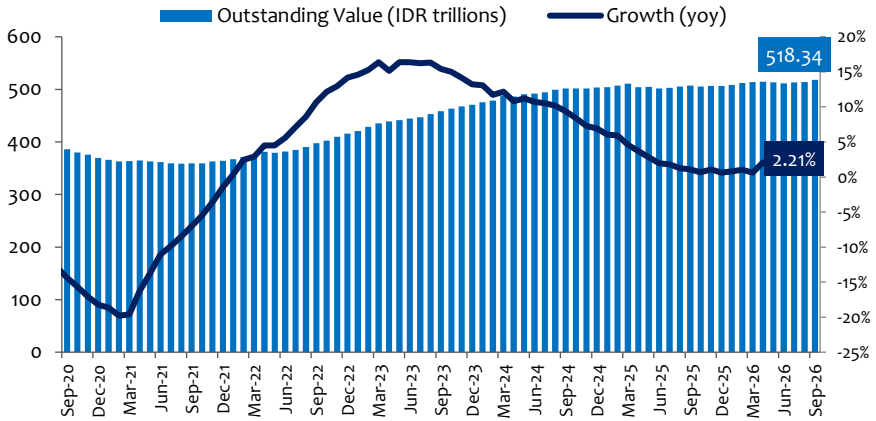
Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26	Sep-26
Assets Value (IDR Tn)	36.90	39.12	46.41	46.39	47.51	45.93	46.30	47.26
Growth YoY	46.66%	6.00%	18.64%	-0.05%	2.43%	-5.04	-5.17	-2.03

Source: OJK

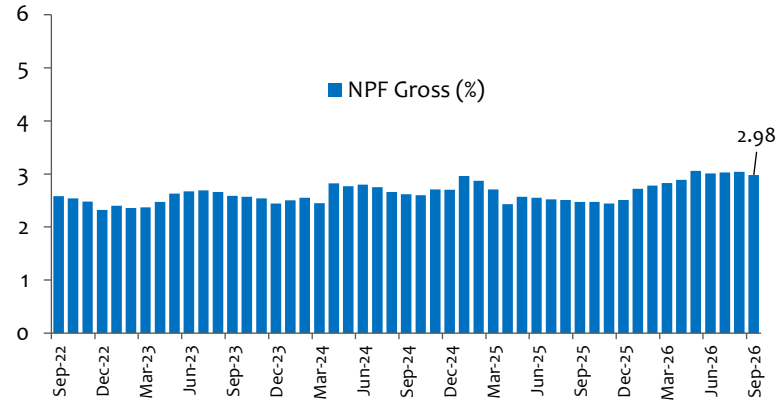
Financing Companies and P2P Lending

Financing activities continued to expand in September 2026, supported by improving asset quality among Financing Companies and sustained growth in P2P lending.

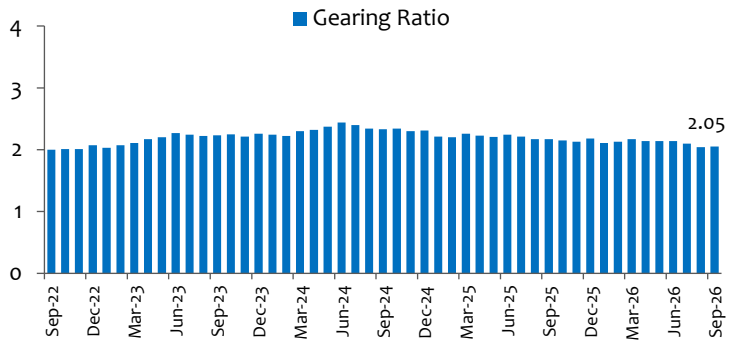
As of **September 26,** financing companies' **outstanding financing grew by 2.21% (yoy) to IDR518.34 trillion**, supported by 3.89% (yoy) growth in working capital financing.



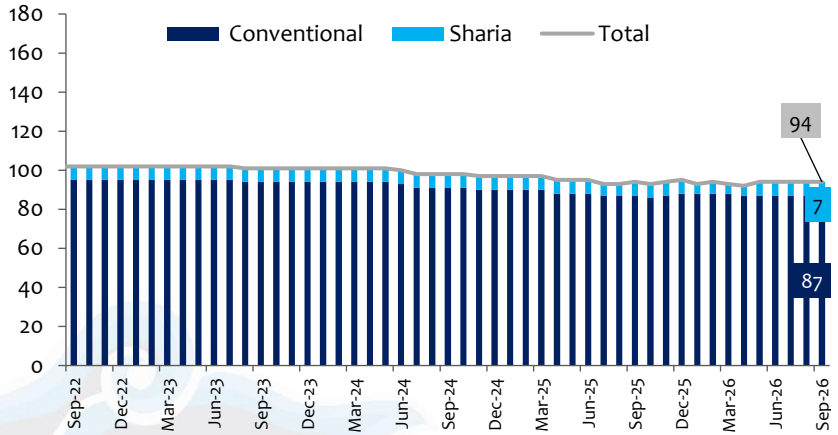
Asset quality improved in September 26, with the gross non-performing financing **(NPF) ratio** declining to **2.98%, from 3.04% in August 2026.**



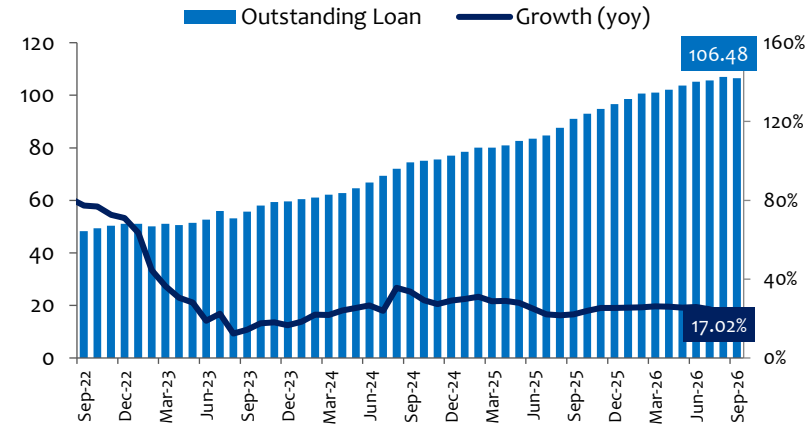
Solvency remained adequate, with the **gearing ratio at 2.05 times**, well below the regulatory limit of 10 times.



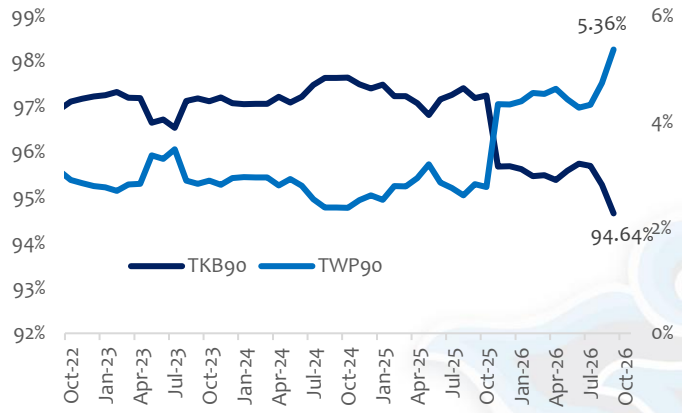
As of **September 2026**, there were **94 licensed P2P lending (fintech) providers.**



P2P lending outstanding financing maintained **growth at 17.02% (yoy),** reaching **IDR106.48 trillion in September 2026.**



The **P2P lending's aggregate TWP90** increased to **5.36%,** warranting continued attention to financing quality.



Source: OJK | *TWP90 measures the percentage of loans that are overdue or unpaid for more than 90 days past the due date (effectively bad debt), while TKB90 measures the percentage of loans successfully paid back or settled within 90 days of the due date.

Buy Now Pay Later (BNPL) & Pawnshop Industry

BNPL and pawnshop financing continued to expand rapidly, broadening access to financing while maintaining manageable credit risk.

Buy Now Pay Later (BNPL)

BNPL in both banking sector and financing companies has recorded strong growth over the years, with nonperforming loans have remained at manageable level.

Banking Sector BNPL	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26	Sep-26
Outstanding Loan (IDR Tn)	10.54	15.39	22.12	26.39	31.56	31.41	31.50
Growth (%yoy)	#N/A	45.93	43.76	19.32	31.22	29.10	26.68
NPL (%)	1.91	1.97	4.17	2.02	2.31	2.41	2.49
No. of Accounts (million)	10.73	15.28	23.99	31.21	33.50	34.00	34.53

Financing Companies BNPL	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26	Sep-26
Outstanding Loan (IDR Tn)	4.74	4.96	6.82	11.94	13.62	13.61	13.54
Growth (%yoy)	#N/A	4.50	37.56	75.05	54.65	36.57	31.35
Gross NPF (%)	3.54	3.04	2.99	2.77	3.03	3.03	3.12
No. of Accounts (million)	12.44	11.44	15.22	20.45	26.64	27.71	29.10

Pawnshop Industry

Pawnshop industry has recorded strong growth over the years. As of **September 2026**, outstanding of pawnshop financing stood at **IDR150.69 trillion**, representing growth of **34.93% (yoy).**

Pawnshop Companies	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26	Sep-26
Outstanding Financing (IDR Tn)	60.66	69.39	88.05	130.37	160.78	156.61	150.69
Growth (%yoy)	13.56	14.39	26.90	48.07	50.73	44.60	34.93

Source: OJK

Financial Services Technology Innovation (FTSI) and Crypto-Assets

Financial services technology innovation continued to progress, supported by prudent regulatory oversight and growing industry participation.

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. As of **October 2026**, the number of sandbox applications reached **43,** with **five on-going participants**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Number of Sandbox Applications Request	114	71	87	52	14	27	33	35	36	39	43
Number of Sandbox Participants (On Going)	28	14	20	18	5	4	3	2	2	4	5

FSTI Providers	Oct-24	Nov-24	Dec-24	Oct-25	Nov-25	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Innovative Credit Scoring	2	4	5	10	10	10	8	8	8	8	8
Aggregators	4	6	9	20	20	20	17	16	16	16	15
Total	**6**	**10**	**14**	**30**	**30**	**30**	**25**	**24**	**24**	**24**	**25***

As of September 2026, domestic crypto transaction value grew by **31.96% mtm** to **IDR30.56 trillion.**

Crypto-assets	Dec-23	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Transactions (IDR Tn)	27.25	94.08	32.68	28.58	20.52	23.16	30.56

Source: OJK | *The 25 FTSI entities comprise 23 registered entities (8 innovative credit scoring; 15 aggregators) and 2 licensed entities (1 innovative credit scoring; 1 aggregator).

Financial Literacy, Consumer Protection and Illegal Financial Activities

OJK continued to reinforce financial consumer protection through wider financial education outreach, strengthened complaint resolution mechanisms, and sustained enforcement against illegal financial activities and financial scams.

From **January to October 2026**, OJK has conducted **5,839 financial education activities**, reaching **15,285,964 participants** nationwide.

Financial Education	5,839 Activities	**Team for Acceleration of Regional Financial Access (TPAKD)**	552 District/Municipalities
	15,285,964 Participants		100% District/Municipalities
Sikapi Uangmu	319 Contents	**National Movement of Financial Inclusion (GENCARKAN)**	48,152 Programs
	3,217,790 Viewers		21,098 Financial Education Activities
Financial Education Learning Management System (LMSKU) OJK	26,724 Access		27,054 Digital Education Contents
	17,795 Certificates		

From **January to October 2026**, OJK has received **600,101 service requests.**

Number of Service Requests	600,101
Number of Service Requests on Consumer Protection Portal Application (APPK)	94,363
Banking	29,629
Fintech	42,221
Financing Institutions	19,312
Insurance	1,649
Capital Market and other NBFIs	1,552

From **January to October 2026,** OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **1,489 illegal financial entities.**

Number of Illegal Investments	250
Number of Illegal Online Lending	1,199
Number of Illegal Pawnshop	38
Number of Other Illegal Financial Activity	2

From **22 November 2024 to 28 October 2026**, the Indonesia Anti-Scam Centre (IASC) has received **737,686 reports.**

Number of Reports	737,686
Number of Blocked Accounts	743,589
Funds Blocked (IDR Bn)	967.5

Source: OJK

Sharia Financial Services Sector

Indonesia's sharia equity market remained under pressure in October 2026, in line with broader market conditions

SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Indonesia Sharia Stock Index	215.65	308.61	196.59	215.11	228.63	210.70	169.42
Growth (YTD %)	1.41	43.11	-36.30	-30.30	-25.92	-31.73	-45.10
Market Capitalization (IDR Tn)	6,825.31	8,971.68	4,922.12	5,361.78	5,658.68	5,269.87	4,304.17
Market Share (%)	55.33	56.72	49.94	49.28	49.80	49.57	48.80

SHARIA BOND (SUKUK)	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Government Sukuk (IDR Tn)	1,627.68	1,703.60	1,806.98	1,745.84	1,763.02	1,818.56	1,818.56
Corporation Sukuk (IDR Tn)	55.27	88.21	101.64	95.14	94.40	97.60	100.07
Market Share (%)	11.63	16.44	17.59	17.07	17.02	17.32	17.62

SHARIA MUTUAL FUND	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Asset Under Management (IDR Tn)	50.55	83.44	81.64	86.13	84.79	84.30	85.04
Market Share (%)	10.12	12.36	12.50	13.20	12.99	13.23	13.71

SHARIA SCF	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Fundraising (IDR Bn)	715.47	1,041.64	1,147.80	1,164.09	1,177.47	1,190.37	1,191.17
Market Share (%)	52.50	57.43	57.86	57.93	57.69	57.68	57.07

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

SHARIA PVML	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Sharia Financing Institution Assets (IDR Tn)	33.88	36.55	37.50	37.66	37.78	37.78
Sharia Venture Capital Assets (IDR Tn)	3.74	3.98	4.26	4.28	4.08	4.17
Sharia Microfinance Assets (IDR Tn)	0.65	0.66	0.67	0.68	0.68	0.70

Source: OJK

Sharia Financial Services Sector (cont'd)

Sharia banking financing sustained double-digit growth of 12.05% (yoy) in September 2026. Sharia insurance contributions also increased to IDR17.79 trillion, from IDR15.96 trillion in August 2026.

SHARIA BANKING SECTOR

Intermediation	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Assets (IDR Tn)	980.30	1,067.73	1,075.18	1,070.27	1,089.68	1,108.45
Market Share (%)	7.72	7.69	7.36	7.35	7.44	7.53
Financing (IDR Tn)	643.55	705.22	741.27	744.51	748.70	757.32
Growth (YoY %)	9.92	9.58	11.29	11.82	11.61	12.05
Deposits (IDR Tn)	753.60	829.99	835.01	837.24	848.98	853.75
Growth (YoY %)	10.09	10.14	13.01	11.92	12.12	7.48

Capital and Liquidity	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
CAR	25.4	25.07	23.75	23.76	23.93	23.94
LA/Deposits	32.09	30.01	27.69	26.15	26.83	28.09
LA/NCD	154.52	142.13	130.18	121.82	124.17	128.29

Credit Risk	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Gross NPF	2.12	2.16	2.27	2.27	2.30	2.28
Net NPF	0.79	0.83	0.78	0.76	0.79	0.78

SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Sharia Life Insurance Assets (IDR Tn)	34.20	38.20	37.36	38.04	38.80	38.55
Sharia General Insurance Assets (IDR Tn)	9.46	10.41	10.61	10.62	10.70	10.70
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	5.06	5.33	5.34	5.38	5.43
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.93	7.24	7.24	7.32	7.33

Source: OJK



Section 6

Structural Reforms

"Structural Reforms and Infrastructure Development to Strengthen Long-Term Growth"

National Transformation Strategy: Towards A Golden Indonesia 2045

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.

INDONESIA GOLD VISION 2025-2045 → **5 GOLD VISION TARGETS OF INDONESIA** → **8 DEVELOPMENT MISSIONS** → **17 DEVELOPMENT DIRECTIONS** → **45 MAIN INDICATORS OF DEVELOPMENT**

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

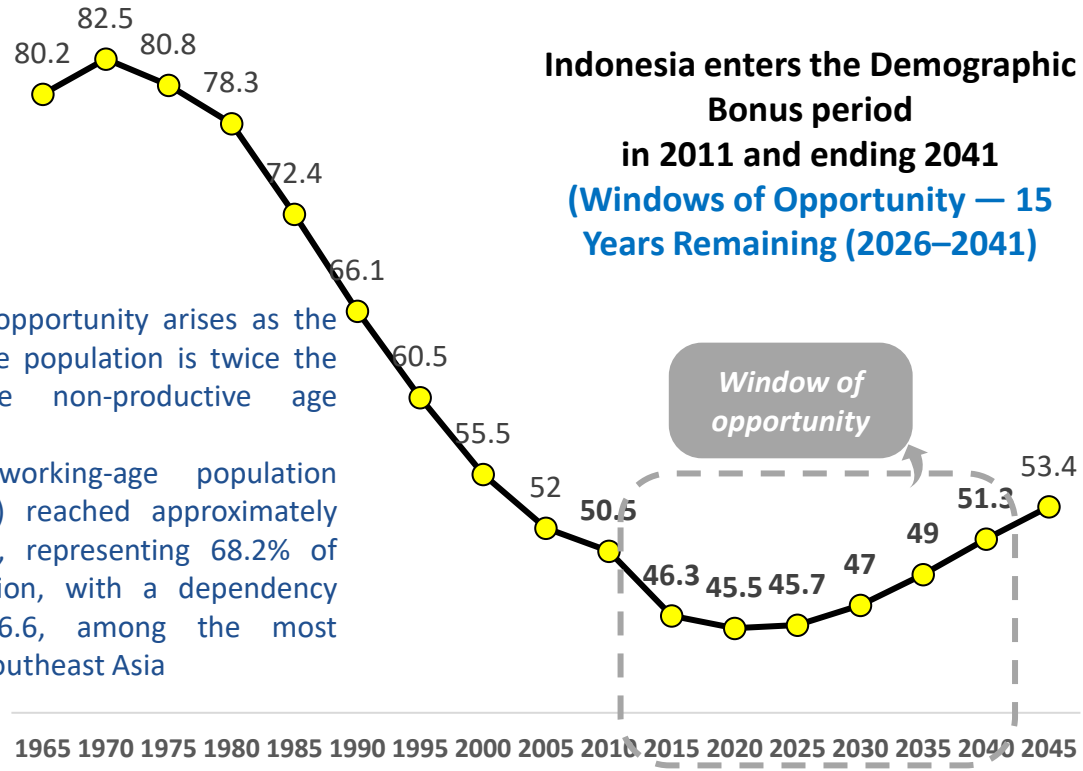
6. Equal and Quality Territorial Development
7. Quality and Environmentally Friendly Facilities and Infrastructure
8. Development Sustainability

Source: RPJPN 2025-2045

Indonesia Retains Powerful Structural Growth Drivers: Young Population and Resource Depth

Indonesia's demographic dividend provides a strong long-term growth foundation, with 194.9 million working-age people aged 15–64 representing 68.2% of its 285.7 million population, supported by a low dependency ratio of 46.6. With 15 years remaining in the demographic bonus period (2026–2041), Indonesia faces a narrowing window to convert labor force scale into sustained productivity gains. The country also holds a strategic commodity advantage as the world's largest nickel producer, generating 2.2 million tons or 59% of global supply in 2024, vital for EV supply chains.

THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



Indonesia enters the Demographic Bonus period in 2011 and ending 2041 (Windows of Opportunity — 15 Years Remaining (2026–2041)

- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- Indonesia's working-age population (15–64 years) reached approximately 194.9 million, representing 68.2% of total population, with a dependency ratio* of 46.6, among the most favorable in Southeast Asia

) 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 55 million tons (USGS 2025)
- Coal reserves 32.2 billion short tons
- Renewable energy potential 3,716 GW

Source: Bappenas

Indonesia's Policy Architecture for High-Quality, Sustainable Growth

Indonesia's economic engine maintained strong momentum in Q2 2026, with GDP expanding by 5.29% YoY. Domestic demand remained resilient, supported by 5.06% YoY household consumption growth and a 15.97% YoY increase in government consumption. Investment realization reached IDR 1,010.6 trillion in H1 2026 (49.5% of the full-year target), while supportive fiscal expansion remained prudent, with H1 state expenditure rising 17.8% YoY and the fiscal deficit well-contained at 0.76% of GDP.

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

1st ENGINE



Revitalizing the Conventional Economic Mechanism

- Manufacturing
- Agriculture
- Tourism

2nd ENGINE



Building a New Economic Engine

- Downstream minerals
- Digital economy
- Green economy

3rd ENGINE AS THE FOUNDATION



Enhancing Productivity & Competitiveness of Human Resources

- Upskilling
- Link & Match
- Vocational reform

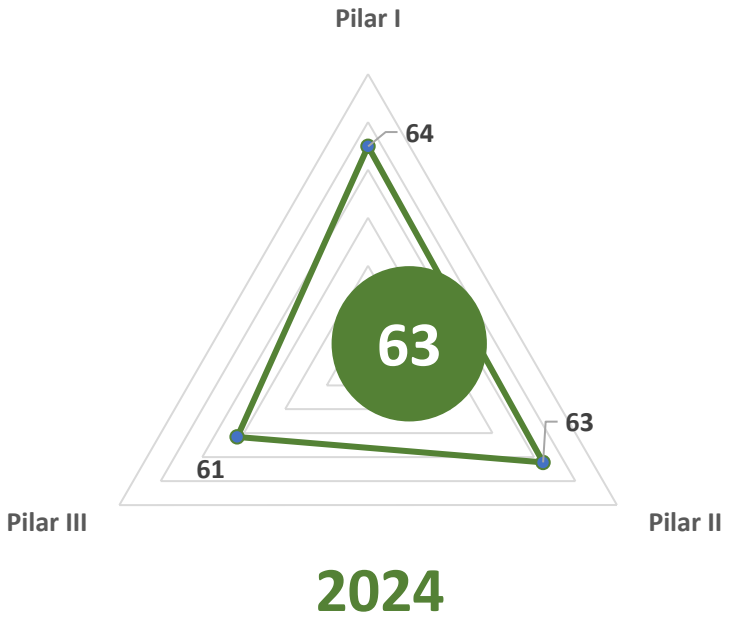
ENABLER FOR ECONOMIC GROWTH

- Macroeconomic Stability
- Maintaining People's Purchasing Power
- Efficiency & Investment Climate Support
- Strengthening & Deepening the Financial Sector
- Enhancing Social Security & Social Safety Nets

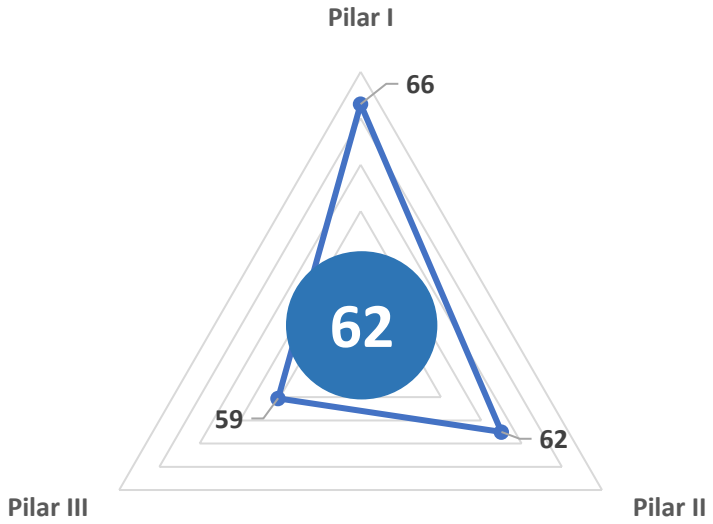
Overview of Indonesia's 2025 World Bank B-READY Survey Results

The World Bank Group officially released the results of the 2025 B-READY Survey covering 101 countries. Overall, Indonesia obtained an average score of 62, marking a slight decline from the previous year's survey result of 63.

Comparison of Indonesia's B-READY Survey Result, 2024-2025



2024



2025

Pillar I – Regulatory Framework

Indonesia is positioned in the third quintile (ranked 41-60) with a score of **65.61**, **an improvement** compared to the 2024 result of 63.98.

Pillar II – Public Services

Indonesia is positioned in the second quintile (ranked 21-40) with a score of **62.00**, **a decline** from the previous year's score of 63.44.

Pillar III – Operational Efficiency

Indonesia is positioned in the third quintile (ranked 41-60) with an overall score of **59.01**, **a decline** compared to the previous year's score of 61.31.

Long-term Investment Policy Direction

The strategic alignment of PP 28/2025 and the revised Presidential Regulation on Investment Business Field (Perpres BUPM) fundamentally reshapes Indonesia's investment ecosystem through centralized operations, enhanced SLA certainty, and partnership-based MSME empowerment

INVESTMENT POLICY REFORM IN INDONESIA

PP 28/2025

"How investment operates"

Revision of PP 5/2021 that strengthens the operational aspects of business licensing through the confirmation of service time certainty (SLA), fictitious-positive principles, OSS centralization, and integration of licensing and investment facilities, to reduce uncertainty, overlapping authority, and improve process accountability.

Revision of Perpres BUPM

"Where & under what conditions investment is allowed"

Improving the regulation of investment sector openness and restrictions (Perpres 10 & 49 of 2021) by reducing restrictions, expanding incentives, and shifting MSME protection toward partnership-based empowerment, clarifying sectors, schemes, and limits for foreign and domestic investment.

→ Procedural and structural reforms carried out simultaneously to boost investor confidence

Policy Direction of Indonesia's Investment Framework: From PP 10/2021 to Risk-Based Licensing Reform (PP 28/2025)

Indonesia's investment policy has evolved from the framework under Government Regulation (PP) 10/2021 and PP 49/2021 toward a more advanced risk-based approach under PP 28/2025. The current framework emphasizes digitalized licensing through OSS RBA, enhanced cross-sectoral integration, strengthened supervision, and closer coordination between central and regional governments, while prioritizing green, digital, and downstream industries.

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 and fully digitalized business processes through the OSS Risk-Based Approach (OSS RBA) system
- 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 INCENTIVES

- Tax Holiday, Tax Allowance, Investment Allowance
- Super Tax Deduction
- Customs Incentives

NON-FISCAL INCENTIVES

- Ease of Licensing & Infrastructure
- Support for Energy, Raw Materials, Immigration, and Employment

NEW PRIORITIES

- Green industry
- Digital industry

Implementation of OSS with Risk-Based Business Licensing

The implementation of Risk-Based Business Licensing (OSS RBA) under PP 28/2025 went fully live on October 5, 2025. In 2026, the system continues to be refined: KBLI 2025—the new national business classification standard replacing KBLI 2020 is being integrated into OSS with a deadline of June 18, 2026. Regulated sectors have expanded from 16 to 23, business license validity is now indefinite, and environmental approvals are fully digitalized through OSS, strengthening legal certainty for investors.

3 major changes in PP No 28/2025

- Implementation of service time (SLA/Service Level Agreement) in the process of issuing business permits
- Implementation of Fictitious-Positive policies
- The licensing process is carried out electronically through the OSS RBA system

Single Preference Principle

PP No. 28/2025 serves as the primary regulatory reference, supported by integrated implementation across relevant ministries and regional authorities.

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

October 2025
OSS with Risk-Based Business Licensing (PP 28/2025) fully live since October 5, 2025; KBLI 2025 integration into OSS system to be completed by June 18, 2026

Government law updates

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

Source: Coordinating Ministry for Economic Affairs

Debottlenecking Channel– P3M-PPE Task Force

Indonesia has established a Debottlenecking Channel as part of the "Government Program Acceleration to Support Economic Growth" (P3M-PPE) Task Force, established under Presidential Decree No. 4 of 2026, to provide a dedicated mechanism for businesses to report and resolve regulatory, licensing, investment, and cross-sectoral implementation issues that may hinder economic activity, while facilitating faster coordination among relevant ministries and government agencies.

170
Complaints Received

126
Complaints Resolved

30
Under monitoring for resolution

14
Complaint returned

HOW TO ACCESS DEBOTTLENECKING CHANNEL

Visit https://lapor.satgasp2sp.go.id/

Business actors must have a NIB (Business ID)

Maximum 2 issues per reporter, accompanied by supporting evidence

Complaints processed through hearings led by the Minister of Finance as Deputy Task Force Chair or Echelon I/II Coordination Meetings

*Based on the 13th Debottlenecking Channel Hearing of the P3M-PPE Task Force on August 12, 2026

Accelerating National Downstreaming: Phase II

A strategic investment of IDR 116 Trillion anchors Indonesia's Phase II downstreaming expansion, spreading 13 new infrastructure projects across energy, minerals, and food sectors to fortify economic sovereignty.

| Groundbreaking of 13 downstreaming projects as of April 2026

Energy Cluster

- Construction of **Gasoline Refineries** in **Dumai & Cilacap** to support national energy security
- Provision of strategic **Fuel Operational Tanks** in **Palaran, Biak, & Maumere**
- Construction of a **DME Plant** with 1.4 Million Tons/Year capacity in **Tanjung Enim**

Mineral Cluster

- Expansion of the integrated **Stainless Steel industry** in **Morowali** (**Central Sulawesi**)
- Capacity development of **Carbon Steel facilities** in **Cilegon** (Banten)
- Downstreaming of the **Buton Asphalt industry** in **Karawang** (**West Java**)
- Construction of **Copper & Gold Smelter and Refinery** in **Gresik**

Food CLuster

- Development of integrated **Palm Oleofood & Biodiesel industry** in **Sei Mangkei (North Sumatera)**.
- Establishment of a high value-added **Nutmeg Oleoresin processing plant** in **Central Maluku**
- Setting up integrated **Coconut Industry** in **Central Maluku** for export commodities

Continuing Phase I (February 2026); Phase III (6 more projects) planned, toward a total of 32+ national strategic downstreaming projects

Driving **industrial transformation** to ensure economic sovereignty and national resilience through **domestic value-added creation**.

Rp 116 Trillion
Total Investment Capital Expenditure

Key Strategic Impacts:

- Accelerating Import Substitution in Energy & Materials.
- Projected creation of high-value industrial job opportunities.
- Strengthening regional economies in 10+ strategic locations.

Indonesia's Trade Policy: Import Deregulation & Strategic Commodity Export Reform

Indonesia is reducing trade frictions through targeted import deregulation across 482 HS codes, particularly for selected industrial inputs, while maintaining product-specific safeguards. In parallel, the strategic-commodity export framework under PP No. 24/2026 is advancing toward a more centralized DSI-led model, with DSI having analyzed around 6,500 export declarations representing more than US$14 billion by late August and full implementation targeted by the end of 2026

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 support programs (e.g., food trays)*



Forestry Product (441 HS)

Forestry Products (441 HS) constitute 91% of deregulated codes — covering timber inputs for industrial use, with import declarations from KLHK still required to ensure legal traceability



Competitive Industrial Products (10 HS)

- ❑ Footwear
- ❑ Two-wheeled and Three-wheeled Bicycles



SEPTEMBER 2026 UPDATE: STRATEGIC COMMODITY EXPORT REFORM

- PT Danantara Sumberdaya Indonesia (DSI) has operated since 1 June 2026 for coal, palm oil and ferroalloy under the new strategic-commodity export framework
- Transition is underway: by late August, DSI had analyzed ~6,500 export declarations
- Full centralized export implementation: targeted by end-2026 / 1 January 2027
- 2025 exports of the three commodities: US$66.13bn (23.4% of national exports).

Import Deregulation Policy Output

The import regime continues to evolve under Permendag No. 16/2025 and its subsequent amendments, including Permendag No. 37/2025 and the latest Permendag No. 18/2026, promulgated on 4 June 2026. The latest amendment further refines import administration and supports the facilitation of goods flows through continued regulatory and system integration.. Commodity-specific import rules remain governed by the relevant MoT regulations, including their subsequent amendments.



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. 19 of 2025 on Import Policy and Regulation **for Salt and Fishery Commodities — subsequently amended by MoT Regulation No. 38 of 2025**

Indonesia's Labor Policy: Protection, Predictability & Workforce Readiness

Indonesia continues to strengthen its labor framework through enhanced JKP protection under PP No. 6/2025 and formula-based minimum-wage setting under PP No. 49/2025, both already in effect. Parliamentary approval of the RUU Pelindungan Ketenagakerjaan on 6 October 2026 marks a further reform milestone, with its final provisions, implementation timeline and implications for employers to be assessed against the officially promulgated text.

JKP Enhancement — Job Loss Insurance

Financial Relief for Employers

- JKP financing is set at 0.36% of monthly wages, comprising 0.22% funded by the Government and 0.14% through the recomposition of JKK contributions.
- Investor Impact: stronger JKP coverage without increasing the total JKP contribution rate

Upgraded Protection for Workers

- 60% of reported wages for up to 6 months, subject to a maximum reported wage base of Rp5 million/month
- Vocational training access as stipulated under implementing regulations.
- Investor Impact: stronger worker income protection and smoother labor-market transitions.

Human Capital Investment 2026

- National Apprenticeship Program: 150,000 fresh graduates
- Vocational Training: 220,000 SMK graduates
- Reskilling support: 50,000 workers affected by layoffs
- 2026 combined allocation: Rp6.26 trillion
- Focus: strengthening workforce skills and improving alignment between labor supply and industry demand

MACRO CONTEXT: 2025 GDP 5.11% | H1 2026 5.45% | 2026 Target 5.4% | Sept 2026 Inflation 3.28%

Formula-Based Wage Setting

- Formula: [Inflation + (Economic Growth × α)] × Current Minimum Wage— The parameter α ranges from 0.50 to 0.90 and is determined by the relevant provincial or regency/municipal wage council, taking into account workers' and employers' interests and decent living requirements.
- 2026 minimum-wage adjustments are determined under the formula-based national framework in PP 49/2025
- DKI Jakarta UMP 2026: Rp5,729,876/month ((+6.17% YoY))
- Formula-based wage setting improves visibility for annual labor-cost planning

Labor Protection Bill— Parliamentary Approval Secured

- 6 October 2026: DPR approved the RUU Perlindungan Ketenagakerjaan, following Constitutional Court Decision No. 168/PUU-XXI/2023
- Reform priorities: Strengthening worker protection, employment relations, wage governance, occupational safety and labor supervision, while supporting legal certainty and business sustainability
- Investor watchpoint: Presidential signing, promulgation and publication of the final text remain to be confirmed. Effective dates and transitional arrangements will be assessed upon official publication

BSU 2026 : Under Minister of Manpower Regulation No. 16 of 2026, BSU 2026 is set to provide eligible workers IDR900,000 for October–December 2026. Technical preparations and budget coordination remained ongoing as of 30 October 2026

Key legal basis: PP No. 6/2025 on JKP; and PP No. 49/2025 on wage-setting rules.

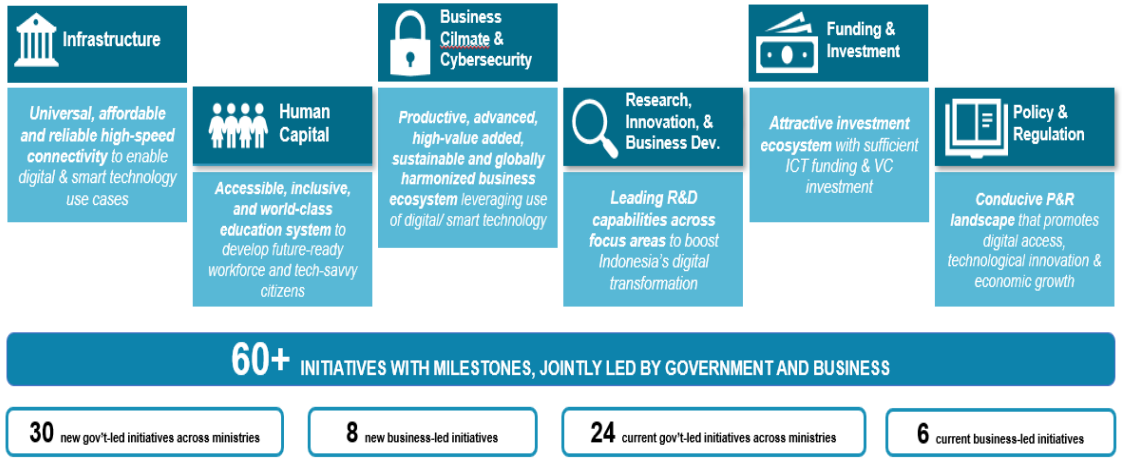
Indonesia's Digital Economy: Usd180-340 Billion Opportunity & Regional Integration

Indonesia's digital economy is supported by a national policy architecture targeting a USD180–340 Billion by 2030, alongside deeper regional integration through RCEP and ASEAN DEFA implementation. With DEFA negotiations successfully concluded and RCEP implementation being actively strengthened, Indonesia is building a larger and more interoperable regional digital market, while domestic initiatives such as QRIS continue to lower payment frictions and broaden digital adoption.

DOMESTIC

Indonesia's Digital Economy: A USD180–340 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



DIGITAL PAYMENT IMPLEMENTATION

From 1 October 2026: QRIS MDR 0% applies to all merchant categories for transactions up to Rp100,000; Micro Enterprises retain 0% MDR up to Rp500,000.

REGIONAL

1. ASEAN DIGITAL ECONOMY FRAMEWORK AGREEMENT (DEFA): Building a more Integrated Regional Digital Market

ASEAN DEFA negotiations successfully concluded after all outstanding issues were resolved at the 57th ASEAN Senior Economic Officials' Meeting in Manila on 27–29 May 2026. The agreement covers digital trade, cross-border data flows, electronic payments, personal data protection, digital business interoperability, talent mobility, emerging technologies including AI, and online safety and cybersecurity.

NEXT STEPS — DEFA

Signing: Scheduled for 10 November 2026

49th ASEAN Summit: 16–18 November 2026. Philippines

Entry into force: subject to completion of national procedures

Market implication: With successful implementation, DEFA could help unlock ASEAN digital-economy potential of up to USD2 trillion by 2030.

2. REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

- 15 economies across ASEAN, Australia, China, Japan, New Zealand and Korea — the world's largest trade bloc by GDP.
- Combined footprint: ~30% of global GDP | ~2.2 billion people
- Common regional framework for trade facilitation, e-commerce and rules of origin
- Indonesia signed RCEP on 15 November 2020; the agreement entered into force for Indonesia on 2 January 2023
- **September 2026:** RCEP Ministers reaffirmed stronger implementation and business utilisation to deepen regional trade and investment integration

Source: Kemenko Perekonomian, National Digital Economy Development Strategy White Paper (Dec 2023) | ASEAN Secretariat: DEFA Conclusion Statement (1 Jun 2026), DEFA Study (Aug 2023), 5th RCEP Ministers' Meeting Statement (21 Sep 2026). Bank Indonesia, QRIS MDR Policy (2026)

Indonesia's Bullion Ecosystem: From Regulation To Market Deepening

Indonesia's bullion ecosystem is progressing from regulatory development toward broader market participation, supported by growing customer adoption and approximately 177 tonnes of gold managed by Pegadaian and BSI as reported in August 2026. The launch of Gold ETFs, expansion of investment products and progress in regulatory-sandbox testing reflect continued market development under the OJK Bullion Roadmap 2026–2031.

INDONESIA BULLION ECOSYSTEM – KEY MILESTONES

Legal Foundation
2023
Law No. 4/2023 (P2SK) establishes the legal basis for bullion business activities.

Regulatory Framework
18 Oct 2024
POJK No. 17/2024 establishes the regulatory framework for bullion business activities

National Launch
26 Feb 2025
President officially launches Indonesia's bullion services through Pegadaian and BSI.

Gold ETF Framework
23 Feb 2026
POJK No. 2/2026 establishes the regulatory framework for gold-backed ETFs

Bullion Roadmap 2026—2031
6 Mar 2026
OJK launches the Bullion Roadmap 2026–2031

Gold ETF Market Launch
10 Aug 2026
OJK and SROs launch Gold ETFs as a new exchange-traded investment product

Ecosystem & Innovation
Aug 2026
Gold tokenization advances through OJK's regulatory sandbox; IBMA is established

Strategic Rationale & Policy Foundation

Indonesia's bullion framework creates a regulated channel for mobilizing gold across the financial system, linking domestic gold holdings with savings, financing, trading and custody services. The framework supports gold-sector downstreaming and financial-market deepening by integrating activities across the gold value chain.

PT Pegadaian and Bank Syariah Indonesia (BSI) are the initial licensed bullion operators under OJK's framework. BSI reported managing 24.01 tonnes of gold as of June 2026.

Regulated Business Lines

- **Gold Saving;** gold savings products
- **Gold Financing;** gold-backed finance facilities
- **Gold Transaction:** trading **of** physical gold bar through licensed channels
- **Gold Deposit/Custody:** custody of physical gold

Market Validation Box

Customer Traction: Pegadaian bullion customers: 5.6 million (Feb 2026), up from 3.2 million at launch in Feb 2025. BSI bullion customers: +700% YoY (Jun 2026).
Product & Market Expansion: Under the OJK Bullion Roadmap 2026–2031, Gold ETFs have entered the market, with 7 products and Rp105.63bn in AUM as of 30 September 2026. Gold tokenization has passed OJK sandbox testing; IBMA was established in Aug 2026 to strengthen industry coordination.
Scale & Trajectory: National bullion banks managed approximately 177 tonnes of gold by August 2026, comprising 153 tonnes at Pegadaian and 24 tonnes at BSI. ICDX recorded 30.9 million grams of digital physical-gold transactions in Q1 2026, up 246% YoY

Source: OJK – POJK No. 17/2024; POJK No. 2/2026; Bullion Roadmap 2026-2031; OJK August 2026 Board of Commissioners' Meeting | PT Pegadaian, Aug 2026 | BSI, Aug 2026 | ICDX, Q1 2026

The National Strategic Project (PSN)

The regulation governing the National Strategic Projects list has undergone fourteen amendments between 2016 and 2026, with directives from the President for the program to continue moving forward



Presidential Directives on National Strategic Projects

During a meeting held on 26 November 2024, the President directed that the National Strategic Projects (PSN) and Special Economic Zones (SEZs) be continued as key drivers of inclusive and sustainable economic growth.

Ideally, each province should have at least one Special Economic Zone (SEZ), which would result in Indonesia having a total of 38 SEZs nationwide. (Statement/Directive of the President during the inauguration of Batang Industropolis SEZ on 20 March 2025).



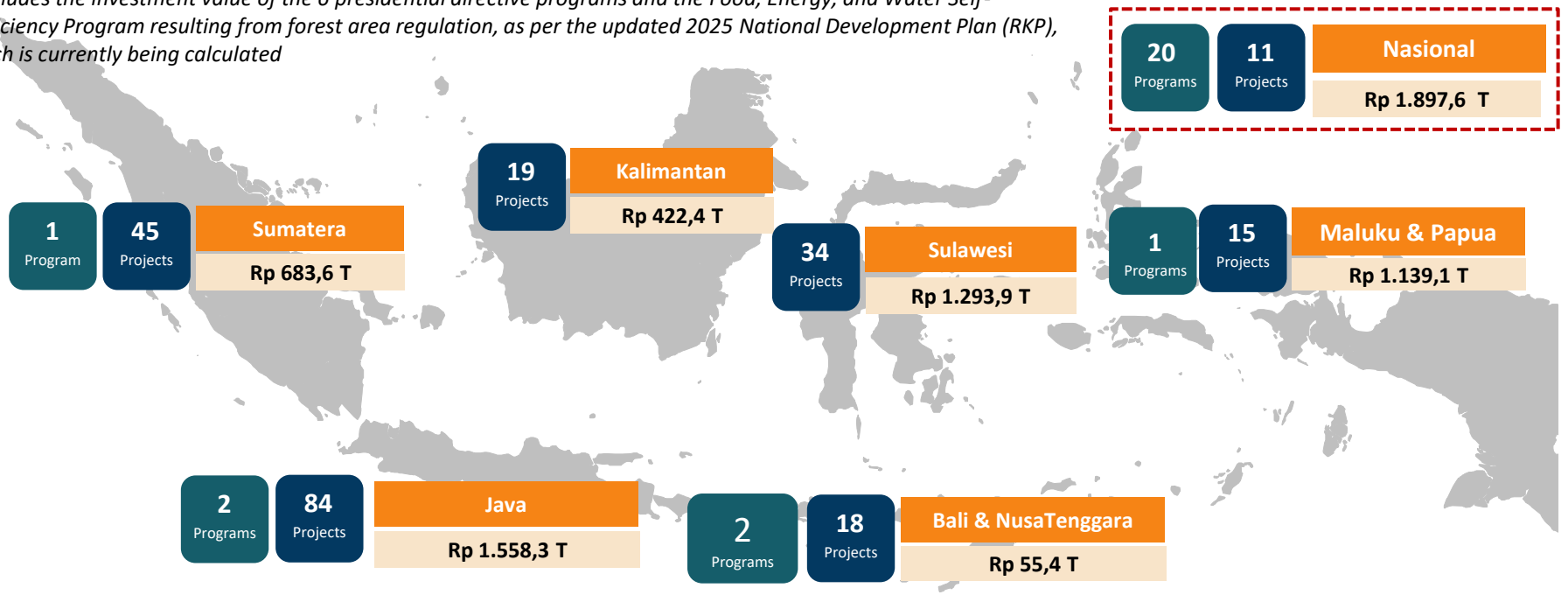


*)excluding the investment value of the 6 programs mandated by the President as per the updated 2025 National Development Plan (RKP), which is currently being calculated

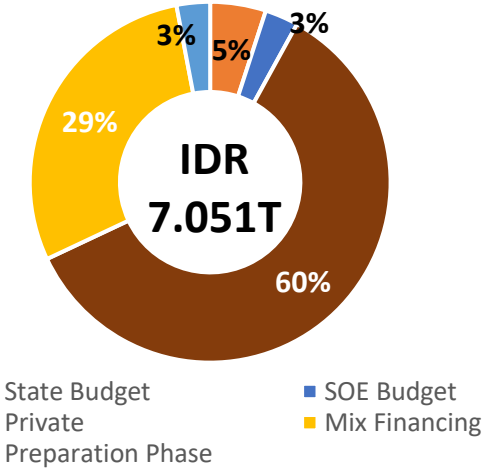
Distribution of National Strategic Project (PSN)

Distribution of National Strategic Projects Based on Coordinating Ministry for Economic Affairs Regulations No. 16/2025, No. 19/2025, and No. 4/2026, there are 226 Projects and 26 Programs designated as National Strategic Projects (PSN), with a potential investment value (CAPEX) of IDR 7,051.9 trillion.*

**Excludes the investment value of the 6 presidential directive programs and the Food, Energy, and Water Self-Sufficiency Program resulting from forest area regulation, as per the updated 2025 National Development Plan (RKP), which is currently being calculated*



Portion of the Investment Plan Scheme Funding



14 Sector of PSN

- Road — 50 Projects
- Dams and Pond — 57 Projects
- Industrial Estate — 44 Projects
- Train — 13 Projects
- Agriculture & Plantations — 2 Projects
- Energy — 18 Projects
- Port — 15 Projects
- Water and Sanitation — 9 Projects
- Airport — 7 Projects
- Tourism — 1 Projects
- Education — 1 Project
- Seawall — 1 Project
- Technology — 6 Projects
- Housing — 2 Projects

26 Programs of PSN

- SEZ
- Sugar and Palm
- Ecocity
- Smelter
- Superhub
- Tourism and Aviation
- Economic Equality
- Operation of Toll Roads
- Makan Bergizi Gratis
- Koperasi Merah Putih
- Poverty Alleviation
- North Coast Fish Ponds
- Exit Tol Acess
- Food Security
- Tourism
- Waste Management
- Flood Control, Traffic Management, and Livability
- Accelerated Regional Development
- Electricity
- Border Area
- Sekolah Rakyat
- Digitalisasi Pendidikan
- Food, Energy, and Water Self-Sufficiency Zon
- Integrated Shrimp Farming Development

Source: KPPIP, Coordinating Ministry for Economic Affairs

PSN Completion Target in 2026

Of the 10 National Strategic Projects (PSN) targeted for completion in 2026, 4 projects had been completed as of August 2026, representing 40% of the annual completion target, while the remaining 6 projects are expected to be completed by December 2026. These projects span key sectors, including energy, industrial estates, transportation, irrigation, and water infrastructure, and are expected to support investment realization, regional development, and broader economic activity.

List of projects completed until August 2026

No	List of PSN	Sector	Location	Investment
1	Rehabilitation of the Rentang Irrigation Network	Dam and Irrigation	West Java	IDR 5,456 M
2	Development of Copper Commodity Processing and Refining Facilities by PT Amman Mineral Industri in West Sumbawa, West Nusa Tenggara	Energy	West Nusa Tenggara	IDR 20,600 M
3	RDMP Balikpapan (part of PSN No. 207: Upgrading of Existing Refinery/Refinery Development Master Plan (RDMP))	Energy	East Kalimantan	IDR 123,000 M
4	Development of Bauxite Processing and Refining Facilities by PT Borneo Alumina Indonesia in Mempawah, West Kalimantan Province, Phase I (part of the project for the development of bauxite processing and refining facilities into alumina, Phase I and Phase II, including supporting infrastructure and facilities, including alumina processing facilities resulting from refining activities (SGAR 1 and SGAR 2))	Energy	West Kalimantan	IDR 15,280 M

List of projects completed by December 2026

No	List of PSN	Sector	Location	Investment
1	Tanah Kuning Industrial Estate (PT ISI)	Industrial Estate	North Kalimantan	IDR 4,015 M
2	Kuala Tanjung Industrial Estate	Industrial Estate	North Sumatera	IDR 28,080 M
3	Sigli–Banda Aceh Toll Road	Road	Aceh	IDR 16,536 M
4	Cirebon–Semarang Gas Transmission Pipeline, Phase II (part of the PSN for the Development of the Cirebon–Semarang Gas Transmission Pipeline, Phase I: Semarang–Batang Section and Phase II: Batang–Indramayu Section, as well as the Sei Mangkei Special Economic Zone–Dumai Section)	Energy	West Java and Central java	IDR 2,790 M
5	LPG Storage Tank	Energy	East Indonesia	IDR 1,106 M
6	Regional Drinking Water Supply System (SPAM) Benteng–Kobema (Central Bengkulu, Bengkulu City, and Seluma)	Water and Sanitation	Bengkulu	IDR 910 M

Land Value Capture (LVC) as an Enabler for Alternative Financing

Land Value Capture enables infrastructure financing by leveraging the increase in land and property values created as a result of infrastructure development

Regulatory Framework for LVC

Through the issuance of Coordinating Ministry for Economic Affairs Regulation No. 3 of 2026, LVC is positioned as an innovative alternative financing mechanism for area-based infrastructure development and zonation corridor schemes. This policy creates significant opportunities to optimize the increase in land and area value generated by development initiatives undertaken by the Central Government, Regional Governments, and/or business entities, enabling the resulting economic benefits to be transformed into sustainable funding sources that support accelerated infrastructure provision and regional development

Recent Update for LVC Implementation

Land Value Capture Technical Guidance Socialization





- The Coordinating Ministry for Economic Affairs **conducted a national socialization on Ministerial Regulation No. 3 of 2026** concerning the implementation guideline for Infrastructure Financing through Land Value Capture (P3NK).
- **The event introduced** the regulatory framework, implementation mechanism, and potential application of the P3NK scheme.
- **More than 120 participants attended**, representing provincial and municipal governments across Indonesia.

Land Value Capture Discussion Forum with PwC Indonesia





- A **discussion forum** was organized together with PwC Indonesia **to provide practical insights on implementing the P3NK scheme**.
- Participants included local governments, private sector representatives, development partners, and financial institutions
- The discussion explored implementation challenges and collaboration opportunities.

Achievement of Special Economic Zones

The cumulative investment achievement of 25 SEZs until the first quarter of 2026 has reached IDR 368 trillion with the creation of jobs of ±283 thousand people.

1 Tanjung Jabung
Commodity: Oil Palm
Land Area: ±94,172 ha
Location: Jambi
Status: Operational

2 Kutai Kartanegara
Commodity: Oil Palm
Land Area: ±57,650 ha
Location: East Kalimantan
Status: Operational (Nucleus), Plasma Development Stage (Nucleus Estate)

3 Kubu
Commodity: Oil Palm
Land Area: ±25,632 ha
Location: West Kalimantan
Status: Operational

4 Lonsum
Commodity: Oil Palm
Land Area: ±137,991 ha
Location: North Sumatra
Status: Operational (Nucleus), Plasma, Nucleus Estate

5 Malaysia/BI
Commodity: Oil Palm
Land Area: ±96,500 ha
Location: Malaysia
Status: Operational (Nucleus), Plasma

6 Kalimantan
Commodity: Oil Palm
Land Area: ±23,311 ha
Location: Central Kalimantan
Status: Operational

7 North Maluku/Papua
Commodity: Oil Palm
Land Area: ±115,173 ha
Location: Southwest Papua and North Maluku
Status: Operational (Nucleus), Plasma

8 Papua Region (Former Merauke)
Commodity: Oil Palm
Land Area: ±68,627 ha
Location: South Papua
Status: Operational (Nucleus), Plasma
Development Stage (Nucleus Estate)

9 Indragiri Hulu – Rokan Hulu
Commodity: Oil Palm
Land Area: ±47,022 ha
Location: Riau
Status: Operational

10 Rokan Hilir Estate (RHE)
Commodity: Oil Palm
Land Area: ±59,000 ha
Location: Riau
Status: Operational (Nucleus), Plasma

11 Bulukumba, Tasikmalaya and Sukabumi (Former PTPN VIII & PG)
Commodity: Sugarcane
Land Area: ±6,043 ha (Bulukumba 3,202 ha, Tasikmalaya 1,828 ha, Sukabumi 1,013 ha)
Location: South Sulawesi, West Java
Status: Operational

12 Central Java/Yogyakarta
Commodities: Sugarcane, Tea, Oil Palm
Land Area: ±6,577 ha
Location: Central Java
Status: Operational



13 Tidung
Commodity: Oil Palm
Land Area: ±10,000 ha
Location: Tidung Regency, North Kalimantan
Status: Operational (Nucleus), Development Stage (Nucleus Estate)

14 Acquisition/Divestment/Investment
Commodity: Oil Palm
Land Area: Subject to investment location and plan
Status: Under Evaluation

15 SOE Food Holding
Commodities: Multiple Commodities
Land Area: Subject to investment location and plan
Status: Under Evaluation

16 Dairy/Nusantara
Commodity: Dairy Farming
Land Area: ±5,921 ha
Location: East Java
Status: Operational

17 Plantations
Commodities: Rubber, Tea, Cocoa
Land Area: ±35,607 ha
Location: South Sumatra, Jambi
Status: Operational

18 Kampung Sawah
Commodity: Rice
Land Area: ±2,046 ha

19 Alor & Rote – Rice
Commodity: Rice
Land Area: ±15,044 ha

20 Sakuwel
Commodity: Horticultural Crops
Land Area: ±84 ha

21 Seminis
Commodity: Superior Seeds (Corn & Horticulture)

22 Lonsum
Commodities: Horticultural Crops & Rice

23 Nongsapura
Commodity: Cattle Farming
Land Area: ±2,006 ha

24 Industry, Factories, Facilities
Commodities: Palm Oil Industry, Sugar Mill, Rubber Factory, etc.

25 Loraktan
Commodity: Logistics
Land Area: Subject to business

Cumulative achievement of all SEZs until TW II 2026
IDR 368 Trillion

Creation Employment
± 283K People

Business Entities & Business Actors
444

Source: KPPIP, Coordinating Ministry for Economic Affairs

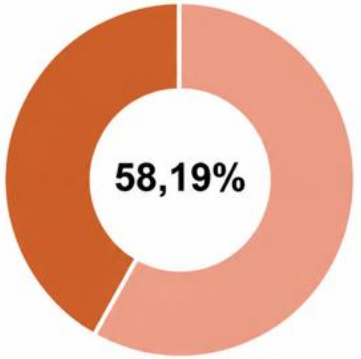
Industrial Estates as Key Drivers of Investment and Economic Growth in Indonesia

The continued expansion of industrial estates across Indonesia strengthens the country's capacity to accommodate new investment and promote more geographically diversified industrial development. Currently, industrial estates cover approximately 98,291.68 hectares, with 58.19% of available land occupied. Their economic footprint is substantial, representing IDR 6,744.58 trillion in investment and providing employment for around 2.35 million people. There will be 176 national industrial estates with the highest number on the island of Java (105 IE) and Sumatra (34 IE)



Aceh (1 IE)	North Sumatera (3 IE)	Jakarta (2 IE)	Central Kalimantan (1 IE)	South Sulawesi (3 IE)
Riau (5 IE)	Riau Islands (20 IE)	Yogyakarta (1 IE)	South Kalimantan (7 IE)	Central Sulawesi (9 IE)
West Sumatera (1 IE)	South Sumatera (1 IE)	Central Java (13 IE)	East Kalimantan (2 IE)	North Maluku (4 IE)
Bangka Belitung (2 IE)	Banten (19 IE)	East Java (14 IE)	North Kalimantan (1 IE)	Southeast Sulawesi (4 IE)
Lampung (1 IE)	West Java (56 IE)	West Kalimantan (5 IE)		North Sulawesi (1 IE)

1. Reach of Industrial Areas



2. Impact of Industrial Estate

IDR6,744.58 T
Investment Value

98,291.68 Ha
Total Area Land

2.35 million people
Labor Absorption

11,970 inhabitants
Company / Tenant

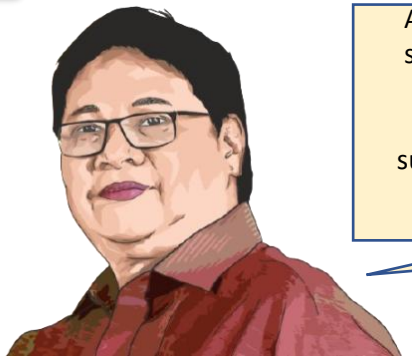
Source: Ministry of Industry

Source: KPPIP, Coordinating Ministry for Economic Affairs

About the Energy Transition and Green Economy Task Force

Driving Sustainable Growth: The Task Force Accelerates National Decarbonization Targets through Just Energy Transition Initiatives and Robust Investment Realization.

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

- **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.

Source: Coordinating Ministry for Economic Affairs

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

X

IPG MEMBERS

&

GFANZ
Glasgow Financial Alliance for Net Zero
Bank of America, Citi, Deutsche Bank, HSBC, Macquarie, MUFG, and Standard Chartered

2030 TARGET

- Target in 2030: CO2 emissions 250 MT (on-grid power sector)
- Renewable energy: 44% share of power mix
- Total Financing needed : USD 97.3 billion by 2030
- 400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030
- largest individual energy transition financing effort

THE ENERGY TRANSITION AND GREEN ECONOMY TASKFORCE (SATGAS TEH) PLAYS A CENTRAL ROLE IN ADVANCING INDONESIA'S ENERGY TRANSITION AND SUPPORTING JETP IMPLEMENTATION

Governance and Coordination Framework, established under CMEA Decree No. 141/2025

Structure

Chairman	Vice-Chairman	Supervisory	Members
Coordinating Minister of Economic Affairs (CMEA)	Coordinating Minister for Infrastructure & Regional Development (CMIRD)	Chairman of the Financial and Development Supervisory Agency (BPKP)	18 lines ministries represented as members

Four Working Groups

Green Energy & Upstream Decarbonization	Green Industry and Downstream Decarbonization	Partnership, Finance and Green Investments	Social, Economy, Environment, and Human Resource Capacity Development
Led by, MEMR Directorate General EBTKE	Led by, Ministry of Industry	Led by, Director General of Risk Management and Financing, Ministry of Finance	Led by, Exec. Director for Policy Synchronization of Economic Priority Programs, National Economic Council

THE COMPREHENSIVE INVESTMENT AND POLICY PLAN (CIPP) 2023 PROVIDES THE TECHNICAL, FINANCING, POLICY, AND JUST TRANSITION ROADMAP — IDENTIFYING 400+ PRIORITY PROJECTS REQUIRING USD 66.9 BILLION INVESTMENT BY 2030.

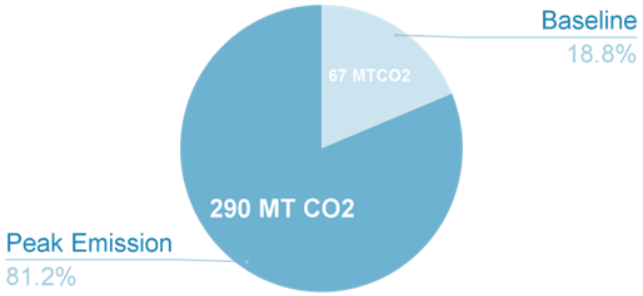
Source: Coordinating Ministry for Economic Affairs

JETP Indonesia's Target & Investment Outlook

Indonesia aims to peak electricity sector emissions at no more than 290 $MTCO_2$ 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.

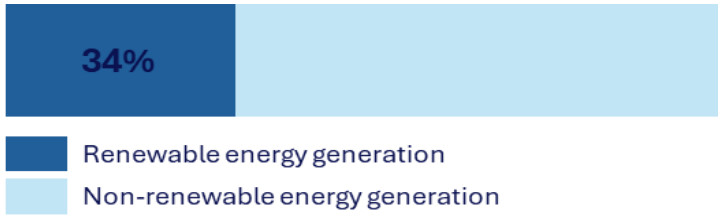
The shared targets for the electricity sector as outlined in the Joint Statement:

Total Electricity Sector Emissions



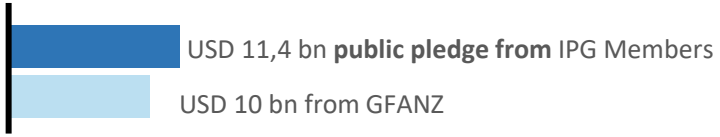
Achieve total electricity sector emissions peak at an absolute value of no more than 290 MTCO2 in 2030 (down from the 2030 baseline of 357 MTCO2) and **immediate decline** as it shifts the projected emissions peak into the future.

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

JETP Indonesia: USD 3.4 Billion Mobilized of USD 21.8 Billion Pledge — December 2025

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[1]

6	4	> 20
Approved Programs totaling	**Approved Projects[2]** totaling	**Loan/Equity In Process[2]** totaling
USD 1.2 billion	**USD 2.0 billion**	**USD 4.4 - 5.2 billion**

[1]*Programs are defined as non-project specific investment, such as Result Based Lending, Policy Based Loan, and equity investment*

[2]*Project costs estimated by FWG from published Indonesia generation cost data.*

Grant/TA programs

45	8
Approved programs totaling	**Programs In Process totaling**
USD 215.7 million	**USD 82.3 million**

MDB Guarantees[3]

1
In Process Guarantee totaling
USD 1.0 billion

[3]*The LoI 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*

Disbursement Note: Disbursement data by instrument available upon request from JETP Secretariat / JDU disbursement tracker

Implemented by

ADB, KFW, AFD, Danida Sustainable Infrastructure Finance, Palladium, Guidehouse, IESR, IEA, The World Bank, Energy Transition Partnership, UNOPS, European Union, GGGI, giz, OECD, IISD

Source: JETP Secretariat

Trends of 4-wheeled Electric Vehicle Sales and Production in Indonesia

Driven by a phenomenal surge in electrified vehicle market share from under 1% to 28.5% by Sep 2026, Indonesia's electric vehicle sector presents a highly lucrative and rapidly expanding landscape for global automotive investment

	2019		2020		2021		2022		2023		2024		2025		Jan–Sep 2026	
	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE
HEV (Hybrid Electric Vehicle)	787	0.1%	1.191	0.2%	2.472	0.3%	10.344	0.99%	54.179	5.39%	59.903	6.9%	65.323	8.13%	65.968	9.72%
PHEV (Plug In Hybrid Electric Vehicle)	25	0.0%	8	0.0%	46	0.0%	10	0.00%	128	0.01%	136	0.0%	5.235	0.65%	10.264	1.51%
BEV (Battery Electric Vehicle)	-	0.0%	125	0.0%	687	0.1%	10.327	0.99%	17.051	1.70%	43.188	5.0%	103.930	12.93%	117.218	17.26%
FCEV (Fuel Cell Electric Vehicle)	-	0.0%	-	0.0%	-	0.0%	-	0.00%	-	0.00%	1	0.0%	-	0.00%	-	0.00%
Total X-EV	**812**	**0.1%**	**1.324**	**0.2%**	**3.205**	**0.4%**	**20.681**	**1.97%**	**71.358**	**7.09%**	**103.228**	**11.9%**	**174.488**	**21.71%**	**193.450**	**28.49%**
ICE KBH2/LCGC	217.454	21.1%	104.650	19.7%	146.520	16.5%	158.206	15.10%	204.705	20.35%	176.766	20.4%	122.686	15.27%	83.997	12.37%
ICE NON KBH2	814.641	78.9%	426.053	80.1%	737.477	83.1%	869.153	82.93%	729.739	72.55%	585.729	67.7%	506.505	63.02%	401.573	59.14%
Total ICE	**1.032.095**	**99.9%**	**530.703**	**99.8%**	**883.997**	**99.6%**	**1.027.359**	**98.03%**	**934.444**	**92.91%**	**762.495**	**88.1%**	**629.191**	**78.29%**	**485.570**	**71.51%**
Total Market	**1.032.907**	**100.0%**	**532.027**	**100.0%**	**887.202**	**100.0%**	**1.048.040**	**100.0%**	**1.005.802**	**100.00%**	**865.723**	**100.0%**	**803.679**	**100.0%**	**679.020**	**100.00%**

Production

	2019		2020		2021		2022		2023		2024		2025		Jan–Jun 2026	
	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE
HEV (Hybrid Electric Vehicle)	-	-	-	-	-	-	3.009	0.2%	66.838	4.8%	70.621	5.9%	97.462	8.5%	57.234	9.3%
PHEV (Plug In Hybrid Electric Vehicle)	-	-	-	-	-	-	-	-	-	-	-	-	6.024	0.5%	2.484*	0.4%
BEV (Battery Electric Vehicle)	-	-	153	0.0%	1.082	0.1%	10.289	0.7%	15.318	1.1%	20.752	1.7%	23.934	2.1%	36.969	6.0%
FCEV (Fuel Cell Electric Vehicle)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total X-EV	**-**	**-**	**153**	**0.0%**	**1.082**	**0.1%**	**13.298**	**0.9%**	**82.156**	**5.9%**	**91.373**	**7.6%**	**127.420**	**11.1%**	**96.687**	**15.7%**
ICE KBH2/LCGC	245.029	19.0%	124.358	18.0%	177.514	15.8%	214.530	14.6%	231.590	16.6%	204.061	17.1%	155.534	13.6%	70.845	11.5%
ICE NON KBH2	1.041.819	81.0%	565.665	82.0%	943.371	84.1%	1.242.318	84.5%	1.081.971	77.5%	901.230	75.3%	864.646	75.3%	≈447.468	≈72.8%
Total ICE	**1.286.848**	**100.0%**	**690.023**	**100.0%**	**1.120.885**	**99.9%**	**1.456.848**	**99.1%**	**1.313.561**	**94.1%**	**1.105.291**	**92.4%**	**1.020.180**	**88.9%**	**≈518.313**	**≈84.3%**
Total Market	**1.286.848**	**100.0%**	**690.176**	**100.0%**	**1.121.967**	**100.0%**	**1.470.146**	**100.0%**	**1.395.717**	**100.0%**	**1.196.664**	**100.0%**	**1.147.600**	**100.0%**	**≈615.000**	**100.0%**

- **EV vehicles keep rising in market share:** electrified vehicles (BEV+HEV+PHEV) reached 28.49% of national wholesales in Jan–Sep 2026 (193,450 of 679,020 units), up from 21.71% in 2025 and 18.7% in Jan–Sep 2025.
- **EV sales are led by BEVs,** at 117,218 units (17.26%, +112.3% YoY), already above full-year 2025 (103,930 units); followed by HEVs at 65,968 units (9.72%, +42.7% YoY) and PHEVs at 10,264 units (1.51%, +209.5% YoY).
- **EV production is still led by HEVs:** 57,234 units (9.3%) in H1 2026, followed by BEVs at 36,969 units (6.0%); total EV production reached 96,687 units (≈15.7% of national production).
- **Local production is ramping up** as CBU import incentives ended on 31 Dec 2025 (1:1 local-production commitment from 2026); national production reached 982,721 units in Jan–Sep 2026 (+14.9% YoY).

Sources: GAIKINDO wholesales (Jan–Sep 2026 release), via Bisnis.com, CNN Indonesia, Kompas.com, Katadata/Databoks (Oct 2026); 2026 production: GAIKINDO via Kompas.com (HEV, BEV), GoodStats (total EV), CNN Indonesia (LCGC), Ministry of Industry (national production ≈615,000 units, rounded); 2019–2025: previous version of this slide. Notes: 2026 data are preliminary and may be revised by GAIKINDO; sales = wholesales; FCEV not reported separately in 2026; Total ICE and ICE NON KBH2 (sales) = total market − X-EV − LCGC; *PHEV production = total EV − HEV − BEV; ≈ = derived from the rounded national production total.

Tourism in National Economic Growth

Driven by a strong year-on-year expansion in foreign tourist arrivals through September 2026 (+5.01% YoY cumulative, 12.01 million visits, the highest since 2020), Indonesia's tourism sector sustains a robust recovery path—with foreign exchange earnings hitting USD 18.27 Billion in 2025—solidifying its trajectory toward achieving the 2029 target of a 5% GDP

2nd Quarter 2026

FOREIGN TOURISTS

4.017.313

+16,91% q-o-q +3,34% y-o-y

NATIONAL TOURISTS

310,90 Mn

-2,70% q-o-q -6,18% y-o-y

3rd Quarter 2026

FOREIGN TOURISTS

4.551.811

+13,30% q-o-q +3,89% y-o-y

NATIONAL TOURISTS

308,43 Mn

-0,8% q-o-q +7,05% y-o-y

September 2026

FOREIGN TOURISTS

1.427.114

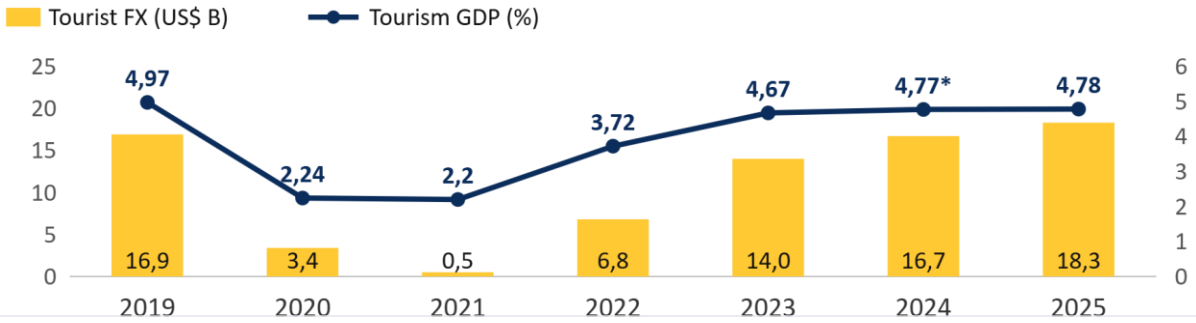
-10,79% m-o-m +2,31% y-o-y

NATIONAL TOURISTS

96,69 Mn

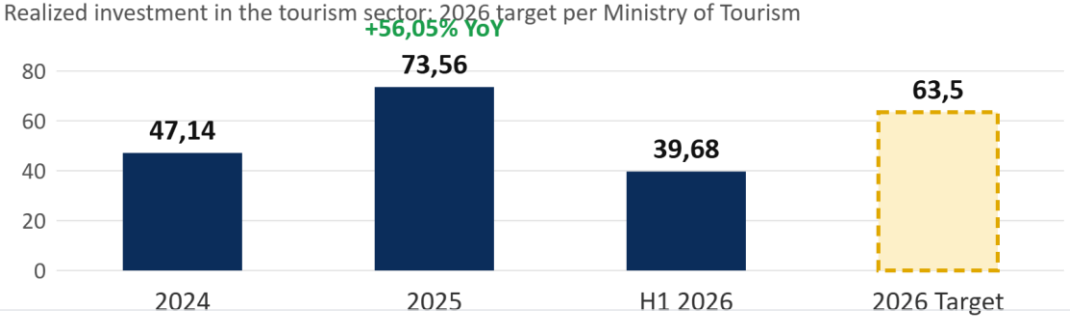
-7,30% m-o-m +2,47% y-o-y

Tourism GDP Grows in Line with Tourism Foreign Exchange Earnings



Tourism Investment Realization (IDR Trillion)

Realized investment in the tourism sector: 2026 target per Ministry of Tourism



TARGET 2029

Tourism foreign exchange is targeted at **US$32–39.4 billion (±Rp512–630 T*)** with a GDP contribution of **~5.0%** · ASPA target 2026: **US$1,404 / visit** (actual Q3 2026: US$1,374.48), rising to US$1,600–1,672 by 2029. This sector has strategic value because the foreign exchange generated not only enters the national economy, but also has a **high domestic retention rate and is immediately distributed to various real sectors**, such as accommodation, food and beverages, transportation, and MSMEs.

Sources: BPS (releases of 1 Sep and 2 Nov 2026; Tourism Satellite Account 2023–2025); Ministry of Tourism (Two-Year Achievement Report, Oct 2026); Bank Indonesia via Ministry of Tourism (forex); RPJMN 2025–2029 targets. Notes: Q3 = Jul+Aug+Sep; Q3 and Sep q-o-q / m-o-m / y-o-y for national tourists (domestic trips, Mn = million) and Q3 foreign y-o-y are computed from BPS monthly data; Q2 cards carried over from the previous version. GDP line: 2019–2022 Ministry of Tourism estimates, 2023–2025 BPS TSA direct contribution (*2024 computed: Rp1,057 T / GDP Rp22,139 T); 2025 forex is the realized US$18.27 B. 2026 investment: H1 realization vs full-year target of Rp63.5 T. *Forex assumption Rp16,000.

Investment Potential in the Tourism Sector

Supported by a vast network of international airports, priority destinations, and active Special Economic Zones (SEZs) across the archipelago, Indonesia's tourism sector presents a high-growth investment landscape—with GDP contribution projected to reach IDR 1,897 Trillion by 2035 and a booming hospitality segment expanding at an 18.3% CAGR through 2030



- Indonesia's tourism sector contributed around **IDR 1,143 trillion (4.80% of GDP)** in 2025 and has the potential to surge to **IDR 1,897 trillion by 2035**.
- The hospitality segment is growing much more aggressively, with the hotel, resort, and cruise ship market predicted to soar from **USD 7.4 billion (2024) to USD 20.3 billion in 2030 (CAGR 18.3%)**.
- The presence of new international airports, active tourism special economic zones (SEZs), and priority destinations are becoming investment magnets, hubs for connectivity infrastructure development, and key enablers of international tourists entering the domestic market.

Sources: Kemenpar, Kemenhub, Grand View Research, WTTC (2025)

Orchestrating the Strengthening of the Tourism Sector

To orchestrate robust growth in the tourism sector, the Government is deploying a comprehensive policy mix that combines immediate tactical interventions—such as regional international flight expansions, destination risk governance, and targeted fiscal incentives—with a structured four-pillar long-term development framework

ACTIVATION OF INTERNATIONAL ROUTES

Airport with New Route

Opening routes to nearby international hubs, such as Singapore and Malaysia, at:

- S.M. Badaruddin II Airport, Palembang
- General Ahmad Yani Airport, Semarang
- Supadio Airport, Pontianak
- Syamsudin Noor Airport, Banjarmasin
- H.A.S. Hanandjoeddin Airport, Belitung

MOU ON TOURISM INSURANCE

Labuan Bajo

MoU between JRP and the West Manggarai Regency Government to strengthen the safety and security of the destination.

Government + ADB study on tourism destination risk governance

FISCAL INVENTIVES

Government-Borne Article 21 Income Tax for the Tourism Sector

Optimization of Government-borne Income Tax for tourism sector workers.

Permanent employee
Gross max. Rp10 million / month

Temporary employee
Daily wages ≤ Rp. 500 thousand / month ≤ Rp. 10 million

Other Policies: Four Pillars for Strengthening Tourism

Tourism Human Resources

- Demand-driven training and certification
- Poltekpar graduate internship program
- Cross-ministry hospitality upskilling

Destination Governance

- Strengthening the role of Destination Management Organizations (DMOs)
- Digitalization of event permits
- Optimizing airport connectivity to enhance regional attractions

Accessibility

- Expansion of BVK facilities for potential foreign tourist markets
- Strengthening flight routes and frequencies
- Connectivity to secondary destinations

High-Quality Investment

- Revision of the 3rd Presidential Regulation on the BOP and Strengthening of the DMO
- Development of Tourism Special Economic Zones
- Establishment of the Quality Tourism Fund (IQTF)

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. The process now entering the technical review stage and most regulations already aligned with OECD instruments. OECD membership is expected to serve as a catalyst for domestic reforms, strengthening governance, enhancing competitiveness, and boosting Indonesia's global credibility.

STRUCTURAL REFORM THROUGH OECD MEMBERSHIP – DOMESTIC REFORM CATALYST

01 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.

02 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.

03 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.

04 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.





MILESTONE

ACCESSION ROADMAP

Indonesia's **ACCESSION ROADMAPS's** handover at the OECD MCM in **MAY 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN.**

INITIAL MEMORANDUM

Indonesia is optimistic about **COMPLETING ITS OECD ACCESSION** within the **NEXT 3 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**.

ALIGNMENT

Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.

TECHNICAL REVIEW

ON PROGRESS: The OECD has initiated the **TECHNICAL REVIEW** stage of Indonesia's accession process since Q3 2025—targeted to be finished by 2028, involving information gathering through questionnaires, independent studies, and fact-finding missions

NEXT STEP

SUPPORT NEEDED: Concrete deliverables to support the assessment and fulfillment of OECD Technical Review requirements.

POLICY DIVIDENDS

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, hence improving the efficiency of state budgeting.

Better corporate governance and SOEs in order to increase the contribution of SOEs to the national economy.

IEU-CEPA: Strengthening Economic Diplomacy, Expanding Market, Investment, and Partnership

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

23 Sep 2025
Announcement of the Substantive Conclusion of the Negotiations

Q2-Q3 2026
Legal Scrubbing Batch 3 Finalization, Text translation

Q4 2026
Signing and Ratification

Q1 2027
Implementation and Entry into force (EIF)

BENEFITS OF THE IEU-CEPA AGREEMENT

A. INCREASE MARKET ACCESS FOR INDONESIA TO THE EUROPEAN UNION

Liberalization of 98.61% of the European Union's tariff lines for Indonesia, covering 100% of the value of imports from Indonesia. On the other hand, Indonesia will eliminate 97.75% of its tariff lines for the European Union, covering 98.14% of Indonesia's import value from the European Union.

B. INCREASE IN INDONESIA'S ECONOMIC VALUE

The implementation of the IEU-CEPA is expected to substantially increase Indonesia's economic benefits, similar to the implementation of CEPA agreements in Vietnam and Singapore.

C. IMPLEMENTATION OF THE SCHENGEN VISA CASCADE POLICY

The implementation of the *"Schengen Visa Cascade Policy"* for Indonesian citizens through a five-year multiple-entry mechanism is expected to facilitate economic and investment cooperation, as well as improve Indonesians' access to education in Europe.*

Supporting Updates: September

On September 4, Indonesia and Ireland held a strategic dialogue to strengthen bilateral trade and investment cooperation and prepare for the implementation of the IEU-CEPA, concluding with the signing of a LoI on economic and business cooperation.

On September 10, Indonesia and EU discussed the acceleration of the signing and implementation of the agreement.

INDONESIA'S KEY EXPORT COMMODITIES WITH ZERO TARIFF

- **Agriculture and Plantation Crops** (Palm Oil, Coffee, Cocoa, Rubber, and Rubber Products)
- **Fisheries and Seafood Products** (Fish, Lobster, Shrimp, etc.)
- **Forestry and Furniture** (Wood, Processed Wood, Wood Panels, etc.)
- **Textiles / TPT** (Garments, Fabrics, and Accessories); Footwear (Leather Shoes, Sneakers, Sports Shoes, Sandals)
- **Electrical and Electronic Components** Machinery and Priority Spare Parts of Indonesia (Steel and Its Derivative Products).

Indonesia-EAEU Free Trade Arrangement

On 21 December 2025, the Indonesia-EAEU Free Trade Agreement (FTA) was signed on the sidelines of the Supreme Eurasian Economic Council Meeting in St. Petersburg. The Agreement has completed the parliamentary approval process. Following the approval of the Indonesia–EAEU FTA by Commission VI of the House of Representatives (DPR RI) on 21 July 2026, the Government has finalized the ratification process through the issuance of the Presidential Regulation No. 62 of 2026. The Agreement is targeted to enter into force by the end of 2026, or earlier if possible.

- The Agreement substantially enhances bilateral market access, such as:
  - The EAEU provides market access for **90.50%** of its **13,127 tariff lines**, covering imports valued at approximately **USD 2.1 billion**.
  - Indonesia provides market access for **89.90%** of its **11,414 tariff lines**, covering imports valued at approximately **USD 1.4 billion**.
- Upon **entry into force (EIF)**, palm oil and its derivatives, footwear, shrimp, natural rubber, green coffee beans, silk, and essential oils will immediately benefit from zero tariffs.
- As part of the Agreement's implementation, both sides agreed to establish the **Indonesia–EAEU Business Council** to strengthen public–private collaboration, technical cooperation, trade facilitation, and private sector engagement.

EAEU Member States



Population

179.8

Million

GDP

2.56

Trillion USD

GDP Global Share

4.1%

Indonesia-Canada Comprehensive Economic Partnership Agreement (ICA-CEPA)

Signed in 2025, ICA-CEPA is Indonesia's first comprehensive trade agreement in the North American region. This Agreement covers more than USD 1.4 billion in bilateral trade value, with both parties agreeing to liberalize more than 85% of tariff lines.

GOOD MARKET ACCESS

Canada provides a liberalization rate of:

90.55% (6,573 Tariff Posts/PT)

with a trade value of:

USD 1.4 billion

Several **priority Indonesian products** that Canada has given market access to: textiles, paper and its derivatives, wood and its derivatives, processed foods, swallow's nests, and palm oil.

Indonesia provides a liberalization rate of:

85.54% (9,764 Tariff Posts/PT)

with a trade value of:

USD 1.9 billion

Several **priority Canadian products** that Indonesia has given market access to: frozen beef, potatoes, seafood, and processed foods.

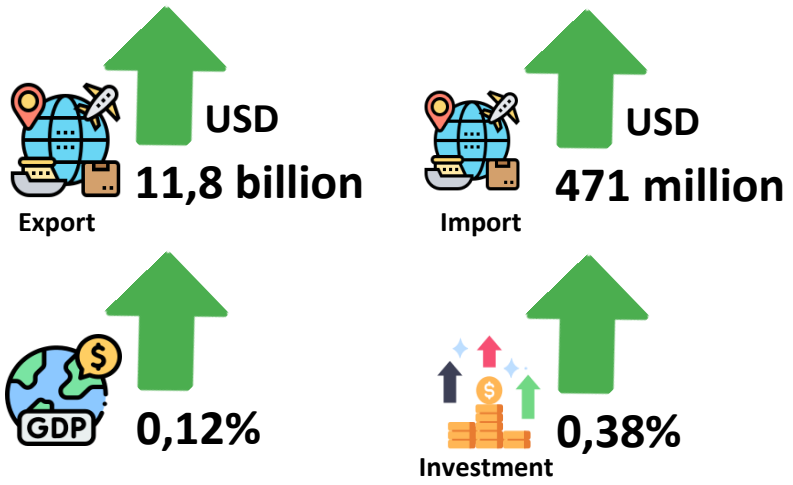
INVESTMENT

Providing protection, transparency and commitment to market access in priority sectors of both countries such as manufacturing, agriculture, fisheries, forestry, mining, infrastructure, energy and services.

TRADE IN SERVICES

Providing preferential treatment for Indonesian and Canadian service providers, including in the business services, telecommunications, construction, tourism, and transportation sectors.

I-CA CEPA IMPACT ANALYSIS PROJECTED FOR 2030



PROGRESS OF THE RATIFICATION PROCESS

The development process in Indonesia has received approval from the House of Representatives for ratification of the ICA-CEPA through a **Presidential Regulation** which is targeted to be finalized by September 2026.

MOVING FORWARD

To ensure the ultimate optimalization of ICA-CEPA, Indonesia and Canada have come upon agreement to focus on a concrete implementation of the agreement through the acceleration of dialogue on critical minerals and technical economy cooperation.

ASEAN DEFA: Strategic Digital Economy Momentum for Indonesia

ASEAN DEFA marks the first region-wide digital economy agreement, designed to create a digitally integrated, secure, interoperable, competitive, and inclusive regional economy. As an ASEAN Member State, Indonesia can frame DEFA as a strategic opportunity to strengthen participation in a safer and more seamless regional digital economy. ASEAN DEFA is planned to be signed by November 2026 during ASEAN Summit.

MILESTONES



Commencement

DEFA was initiated in **Indonesia's 2023 ASEAN Chairmanship**



Negotiations Concluded

ASEAN SEOM successfully resolved all outstanding issues during the **57th ASEAN SEOM Second Meeting in Manila**, 27–29 May 2026

REGIONAL DIGITAL ECONOMY FRAMEWORK

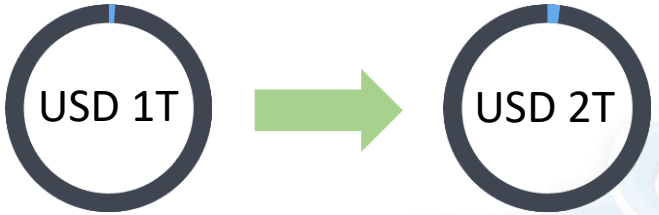
- Digital trade
- Cross-border e-commerce
- Data governance and privacy
- Digital identity
- E-payments
- Cybersecurity
- Competition policy
- Artificial Intelligence
- Emerging technologies
- Digital talent mobility

STRATEGIC RELEVANCE FOR INDONESIA

Connect	Trust	Scale	Compete
Align with regional digital connectivity	Support safer online transactions, data governance, privacy, and cybersecurity	Enable businesses of all sizes, including MSMEs, to join the regional digital economy	Support innovation, investment, entrepreneurship, jobs, and sustainable growth

For Indonesia, DEFA is aligned with the implementation of the **National Digital Economy Strategy 2030** and supports **OECD accession**, particularly in strengthening digital infrastructure, developing digital talent, transforming MSMEs, and enhancing cybersecurity regulation. Through DEFA, Indonesia can strengthen its policies based on international practices, attract investment in high-technology sectors, reinforce national data sovereignty, and build an inclusive and competitive digital ecosystem, including for MSMEs.

PROJECTED ASEAN'S DIGITAL ECONOMY



By 2030 (current trends)
Projected baseline growth

With DEFA implementation
Potential to double through regional integration

Indonesia’s Prospective CEPA Expansion to UK and China

Indonesia is accelerating exploratory work on I-UK CEPA and preparations for IDC-CEPA to broaden market access, strengthen supply chains and attract quality investment. These prospective Comprehensive Economic Partnership Agreements would connect complementary economies, with their scope still to be negotiated. The agenda also includes UK support for Indonesia's CPTPP accession and practical green cooperation with China. These efforts collectively support the 2025-2029 national plan and its growth target towards 8% by 2029.

I-UK CEPA: commercial opportunity

Bilateral trade (USD bn)



Trade remained relatively stable between 2021 and 2025. Indonesia's large market, natural resources and competitive manufacturing complement UK high-value products, services, technology and cross-sector expertise. I-UK CEPA is expected to improve market access, reduce regulatory barriers and deepen services, investment and supply-chain links.

Why the timing matters

UK Developing Countries Trading Scheme (DCTS) preferences end on 1 January 2027. UK exports to Indonesia face MFN tariffs of around 6-15%. London talks on 7-9 September 2026 also reinforced strategic commodity cooperation.

IDC-CEPA: a strong economic base

USD 64.82bn **+7.11% yoy**

2025 non-oil and gas exports to China

Realised FDI, 2025 (USD bn)



China was Indonesia's largest non-oil and gas export market. China and Hong Kong were both among its top three FDI origins in 2025. Trade relies on ACFTA and RCEP, with no bilateral trade agreement. Both sides will map IDC-CEPA's scope and involve business chambers and associations to address commercial needs.



Green cooperation and wider access

China's Green Partnership Agreement for Development (GPAD) is a forum for green trade and investment, particularly in developing economies. Indonesia emphasises practical implementation and tangible value added. Both sides support a stronger role for developing economies in shaping global green rules and standards.

A wider partnership network

The UK and China initiatives sit alongside Indonesia's broader partnerships with the United States, European Union, Canada and Eurasia.

Indonesia and China are Advancing Industrial Park Investment

Indonesia and China are strengthening investment and supply-chain integration through the Two Countries Twin Parks (TCTP) program. The partnership connects industrial locations with investors while promoting technology transfer, domestic value added and jobs. Business commitments now total approximately IDR 88.1 trillion, forming a pipeline that still needs to move into implementation. The priority is to turn these agreements into concrete projects through joint promotion, investment facilitation and cooperation between industrial parks.



Connecting investment locations

- **Industropolis Batang SEZ**
- **Tanjung Lesung SEZ**
- **Bintan Industrial Estate**
- **Kura Kura Bali SEZ**

These locations presented projects and investment potential to Chinese investors, supported by business matching between public stakeholders, park operators and companies.

Approx. IDR 88.1tn

Cumulative business commitments

37.1	+ 51.0
Earlier: 30 MoUs	**New: RMB 19.4bn**
Approx. IDR 37.1tn in commitments	Equivalent to approx. IDR 51tn

These are indicative business commitments, not realised investment.

9 NOV 2024	25 MAY 2025	9 SEP 2026
Joint statement	**Cooperation memorandum**	**Investment promotion**

During the China–Southeast Asia Forum on Higher Education and Industry Cooperation 2026, held on October 4, the Kura Kura Bali SEZ was highlighted as a strategic hub for advancing Indonesia–China cooperation in technology and industrial development. The SEZ is envisioned to support advancements in artificial intelligence (AI), research and digital innovation, semiconductors, and quantum technology, while fostering stronger linkages between academia and industry. Beyond investment commitments, both countries aim to translate their cooperation into concrete industrial partnerships through the TCTP.

Indonesia- Japan Cooperation in Rebana: A Strategic Platform for Sustainable Industrial Growth

Indonesia and Japan have completed two years of technical cooperation to strengthen Rebana as an integrated growth centre in West Java. The work connects industrial development with logistics around Patimban International Port and prepares the area for greener industry. Updated planning tools, stronger institutions and investment promotion provide a foundation for implementation. Rebana's investment and employment results show the scale of the area's development, while sustained coordination and consistent policies remain essential.



Port access links industry and logistics

8 of 12 strategic projects are complete

Completed infrastructure includes dams, toll road access and strategic industrial areas, strengthening Rebana's readiness as an integrated economic area.

IDR 131.62tn

Realised investment in Rebana

2021-H1 2026, cumulative

320,446

Jobs generated in Rebana

2021-H1 2026, cumulative

Planning a greener industrial platform

The updated Rebana Master Plan integrates industry and logistics. A dedicated Green Industry Hub Development Plan and Eco-Industrial Park Guidelines provide tools to accelerate sustainable industrial estate development.

Stronger institutions and investment promotion

The cooperation strengthens coordination and prepares a sustainability-based investment promotion strategy to attract domestic and global investors, particularly those supporting future industrial ecosystems.

From project completion to implementation

At the 29 September 2026 close-out in Jakarta, the completion report and post-project action plan were agreed. Local commitment and policy consistency remain crucial, while an Industrial Estates Bill is being prepared to support the green transition.

Offshore Skills and Technology Development as Part of Indonesia-Korea Cooperation

Indonesia and the Republic of Korea are strengthening workforce skills and technology in offshore plant services. The Korea-Indonesia Offshore Plant Service Training Center (KIOS Center) in Jakarta provides simulator-based training in operations, maintenance and cargo handling. The programme targets around 240 professionals by 2029 and supports the competitiveness of domestic companies. It is also intended to become a long-term platform linking government, academia, research institutions and industry across both countries.



Operations

Simulator-based learning develops competence in operating offshore facilities.

Maintenance

Training strengthens technical skills for maintaining offshore facilities.

Cargo handling

Practical training covers the loading and unloading of cargo in offshore services.

A bilateral framework for lasting capability

The MoU on Cooperation in the Field of Offshore Plant Service Industry was signed in Seoul on 1 April 2026. Its implementing arrangement provides official development assistance (ODA) for eco-friendly offshore industry capacity building. KIOS Center opened at Jakarta's maritime higher-education campus on 15 September 2026, establishing a base for sustained cooperation in skills and technology.

Approx. 240

professionals targeted by 2029

A platform for knowledge exchange and stronger offshore technology capabilities.

Government — **Academia** — **Research** — **Industry**

Indonesia Strengthens Readiness for CPTPP Accession

Indonesia is preparing to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) through coordination across ministries and agencies and dialogue with members. Amid international economic uncertainty, CPTPP is seen as an opportunity to deepen partnerships, expand trade and investment, and strengthen orderly, transparent and fair trade for business certainty and public benefit. As ASEAN's largest economy, Indonesia could extend CPTPP's reach and Indo-Pacific–Latin America connectivity, diversify supply chains, and unlock opportunities in manufacturing, services and investment.

High standards define accession readiness

Credible policies	Adequate institutional capacity	Consistent implementation

JUNE 2026

Preparatory discussions

The CPTPP Commission initiated discussions with **Indonesia, the Philippines and the UAE**, guided by the **Auckland Principles**: explaining policies, receiving feedback and identifying areas for improvement.

15 OCTOBER 2026

Sharing experience

The workshop covered accession, agreement implementation and expectations for applicants, providing practical insights into fulfilling and implementing CPTPP commitments.

NEXT STAGE

Establishing an AWG

An **Accession Working Group (AWG)** remains subject to the applicable procedures and **consensus among CPTPP members**.



15 October 2026 in JAKARTA

Workshop on Advancing Indonesia's CPTPP Accession: Updates, Perspectives, and Technical Guidance

Preparation covers: market access • investment • customs • rules of origin • government procurement • competition • state-owned enterprises • digital trade • labour • environment.

Indonesia–India Creative-Tech Corridor Launched

The Indonesia–India Creative-Tech Corridor has been launched on 24 October 2026 in Jakarta to strengthen the creative economy and digital transformation through future technologies. Supported by Artificial Intelligence (AI), the creative economy is positioned as a resilient, knowledge-based and globally connected source of new growth. Indonesia–India ties in history, culture, art, knowledge and philosophy provide a foundation for digital economic cooperation. Digital connectivity and advanced technology bring the geographically distant countries closer.

Double-digit

Creative economy growth ambition

AI also creates jobs and new skills. Collaboration and support from **Special Economic Zones (SEZs)** such as Singhasari are expected to help achieve this growth.

Arm & chip design

The government is working with **Arm** to develop a **chip design** ecosystem and advance the domestic semiconductor industry. Infrastructure development seeks to accommodate strong **data center investment interest**.



Technology evolution requires **solid digital infrastructure** and increases global demand for **data centers** and **semiconductors**.

Singhasari SEZ

Technology- and creativity-based SEZs are intended as hubs for **research, innovation and the commercialisation of creative work**. Processing creative data through **data centers** and SEZ infrastructure is expected to generate a **multiplier effect**.

Infrastructure locations

- **Nongsa SEZ, Riau Islands**
  Expansion underway
- **SEZ in South Tangerang**
- **Karawang area**

Development is aligned with energy availability and fiber-optic connectivity.

Indonesia's Economic Cooperation: List of Progress

Economic cooperation is one of the important instruments to support the domestic economy amidst increasing geopolitical uncertainty, changes in the direction of international trade, and growing fragmentation of the global economy. For Indonesia, strengthening economic cooperation is particularly important to expand market access, attract investment, strengthen supply-chain resilience, and support sustainable economic growth.

IMPLEMENTATION STAGE

1. Indonesia – Japan EPA
2. Indonesia – Pakistan PTA
3. Indoensia – Chile CEPA (TIG)
4. Indonesia – Chile CEPA (TIS)
5. Indonesia – Mozambique PTA
6. Indonesia – Australia CEPA
7. Indonesia – Korea CEPA
8. Indoensia – EFTA CEPA
9. PTA-D8
10. ASEAN TGA
11. ASEAN TSA
12. Indonesia – UAE CEPA
13. Indoneisa – China FTA
14. Indonesia – Iran PTA
15. ASEAN – Japan CEP
16. ASEAN – India FTA
17. ASEAN – Hong Kong, China FTA
18. ASEAN – Australia-New Zealand FTA
19. RCEP
20. ASEAN – Korea FTA

RATIFICATION STAGE

1. Protocol to Amend IJEPA
2. ASEAN Framework Agreement on MRA
3. ASEAN MRA on Type Approval for Automotive Product
4. Second Protocol to Amend ASEAN-Australia New Zealand FTA
5. Protocol to Amend ASEAN MNP
6. Protocol to Amend ASEAN – Hong Kong FTA
7. ASEAN MRA for BCM
8. AFSRFA
9. Indonesia – Peru CEPA
10. Indonesia – Canada CEPA
11. Second Protocol to Amend ATIGA
12. 3.0 Upgrading Protocol ACFTA
13. Indonesia – EAEU FTA

NEGOTIATION STAGE

1. Indonesia–EU CEPA
2. Indonesia–Tunisia PTA
3. Indonesia–GCC FTA
4. ASEAN–Canada FTA
5. Indonesia–Mercosur CEPA
6. Review of the ASEAN–India FTA
7. Indonesia–Türkiye FTA
8. Indonesia–Mauritius PTA
9. Indonesia–Pakistan TIGA
10. Indonesia–Sri Lanka PTA
11. Indonesia–Bangladesh PTA

Key upcoming developments:

- **October 2026:** Targeted signing of the Indonesia-EU CEPA
- **November 2026:** Targeted signing of the ASEAN DEFA
- **Ratification/EIF:** Indonesia-EAEU FTA, ICA-CEPA, Indonesia-Peru CEPA, ATIGA Upgrade, and ACFTA 3.0
- **Medium-term technical process:** Reviews by OECD technical committees
- **Active negotiations:** Indonesia-GCC FTA

Source: PDSI Ministry of Trade, August 2026


THANK YOU