



MINISTRY OF FINANCE
REPUBLIC OF INDONESIA

RECENT MACROECONOMIC AND FISCAL UPDATE

MINISTRY OF FINANCE
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The Team

Investor Relation Unit

Abdurohman
Director for Center of Macroeconomic Policy

Rahadian Zulfadin
Senior Analyst

Eko N Saputro
Senior Analyst

Putri Rizki Yulianti
Analyst

Andi Yoga Trihartanto
Staff

Should you have further questions, please do not hesitate to contact us:



<https://fiskal.kemenkeu.go.id/infomasi-publik/investor-relation-unit>



IRU@kemenkeu.go.id



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01



GLOBAL UPDATE & RISKS



ASIDE PANDEMIC, VARIOUS DOWNSIDE RISK OVERSHADOW GLOBAL ECONOMY PROSPECT



**COVID-19
Cases
Increase**



**Geopolitical
Tension**



**Supply
Chain
Disruption**



**Persistent
High
Inflationary
Pressures**



**Monetary
Policy and
Liquidity
Tightening**



**Financial
Contagion /
Stress**



**Food
Insecurity**



**Fragmentation of
Global
Trade,
Investment,
and Financial
Networks**



**Climate
and
Weather
Related
Disasters**



**Dimmer
Global
Medium-
term Growth
Prospect**



GLOBAL COMMODITY PRICES REMAIN VOLATILE, WITH MANY HAVE BEEN IN DECLINING TREND

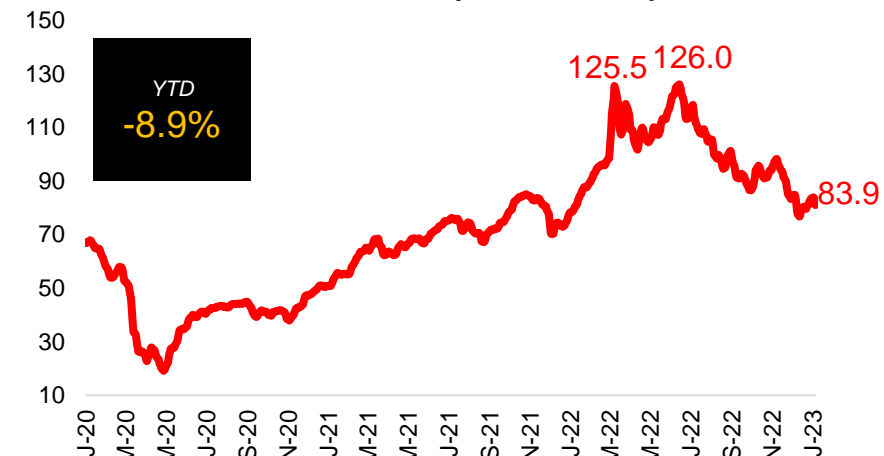
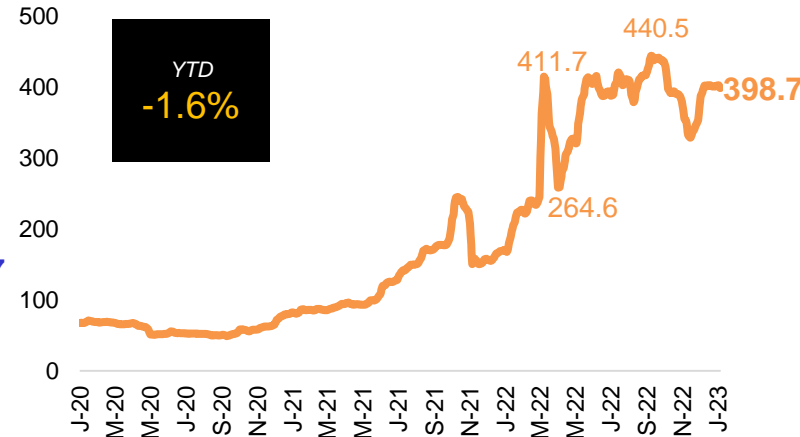
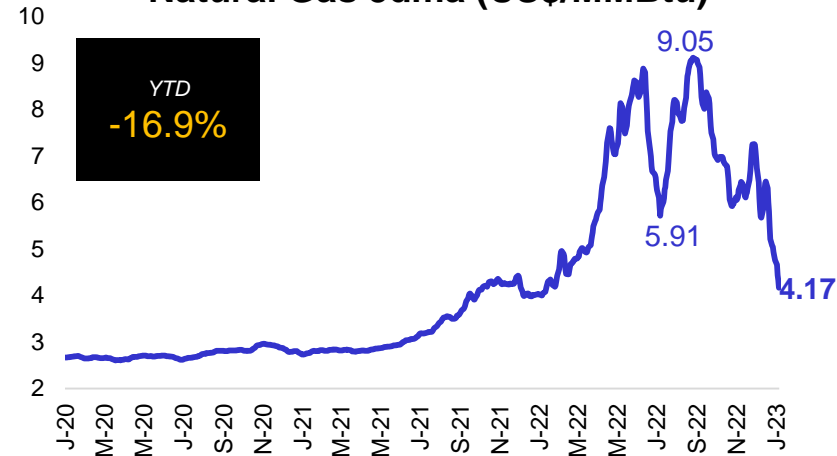
Supply improvement and the sentiment of slower economic activity have led to moderation trend in many commodities

Natural gas and oil prices on a declining trend, while coal remains high due to demand shift to this commodity in many countries

Natural Gas 5dma (US\$/MMBtu)

Coal 5dma (US\$/Metric Ton)

Brent 5dma (US\$/barrel)



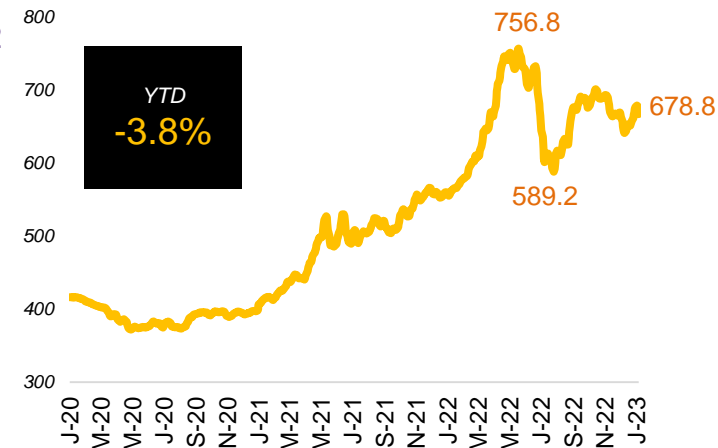
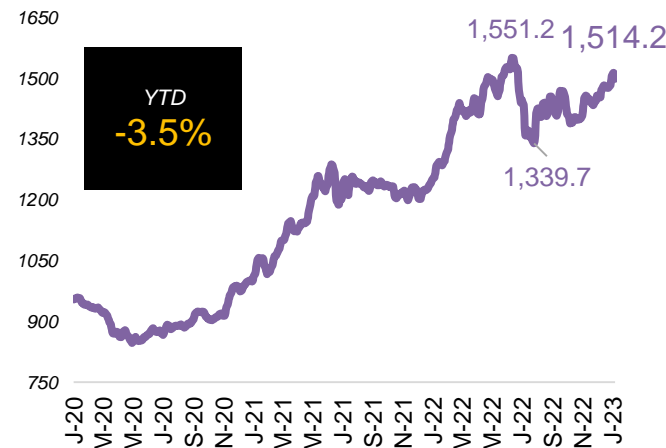
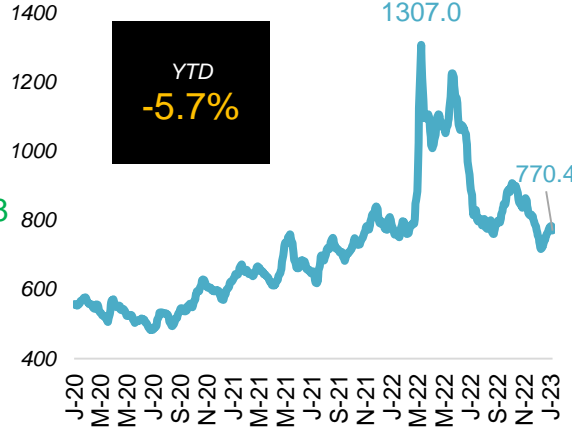
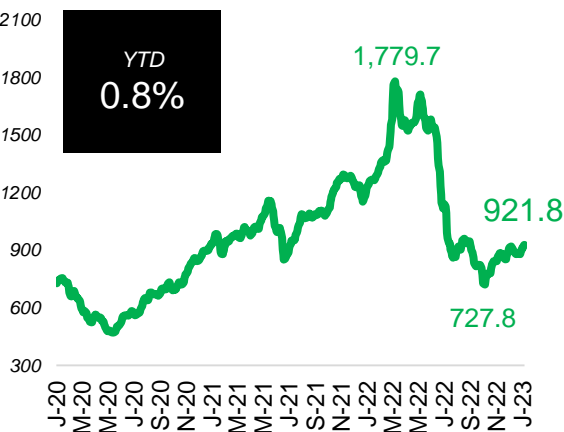
Increasing demand during the festive season and weather condition still hold up food prices, particularly soybean and corn

CPO 5dma (US\$/Ton)

Wheat 5dma (US\$/Bushels)

Soybean 5dma (US\$/bu.)

Corn 5dma (US\$/Bushels)



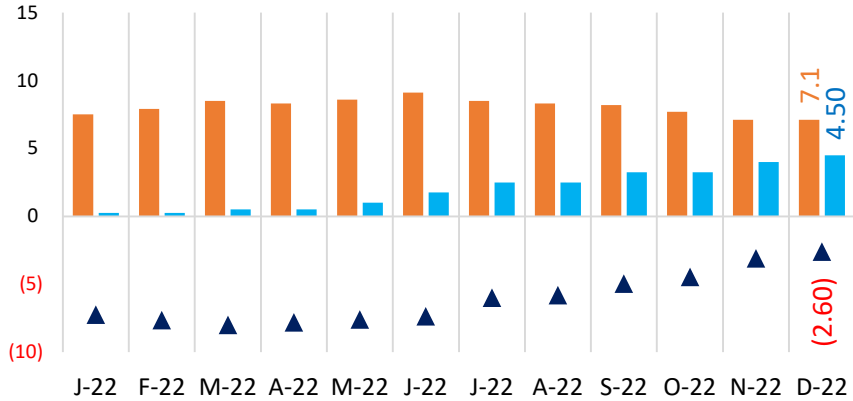


CONTINUOUS MONETARY TIGHTENING REMAINS TO BE MINDFUL IN SEVERAL MAJOR ECONOMIES

While inflationary pressures have been trending down in many emerging economies

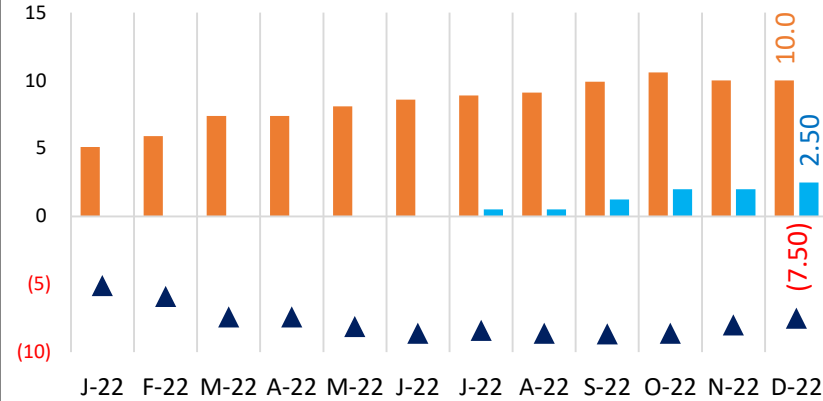
USA

■ Inflation ■ Policy Rate ▲ Real Int. Rate



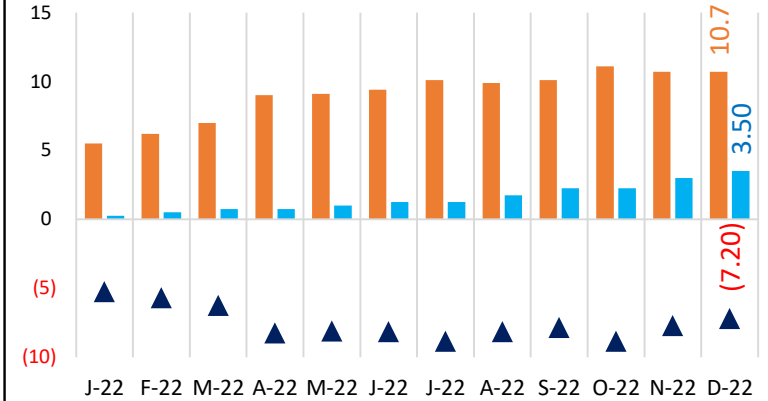
Eurozone

■ Inflation ■ Policy Rate ▲ Real Int. Rate



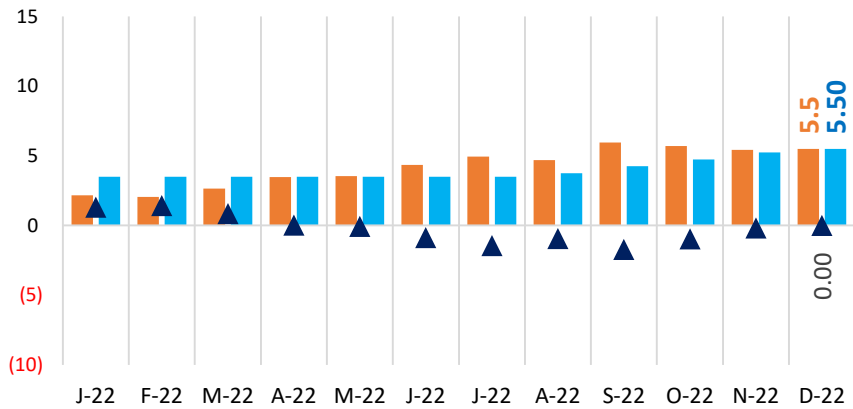
UK

■ Inflation ■ Policy Rate ▲ Real Int. Rate



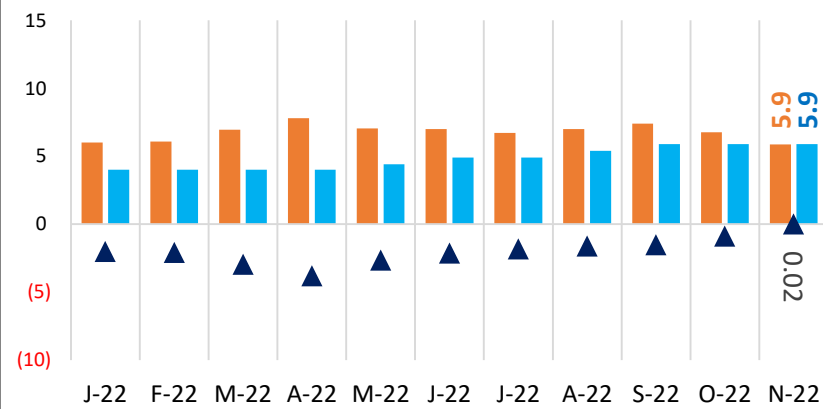
Indonesia

■ Inflation ■ Policy Rate ▲ Real Int. Rate



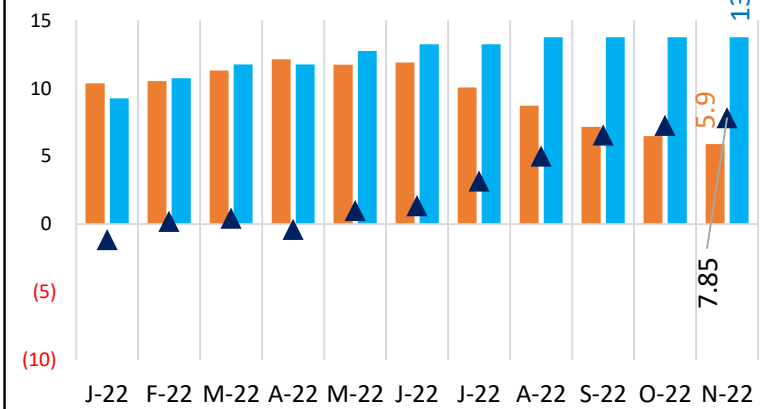
India

■ Inflation ■ Policy Rate ▲ Real Int. Rate



Brazil

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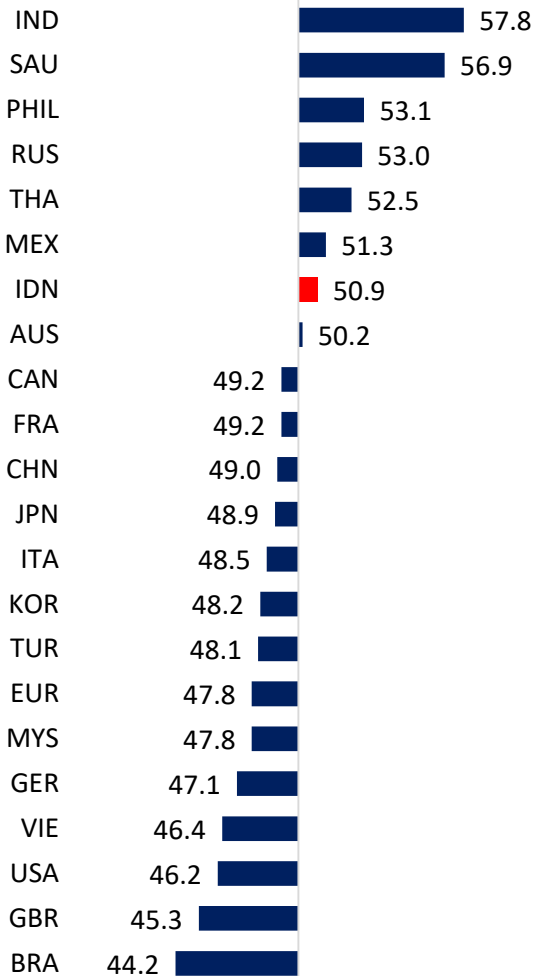


GLOBAL MANUFACTURE ACTIVITIES HAVE CONTRACTED TO THE LOWEST LEVEL IN 30 MONTHS

Indonesia PMI Manufacture continues to expand amid contractions in major economies such as US, Europe, China, and Japan

PMI MANUFAKTUR AS OF DECEMBER 2022

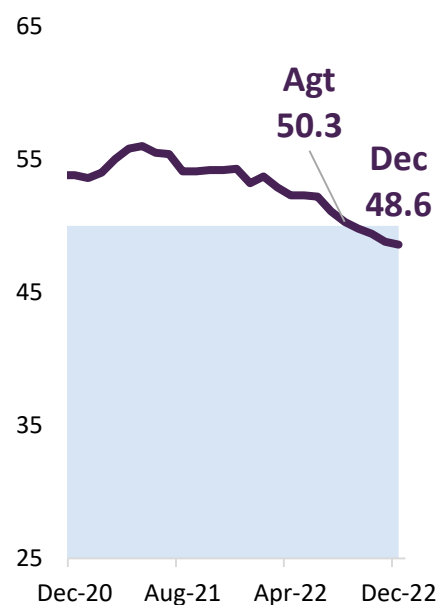
G20 & ASEAN-6 PMI Manufacture



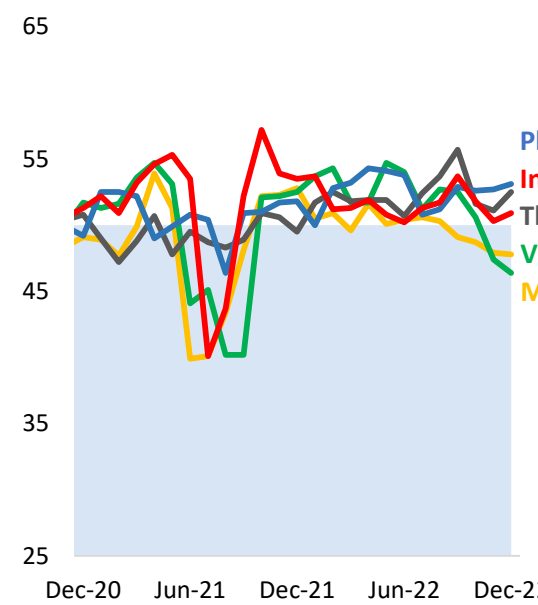
50 = expansionary threshold

Source: Bloomberg, IHS Markit

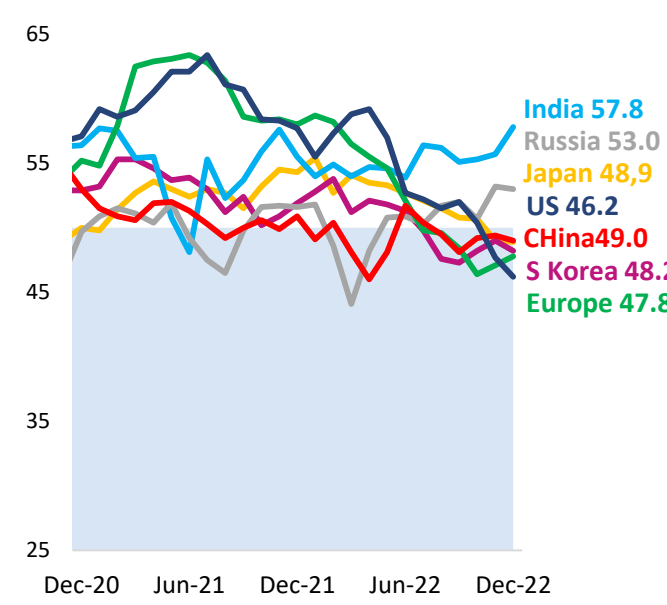
Global



ASEAN-5



Major Economies



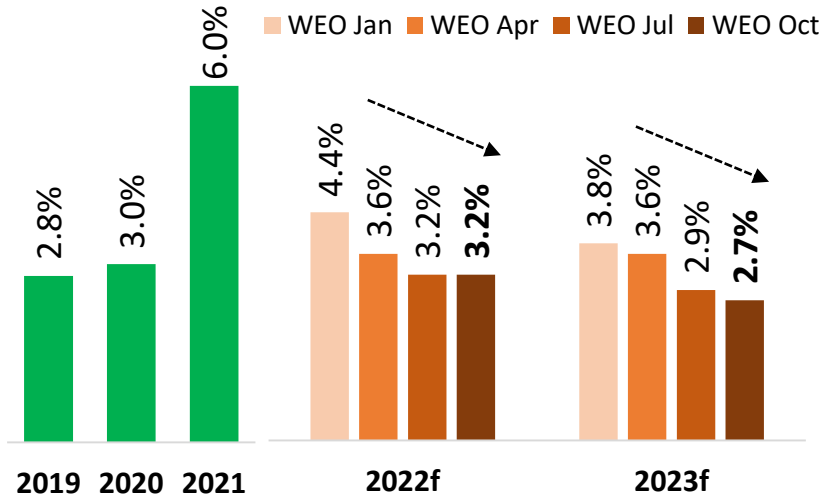
Category	Percentage	Countries
Expand - Accelerate (PMI above the 50 threshold or in an expansionary level & higher than previous month)	22.7%	Indonesia, Mexico, Thailand, Filipina, India
Expand - Slowing (PMI above the 50 threshold or in an expansionary level but lower than previous month)	13.6%	Australia, Russia, Saudi Arabia
Contracted (PMI below the 50 threshold or in a contractionary level)	63.6%	US, Europe, UK, Germany, Italia, France, S Korea, Japan, China, Brazil, Malaysia, Vietnam, Turkey, etc.



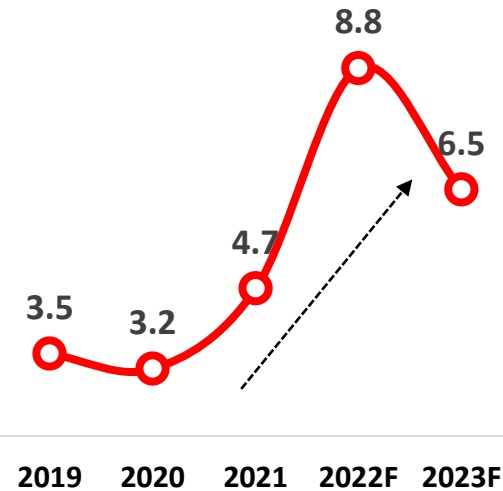
GLOBAL ECONOMIC PROSPECT HAS WEAKENED WITH HIGH UNCERTAINTY

Global growth projection has been significantly revised down, while India and ASEAN-5 prospects are still relatively buoyant

Global Growth Projection (% yoy)



Global Inflation Projection(% vov)



Upside risks:

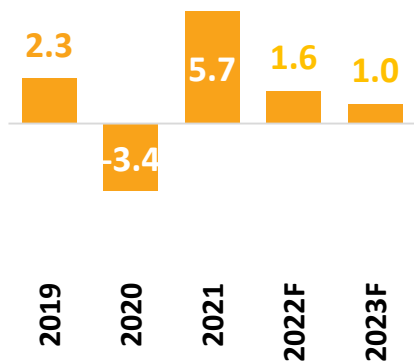
- Commodity prices moderation
- China's Covid-19 restriction relaxation
- Strong recovery momentum in several Asian countries (i.e. India & ASEAN-5)

Downside risks:

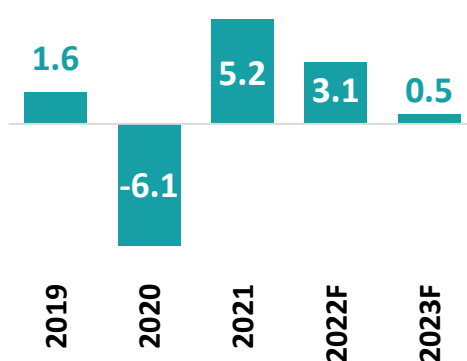
- Increasing geopolitical tension
- Persistently high inflation in several major countries
- Slow economic activities in China, US, and Europ
- Narrower policy spaces (fiscal and monetary)
- Strong US Dollar

Economic Growth Projections in Several Major Economies (% YoY)

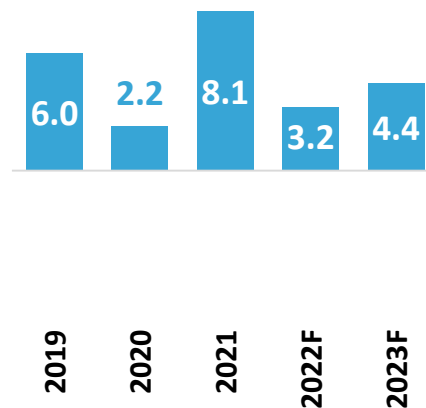
USA



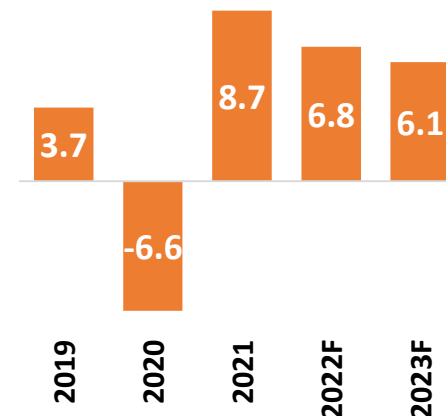
Euro Zone



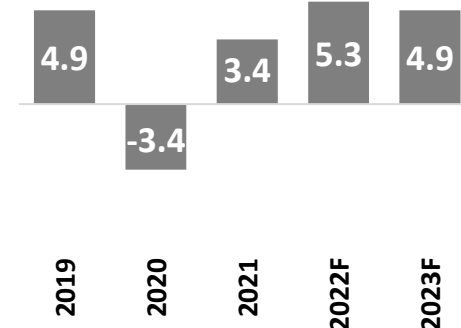
China



India



ASEAN-5





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02

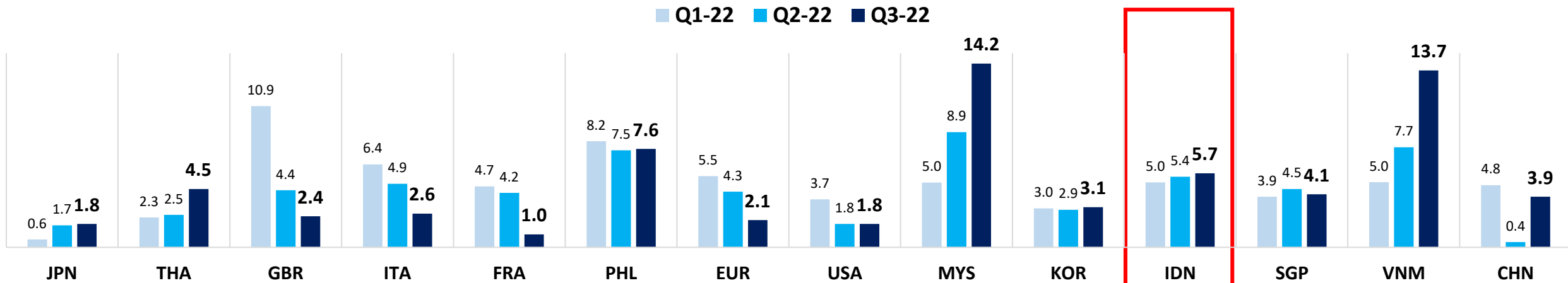


INDONESIAN ECONOMIC OVERVIEW

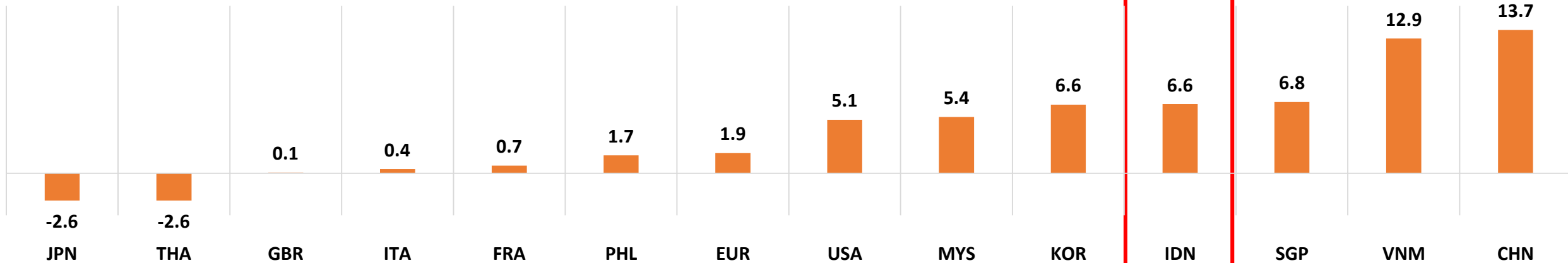


INDONESIA'S RECOVERY IS ONE OF THE STRONGEST AMONGST G-20 DAN ASEAN-6 COUNTRIES

Economic Growth 2022 (% yoy)



Comparison Cumulative Real GDP Q1-Q3 2022 to Pre-Pandemic Level 2019 (%)

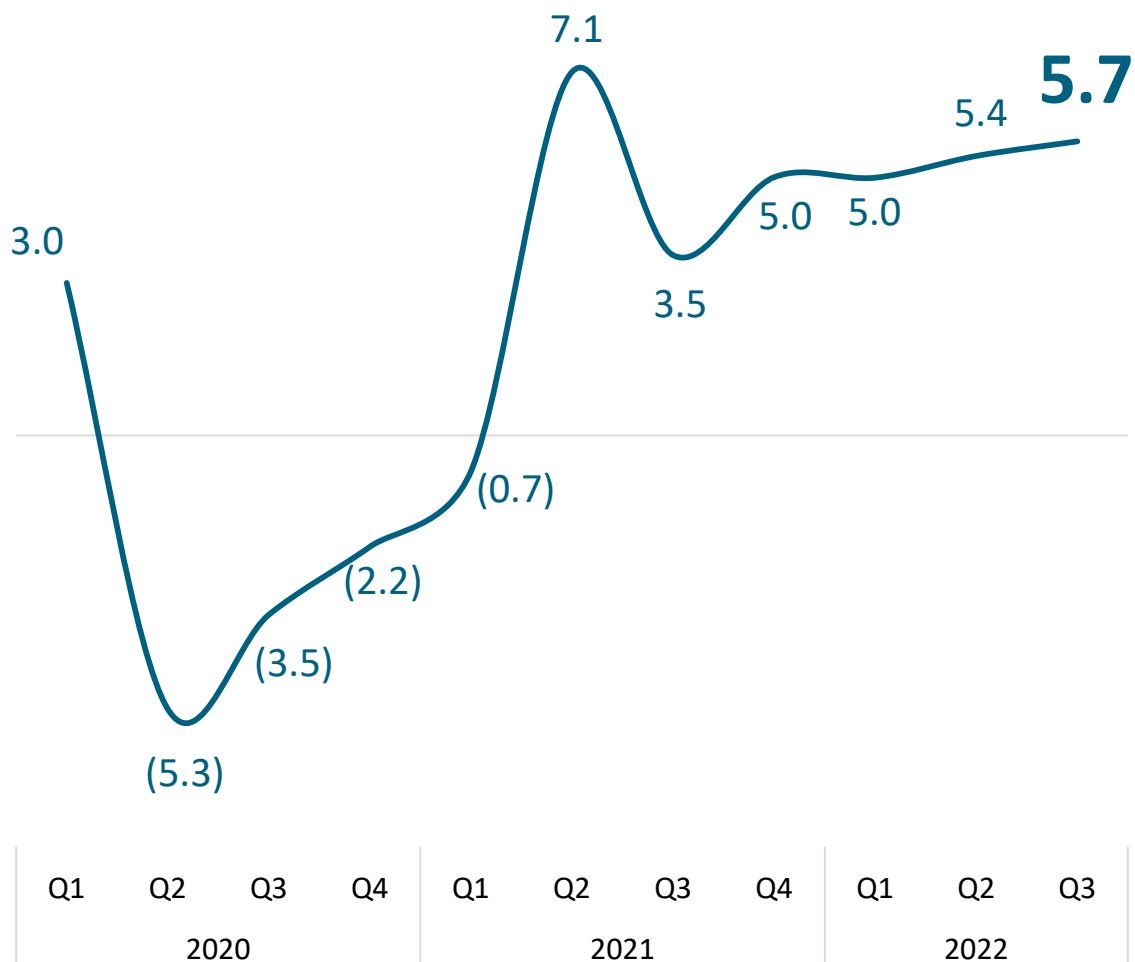


Sources: Bloomberg, CEIC, and Trading Economics, processed



NATIONAL ECONOMIC RECOVERY CONTINUES IN QUARTER III 2022

Indonesia's economic expansion accelerates amidst increasing global economic uncertainty



Source: Indonesia Statistics

- **Household consumption** grew relatively high in line with the strong purchasing power of the people, supported by the government's social protection program and maintained inflation rates.
- **Government consumption** in the third quarter normalized due to decreasing COVID-19 related spending needs.
- **Investment** grew stronger leads to the economic transformation towards a higher value-added economy, as evidenced by the high growth in investment in machinery and commercial vehicles.
- **Exports** continued hit double-digit growth amidst global turmoil, supported by strong both non-oil & gas and oil & gas exports, such as palm oil, coal and natural gas.
- From the **production side**, economic growth underpinned by the performance of almost all sectors that recorded grew positively in Q3-2022, except the Health Services sector.

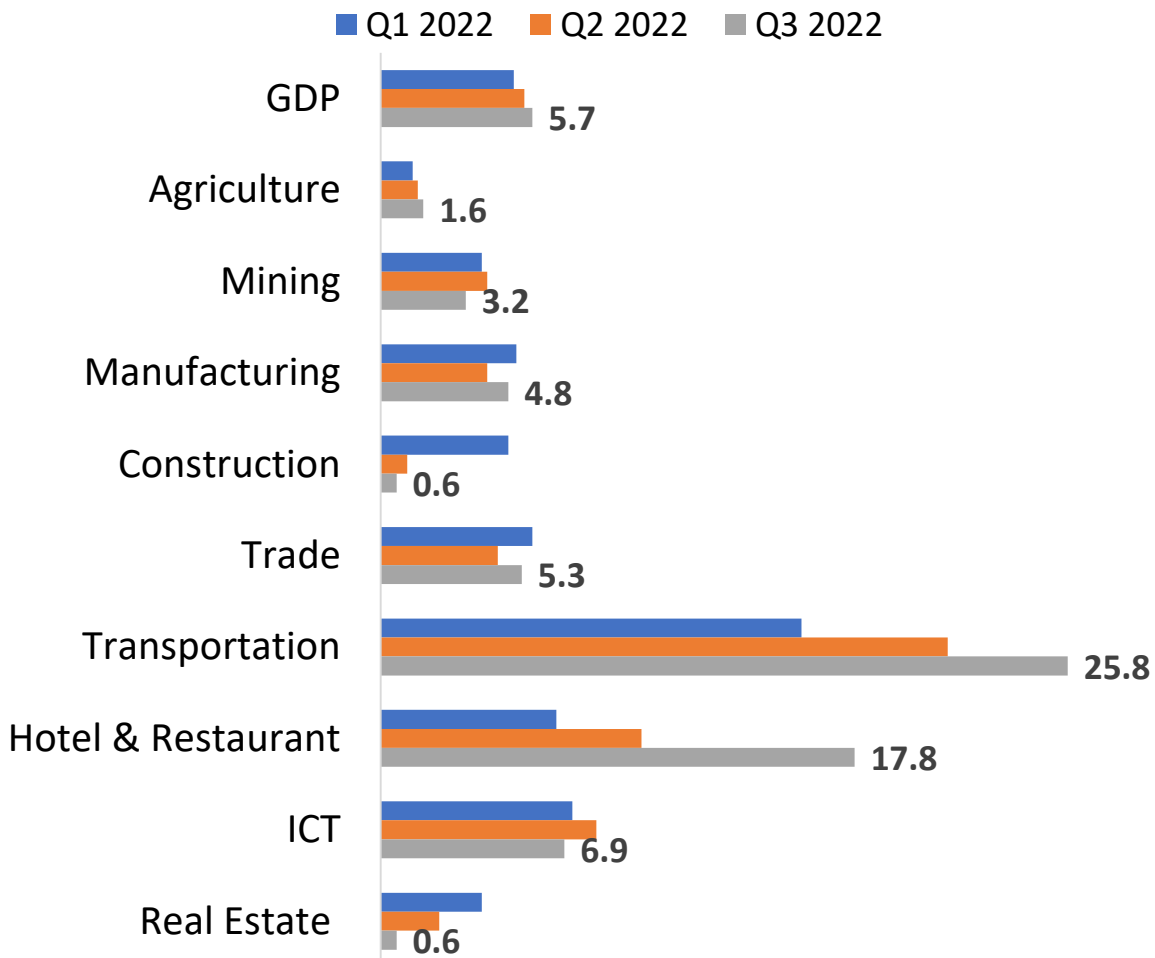
Share (% GDP)	Expenditure	2020					2021					2022		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
50.4	HH Cons.	2.8	-5.5	-4.0	-3.6	-2.6	-2.2	6.0	1.0	3.6	2.0	4.3	5.5	5.4
7.6	Gov. Cons.	3.8	-6.9	9.8	1.8	2.0	2.5	8.1	0.6	5.2	4.2	-6.9	-4.9	-2.9
28.6	Investment	1.7	-8.6	-6.5	-6.2	-5.0	-0.2	7.5	3.8	4.5	3.8	4.1	3.1	5.0
26.2	Export	0.2	-12.4	-13.0	-6.9	-8.1	6.9	31.5	29.2	29.8	24.0	16.7	20.0	21.6
(21.7)	Import	-5.4	-20.7	-24.5	-15.8	-16.7	4.4	31.8	29.9	29.6	23.3	15.9	12.4	23.0
	GDP	3.0	-5.3	-3.5	-2.2	-2.1	-0.7	7.1	3.5	5.0	3.7	5.0	5.4	5.72



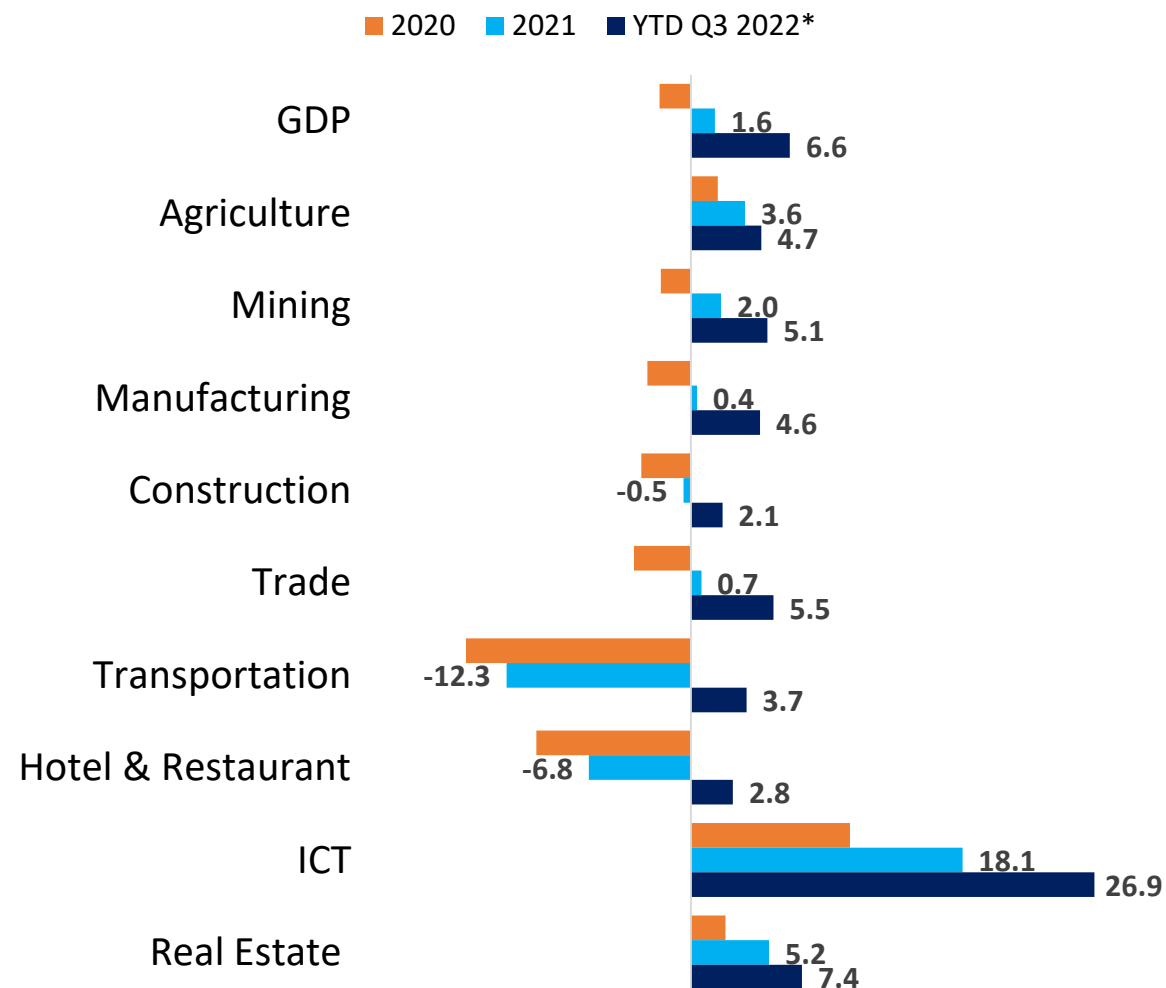
SECTORAL WISE, THE RECOVERY HAS BEEN RELATIVELY BROAD-BASED

Leading sectors are already growing above pre-pandemic levels; the accommodation and restaurant, and transportation sectors experienced double-digit growth

RECOVERY TREND: THE PRODUCTION SIDE (%, YOY)



REAL GDP LEVELS COMPARING TO 2019 REAL GDP LEVELS 2020 and 2021 (Annually) , 2022 Q1-Q3 (cumulatively)



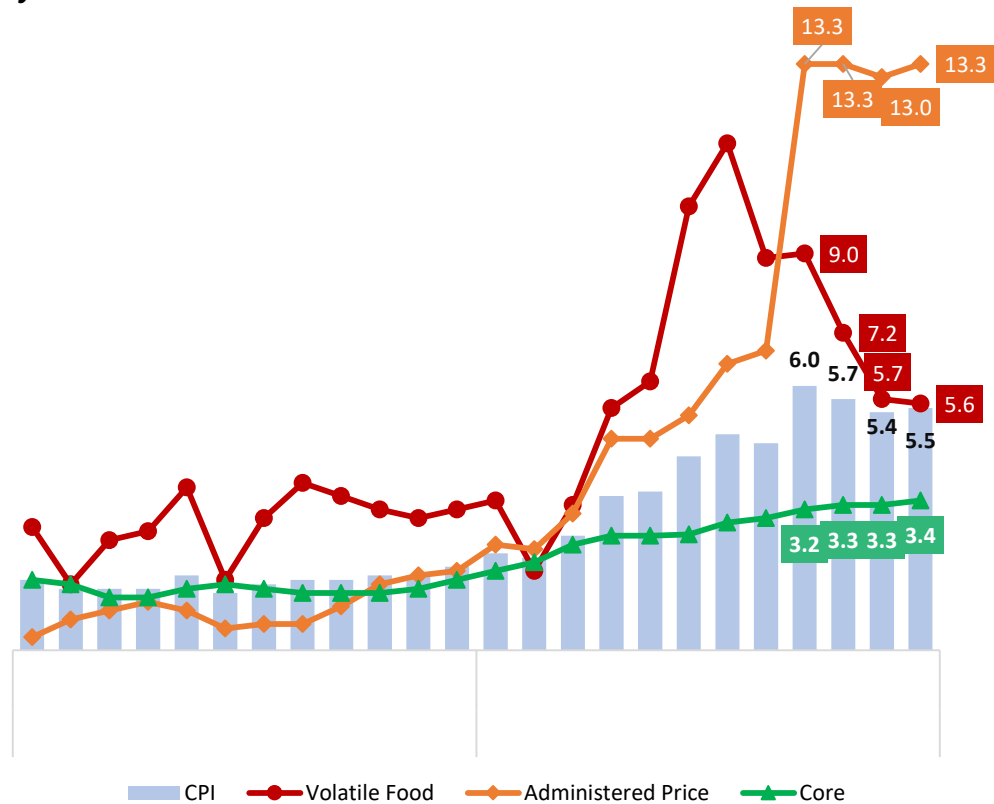


DOMESTIC INFLATION PRESSURE DECREASED BACK IN OCTOBER, DRIVEN BY DECREASING VOLATILE FOOD

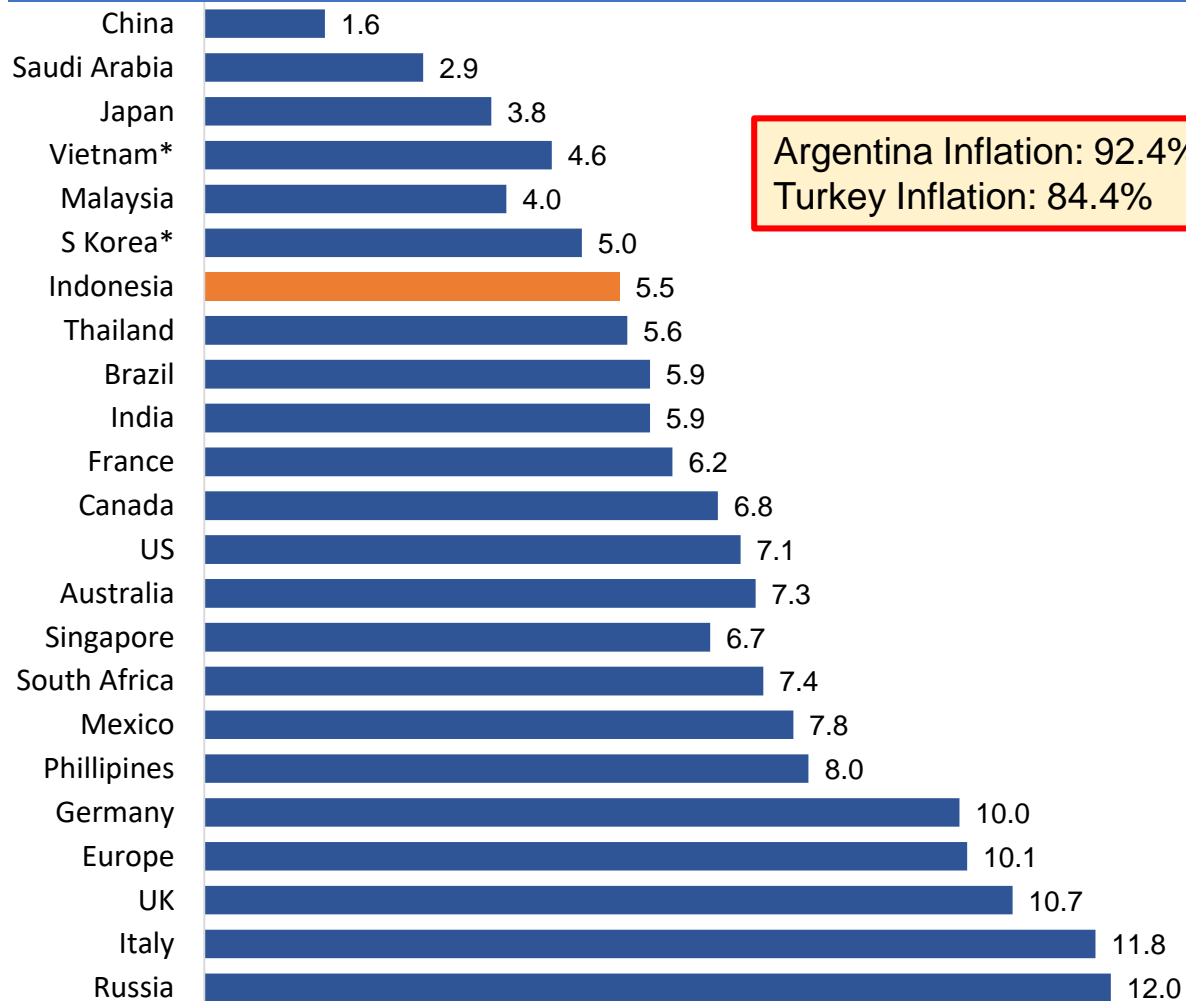
Domestic fuel price adjustment has not induced inflation to surge sharply

INFLATION DYNAMIC BY COMPONENTS

percentage,
yoy



INFLATION BY COUNTRIES (NOV/DEC,% YOY)



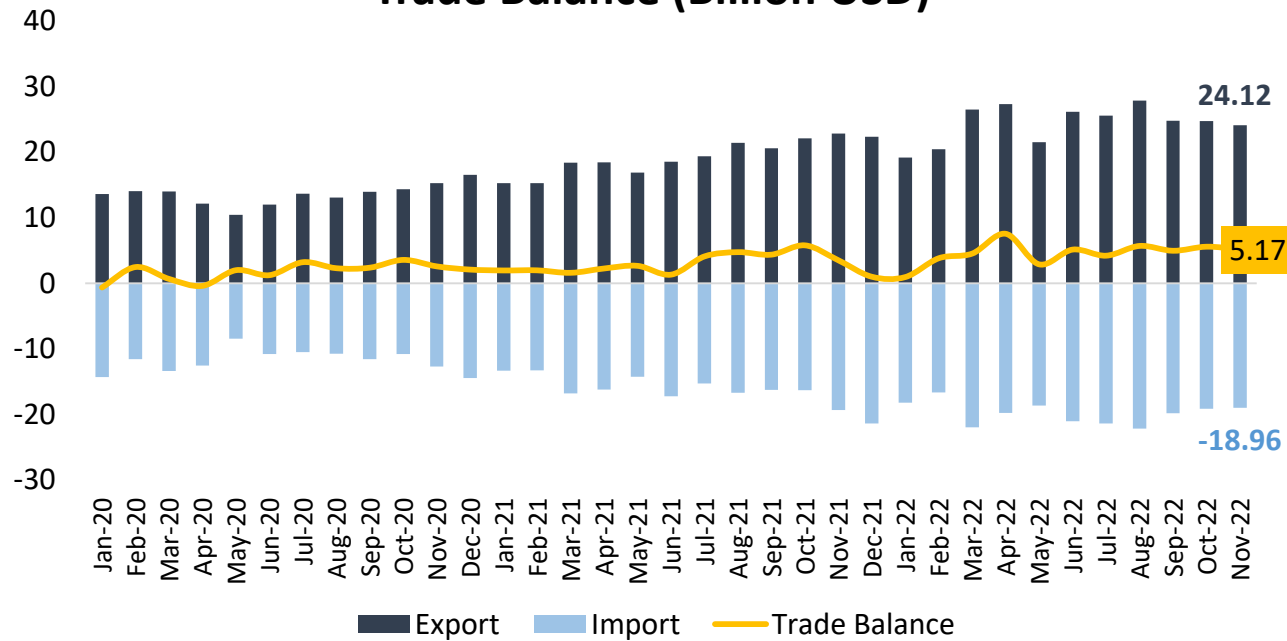
*) December Inflation



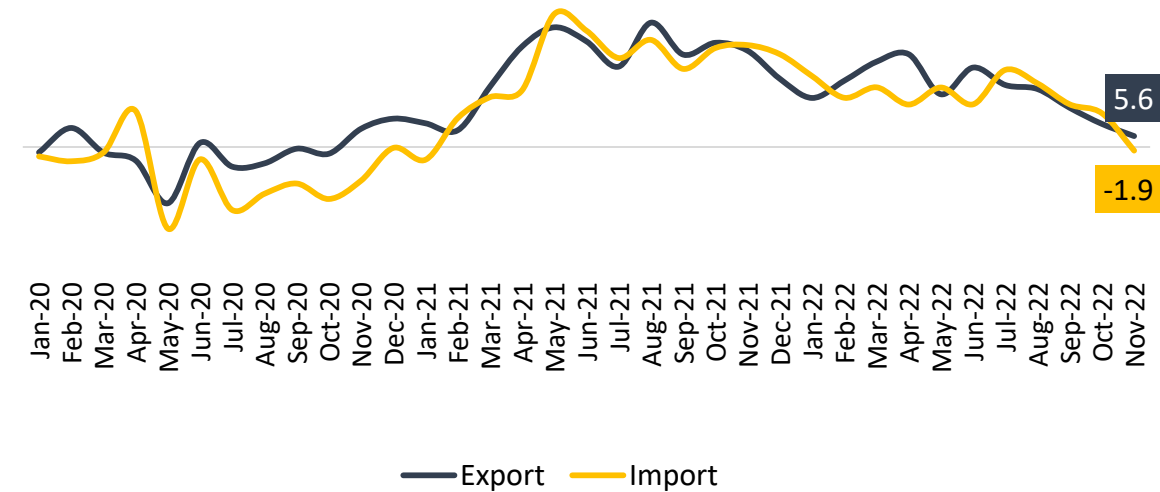
EXTERNAL POSITION CONTINUED TO STRENGTHEN

Export continued to grow strongly amid global economic pressures, while trade surplus has recorded surplus in 31 months in a row

Trade Balance (Billion USD)



Growth of Export & Import (% yoy)

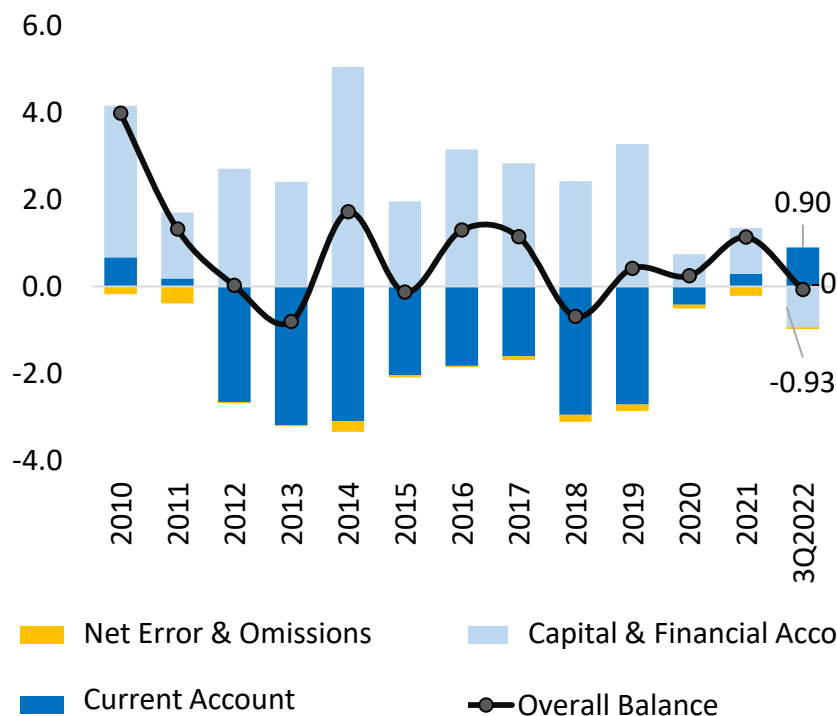


- In November 2022, exports reached USD24.12 billion and imports reached USD18.96 billion.
- Exports still recorded a solid performance, increased by 5.6%, meanwhile, imports contracted by 1.9% (yoy)
- The trade balance in November 2022 recorded a surplus of USD5.17 billion, continued the surplus trend for 31 consecutive months.

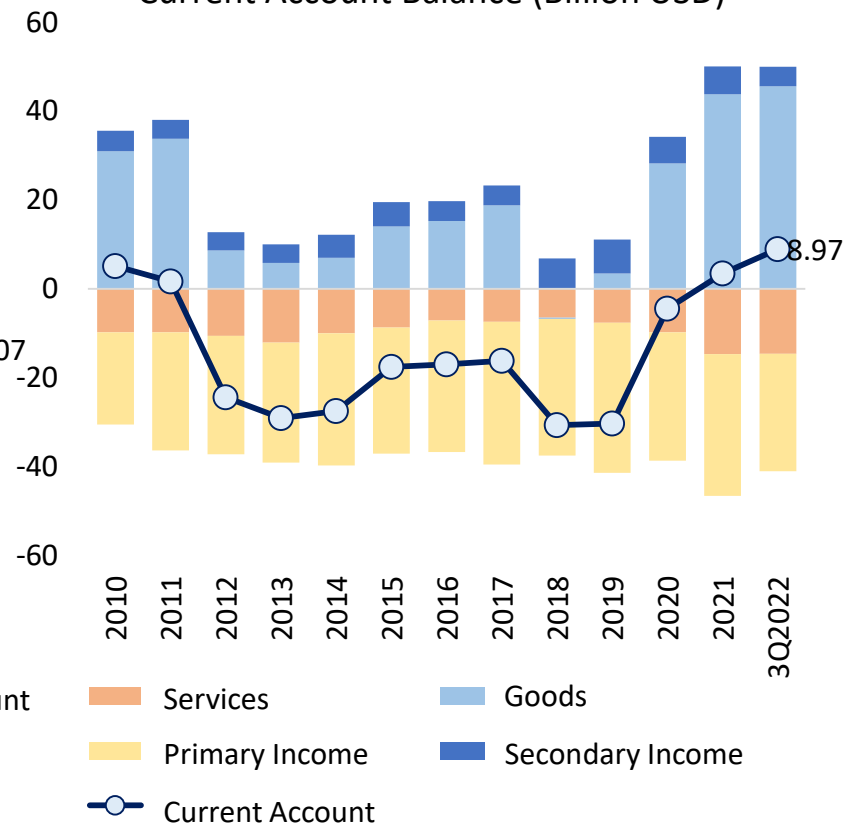


THE CURRENT ACCOUNT SURPLUS IN THE Q3-2022 INCREASED, EXTERNAL RESILIENCE MAINTAINED

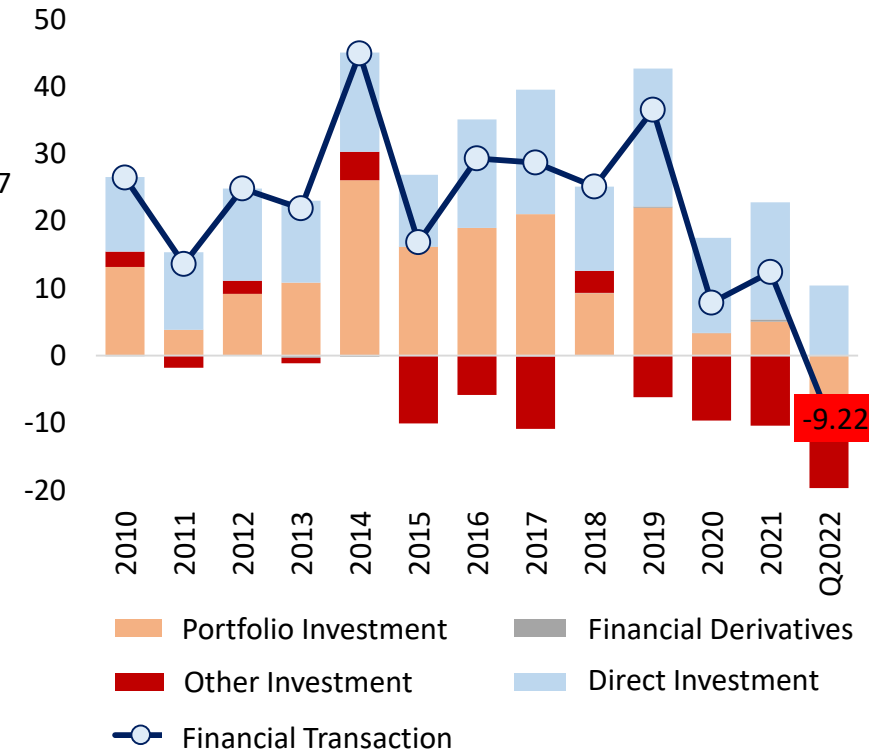
Balance of Payment (% of GDP)



Current Account Balance (Billion USD)



Financial Account Balance (Billion USD)



Balance of Payments (BOP) in the Q3-2022 remained solid, thereby reinforcing external resilience

Current account performance was solid in the Q3-2022, with the surplus continuing an upward trend on the back of stronger non-oil & gas export performance

Despite increasing global financial market uncertainty, **capital & financial account** performance in the Q3-2022 was bolstered by direct investment



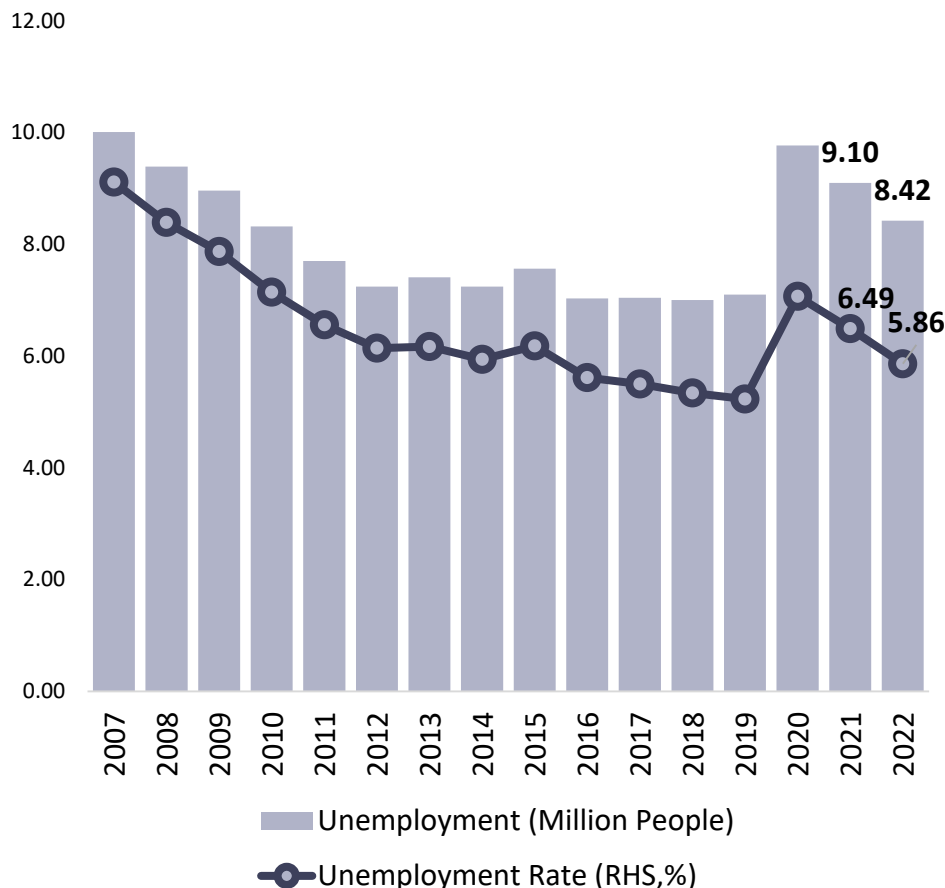
UNEMPLOYMENT AND POVERTY RATE DECLINED WITH ROBUST ECONOMIC RECOVERY

Social Safety Net and other recovery program during pandemic have effectively reduced poverty and employment rates

The labor market is gradually recovering driven by a quality economic recovery

Labor Market

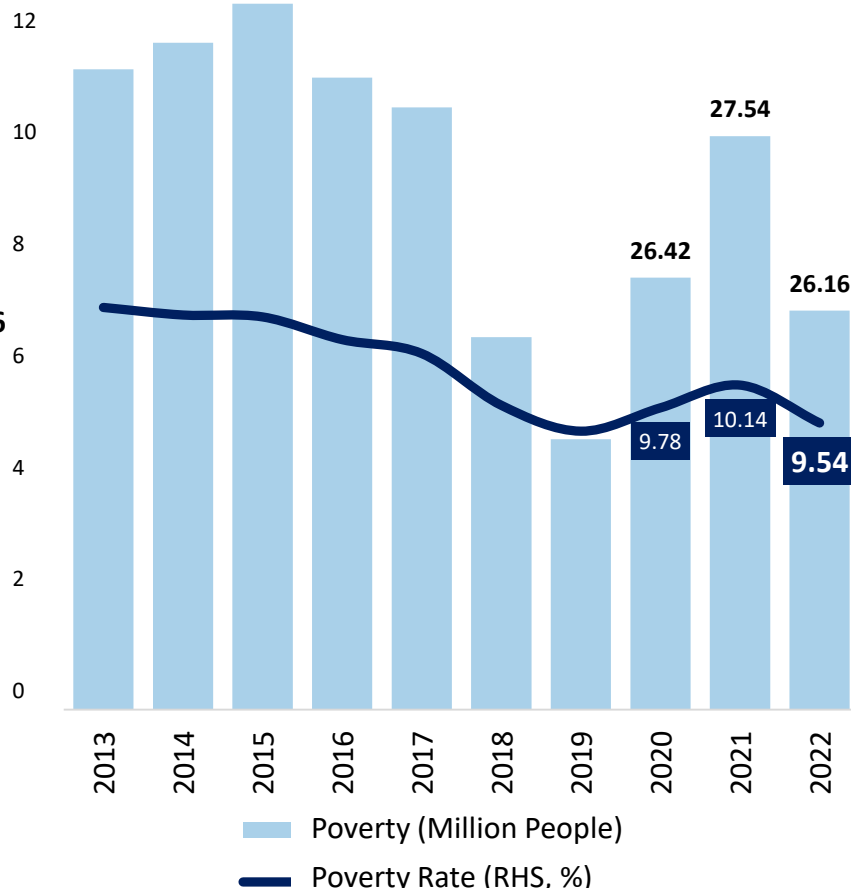
Source: Statistic Indonesia



Poverty rate continues a downward trend to single digits

Poverty

Source: Statistic Indonesia



Protection towards the improvement of public welfare is always maintained through various social protection programs

Social Security Budget

2021 IDR468,2 Trillion

2022 IDR502,6 Trillion

2023 IDR479,1 Trillion

Micro Credit Program (Kredit Usaha Rakyat - KUR)

2021 IDR285 Trillion

2022 IDR316 Trillion

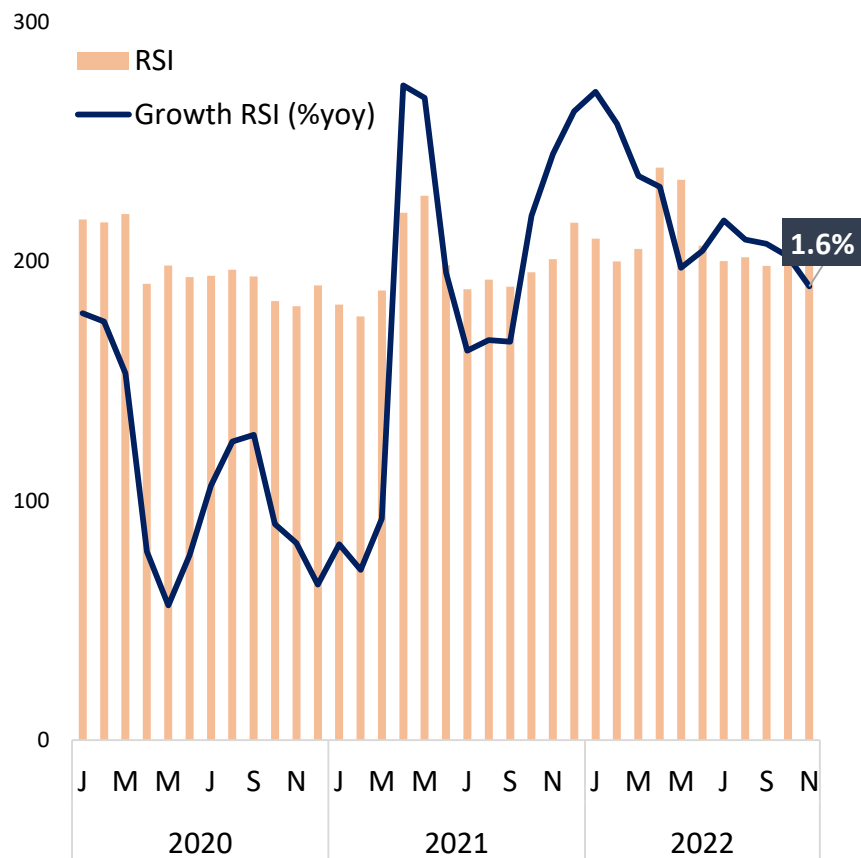
2023 IDR450 Trillion



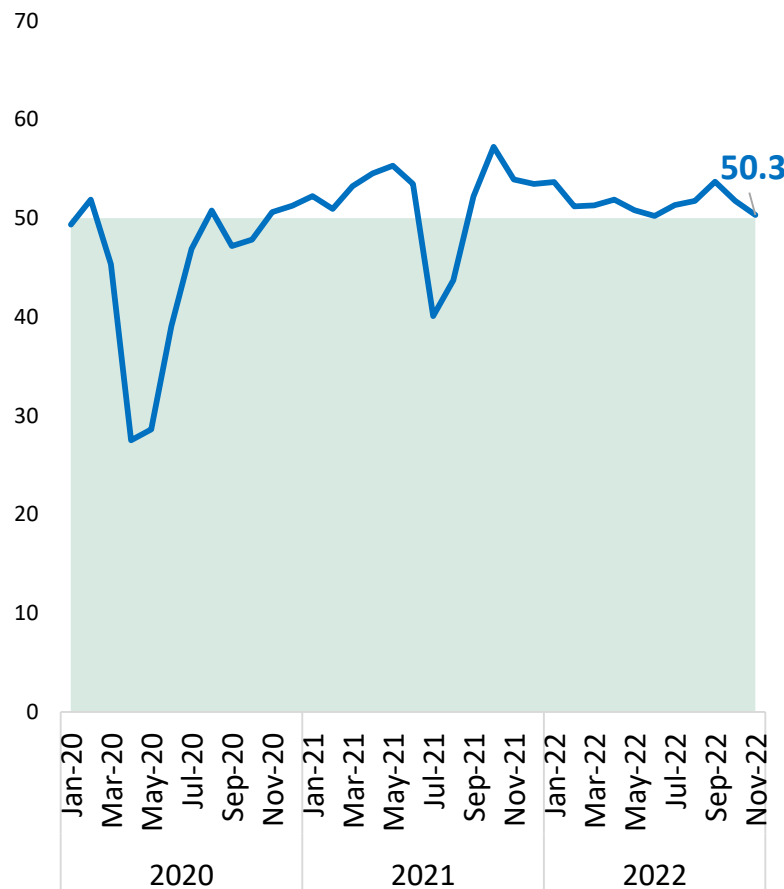
THE SHORT-TERM ECONOMIC GROWTH PROSPECTS ARE RELATIVELY STRONG

Several leading indicators of economic activity are still quite robust

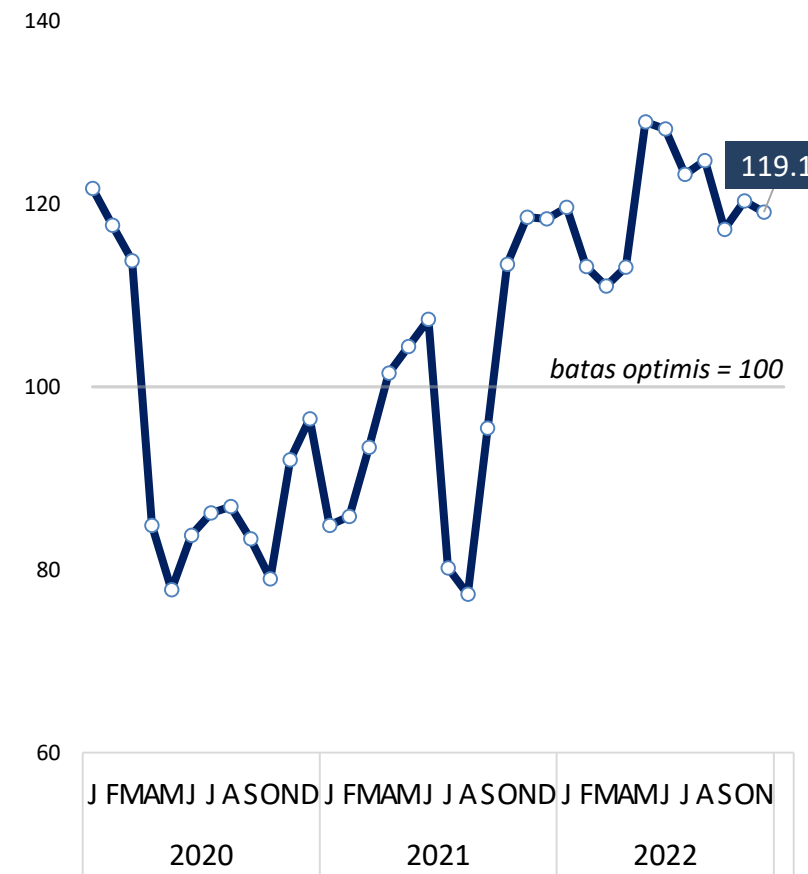
The Retail Sales Index continues to grow strongly in line with increased domestic economic activity



The PMI Manufacturing Index is still in the expansion zone, continuing its expansion trend for 15 consecutive months



The Consumer Confidence Index remains in the optimistic zone



Sources: Statistics Indonesia, Bank Indonesia, IHS Markit, 2022

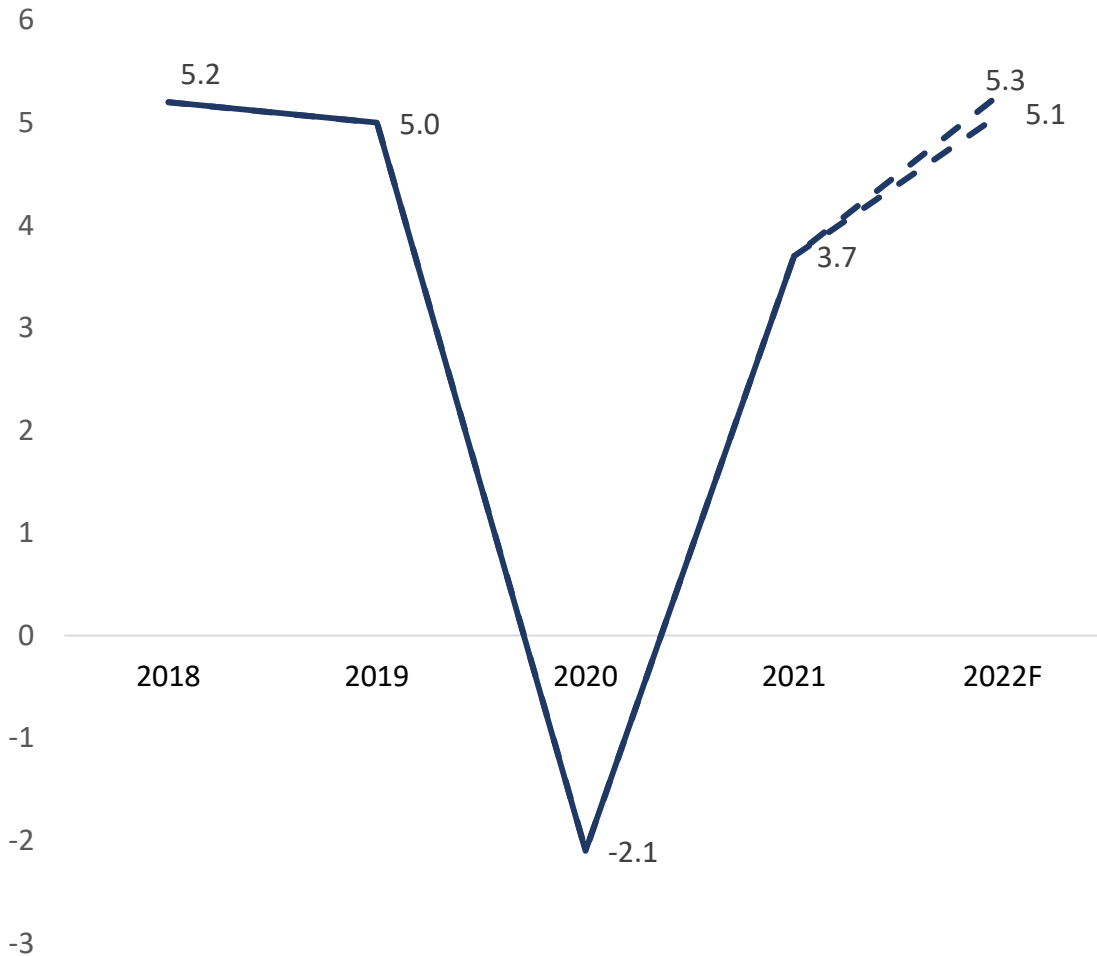


GROWTH IS EXPECTED TO REMAIN STRONG IN 2023

Global Uncertainties needs to be anticipated and the impact to the domestic economy needs to be mitigated.

Annual Economic Growth Outlook (% , yoy)

Sources: BPS, forecast



Economic Growth Outlook (% , yoy)

	2022	2023
IMF (WEO Oct)	5.3	5.0
World Bank (IEP Dec)	5.2	4.8
ADB (ADO Update Sept)	5.4	5.0
Bloomberg Consensus (Nov)	5.3	4.9
OECD (Nov)	5.3	4.7

- Pandemic situation is getting more manageable and the gradual easing of social restrictions potentially encourage public consumption
- Although faced with high global uncertainties, Indonesia's exposure to the external is relatively moderate, given the high domestic demand
- Banking liquidity is relatively ample to support consumption and investment activities
- However, the risk of global economic slow down along with global monetary tightening still need to be anticipated
- The government will continue to coordinate closely with relevant institutions and authorities to maintain domestic economic stability



03



BUDGET UPDATES



STRONG BUDGET PERFORMANCE IN 2022

Fiscal deficit recorded at 2.38% of GDP, faster fiscal consolidation under 3% of GDP in 2023

Account (IDRtn)	2019	2020	2021		2022				
			Audited	Growth (%)	Budget	Revised Budget	Realization (Preliminary)	% to Revised Budget	Growth (%)
A. Revenue	1,960.6	1,647.8	2,011.3	22.1	1,846.1	2,266.2	2,626.4	115.9	30.6
I. Tax Revenue	1,546.1	1,285.1	1,547.8	20.4	1,510.0	1,784.0	2,034.5	114.0	31.4
1. Tax	1,332.7	1,072.1	1,278.6	19.3	1,265.0	1,485.0	1,716.8	115.6	34.3
2. Custom & Excise	213.5	213.0	269.2	26.4	245.0	299.0	317.8	106.3	18.0
II. Non-Tax Revenue	409.0	343.8	458.5	33.4	335.6	481.6	588.3	122.2	28.3
B. Expenditure	2,309.3	2,595.5	2,786.4	7.4	2,714.2	3,106.4	3,090.8	99.5	10.9
I. Central Government	1,496.3	1,833.0	2,000.7	9.1	1,944.5	2,301.6	2,274.5	98.8	13.7
II. Regional Transfer & Village Funds	813.0	762.5	785.7	3.0	769.6	804.8	816.2	101.4	3.9
C. Primary Balance	(73.1)	(633.6)	(431.6)	(31.9)	(462.2)	(434.4)	(78.0)	18.0	(81.9)
D. Surplus (Deficit)	(348.7)	(947.7)	(775.1)	(18.2)	(868.0)	(840.2)	(464.3)	55.3	(40.1)
% to GDP	(2.20)	(6.14)	(4.57)		(4.85)	(4.50)	(2.38)		
E. Financing	402.1	1,193.2	871.7	(27.0)	868.0	840.2	583.5	69.5	(33.1)

The Government revenues booked at 115.9% from its target grew significantly at 30.6%, supported by increased economic activity, the impact of the implementation of the tax reform (HPP law), and rising commodity prices.

The government expenditures is optimized at 99.5% from its target, to achieve development targets as well as to function as a shock absorber. The government expenditures are directed towards the distribution of various social assistance & subsidies, funding for national strategic projects, as well as economic recovery programs, including Transfers to Regions.

The deficit and Primary Balance have fallen significantly to pre-pandemic levels accompanied by more efficient budget financing.

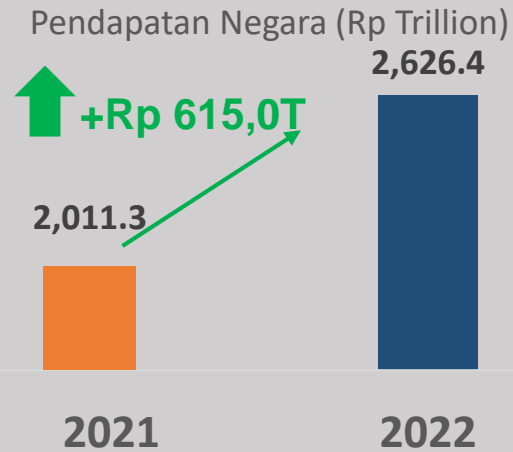


2022 BUDGET HAS EFFECTIVELY MITIGATED THE ECONOMIC TURMOIL AND ADVANCED FASTER ECONOMIC RECOVERY WHILE MAINTAINED THE RISK BETTER

1 Government expenditures grew by 10,9% (yoy) to stimulate the economy



2 Faster recovery lead to significant growth in revenue (30,5% yoy)



3 Stronger risk mitigation and management (lower deficit) → foundation for fiscal consolidation



Note: Preliminary figures of 2022



STABILIZATION FUNCTION:

- ✓ Inflation rate is maintained in moderate level
- ✓ Strong economic growth
- ✓ High increase of new workers (4,2 million)



DISTRIBUTIVE FUNCTION

- ✓ Poverty rate continues a downward trend to single digits (March 2022 9,54%)
- ✓ Maintained gini ratio amidst Covid-19 pandemic (gini ratio: 2019:0,380 vs 2020:0,381)



ALLOCATIVE FUNCTION

- ✓ Maintained HDI (2018:0,710 vs 2021:0,705)
- ✓ Lower stunting prevalence 2019: 27,7% vs 2021: 24,4%
- ✓ Higher Farmers' Terms of Trade (2020: 101,7 vs 2021:104,6)

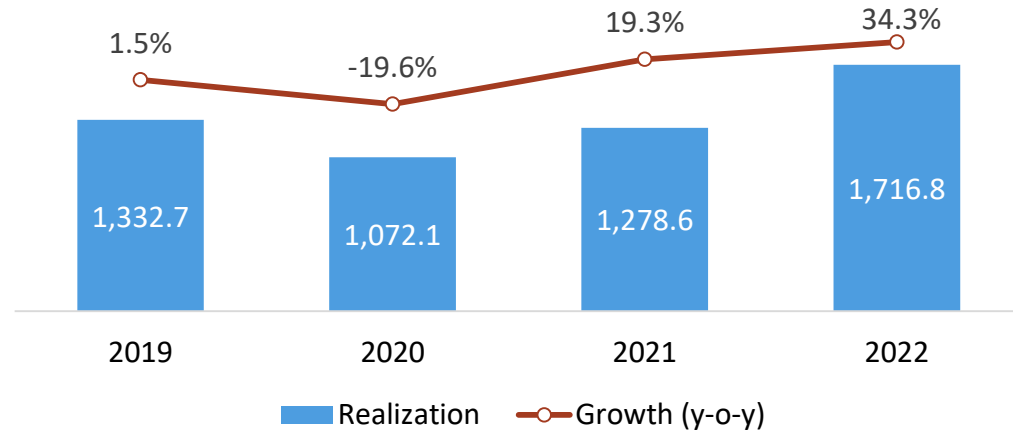


REVENUE COLLECTION CONTINUED TO STRENGTHEN

Supported By High Commodity Prices, Stronger Economic Activity And Gain From The Recent Tax Reforms

Strong Recovery in Revenue Collection

Tax Revenue for January – December
(IDR Tn)

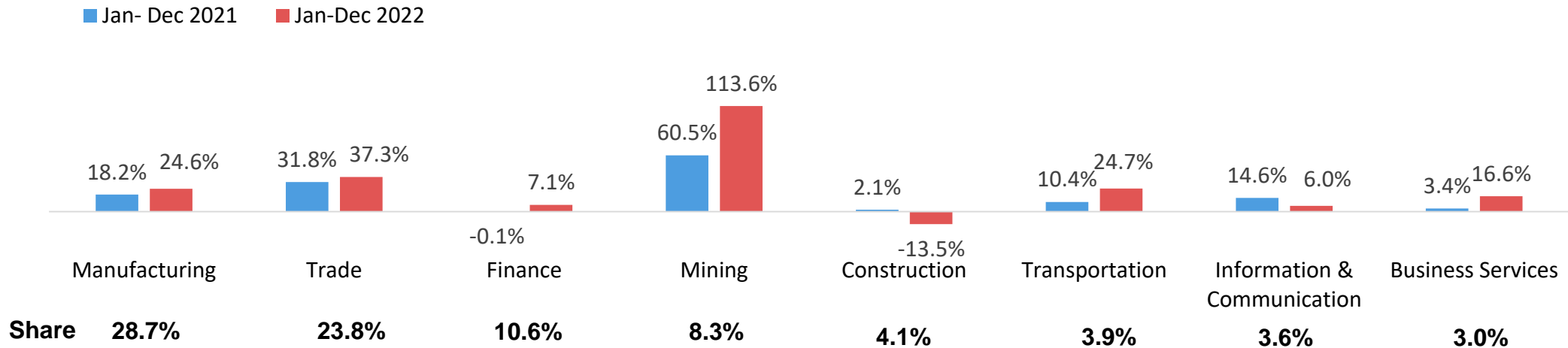


The strong tax revenue collection in January-Dec 14th 2022 was largely contributed by:

- The trend of increasing commodity prices;
- Expansive economic growth;
- Low base in 2021 due to fiscal incentives;
- Impact of the implementation of the HPP Law.
- The best performing sectors in the economy (i.e. manufacturing, trade, and mining) are also translated into the tax revenue and recorded the highest growth among sectors.
- Much improved economic recovery and activities are also reflected in all sectors of tax receipts, which significantly grew higher compared to the same period last year.

Strong Performance In Tax Collection Across Sectors

Performance (cumulative growth y-o-y)



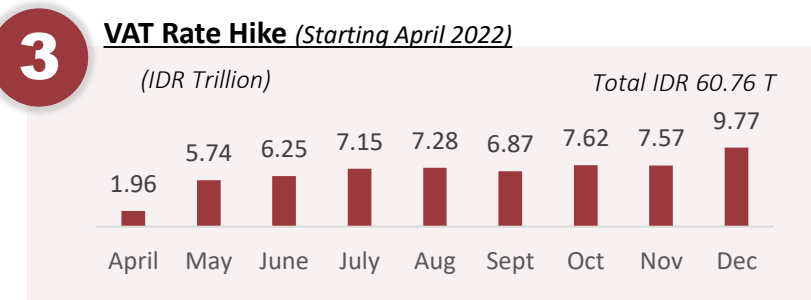
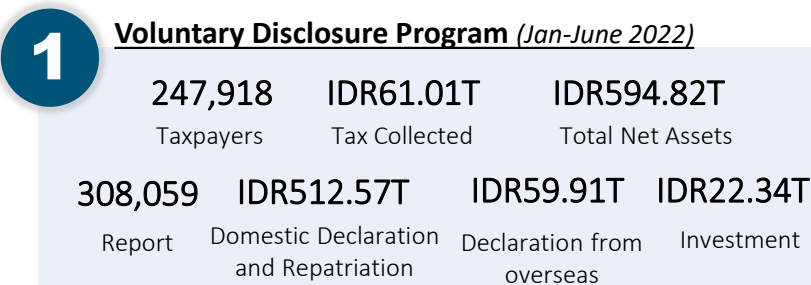


TAX REFORM WILL RAISE TAX RATIO AND MAINTAIN FISCAL SUSTAINABILITY

Tax reform will improve tax collection; anticipate social, economic, and demographic dynamics and implement best practices



Progress Update on Tax Reform



Tax Reform Details

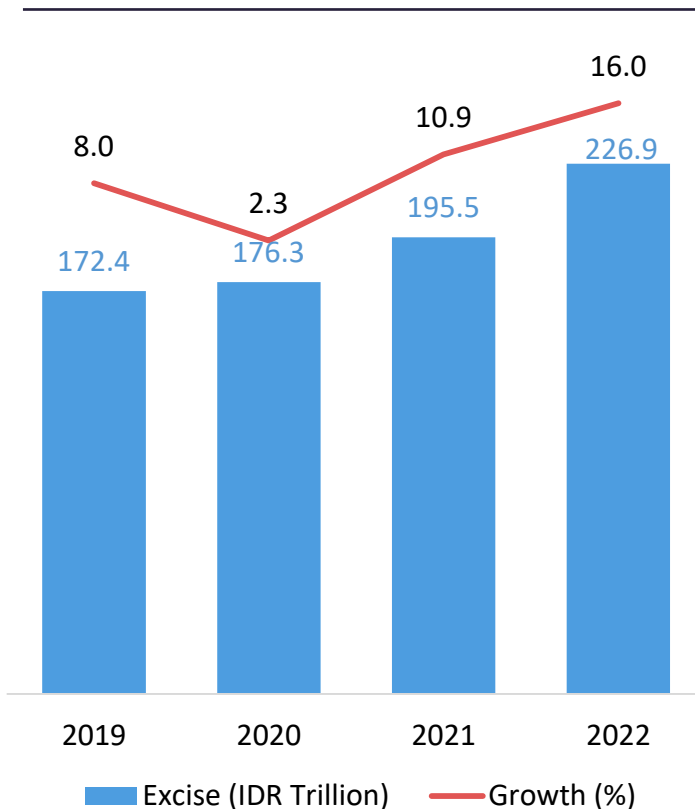
<p>GENERAL PROVISIONS AND PROCEDURES</p> <ul style="list-style-type: none"> Integration of the ID Number with the Taxpayer Number, Appointment of third parties as withholding, collecting, depositing and/ or reporting tax (including e-commerce) 	<p>INCOME TAX</p> <ul style="list-style-type: none"> New bracket for income >IDR 5 billion at 35% tax rate, Corporate Income Tax in 2022 remains at 22%, Income Tax rate at 0.5% for MSME (threshold IDR 500million), Employee fringe benefits become tax object. 	<p>VALUE ADDED TAX</p> <ul style="list-style-type: none"> VAT rate hike from 10% to 11% from 1 April 2022, and to 12% by 2025, Reducing the VAT exemptions and facilities.
<p>CARBON TAX</p> <ul style="list-style-type: none"> Introduction of the carbon tax in 2022 in steps according to a roadmap taking into account the development of a carbon market, achievement of NDC targets, sector readiness, and economic conditions. 	<p>EXCISE</p> <ul style="list-style-type: none"> Strengthening the mechanism for determining excisable goods; and applying criminal sanctions as a last resort in excise crime. 	<p>VOLUNTARY DISCLOSURE PROGRAM</p> <ul style="list-style-type: none"> Improve taxpayers' compliance through voluntary disclosure program for unreported tax obligations at a final income tax rate.



CUSTOM & EXCISE REVENUE REALIZATION SIGNIFICANTLY GREW

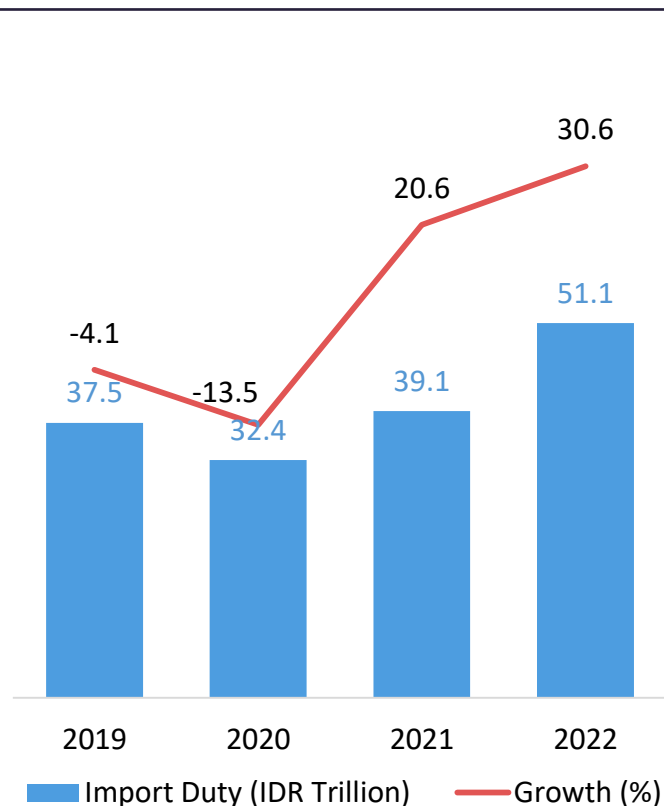
Driven by the trend of improving national import performance, high commodity prices, increasing export volume, and the effectiveness of tariff policies

Excise Revenue



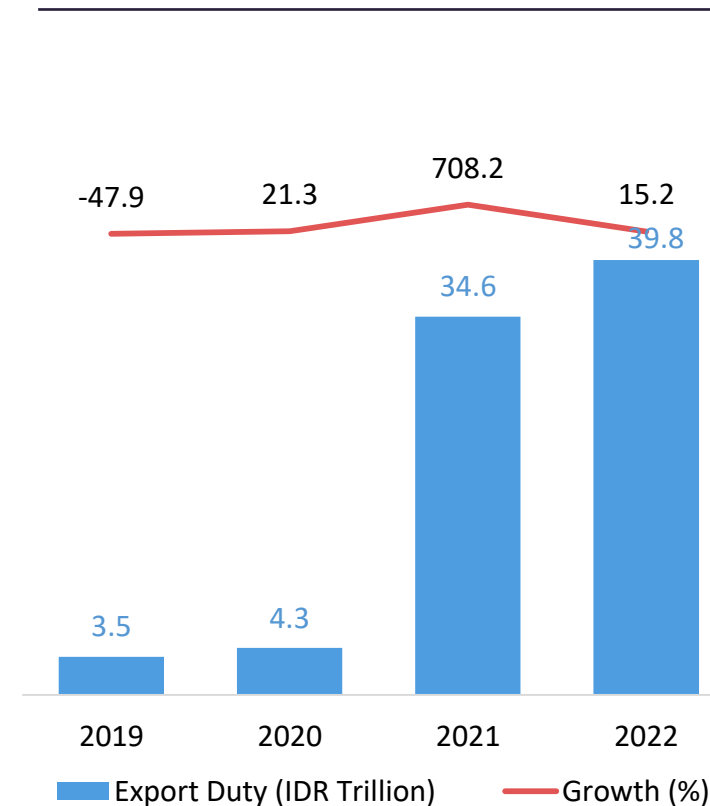
Influenced by the effectiveness of the tariff policy, the surge in production in March (the effect of the increase in VAT rates) and the effectiveness of supervision.

Import Duty Revenue



Affected by the improved import performance and underpinned by trade and manufacturing sectors.

Export Duty Revenue

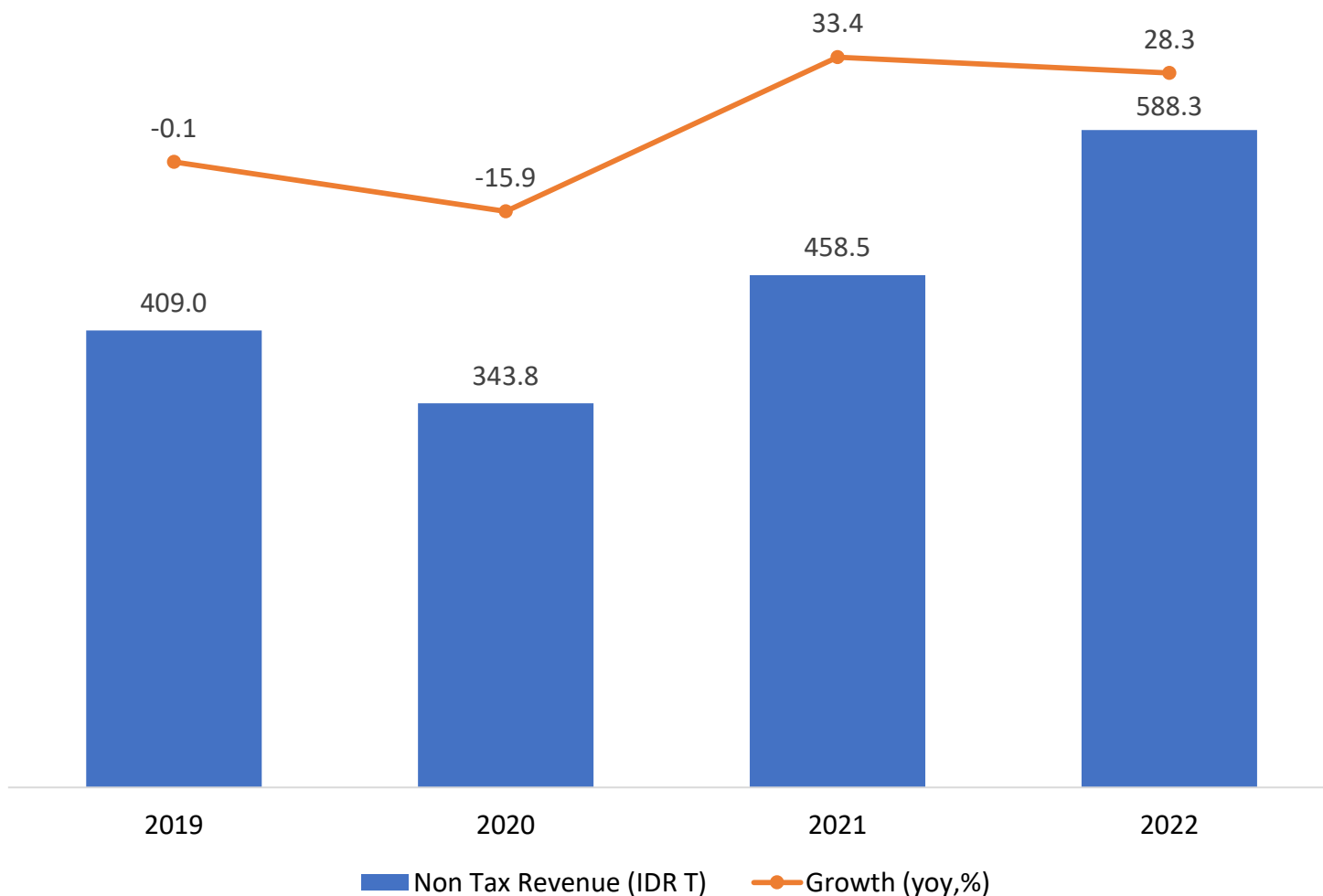


Driven by high commodity prices, the increase in export duty tariffs for palm oil products, and the Flush Out policy.

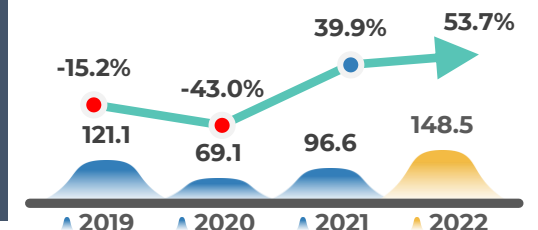


Non-tax Revenue Grew Strongly From An Increase In Almost In All Components

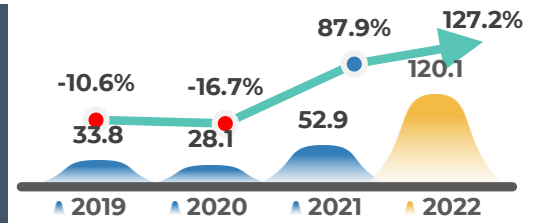
Driven By Increase In Commodity Prices, Good Performance Soe's and Improvement Of Public Services



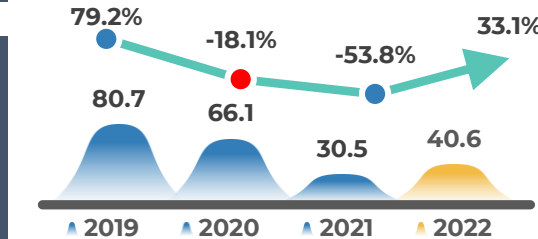
Oil & Gas Revenue



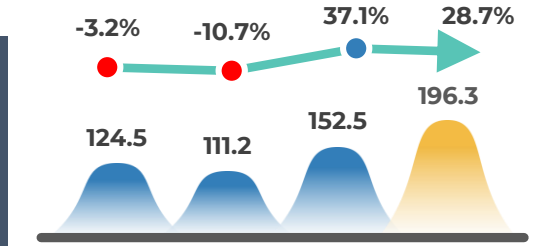
Oil & Gas Revenue



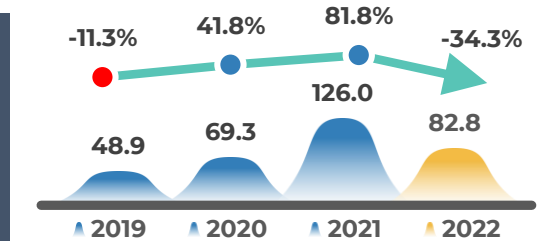
SOE's Revenue



Other Non-Tax Revenues



Public Services Agency Revenue



Source: Ministry of Finance



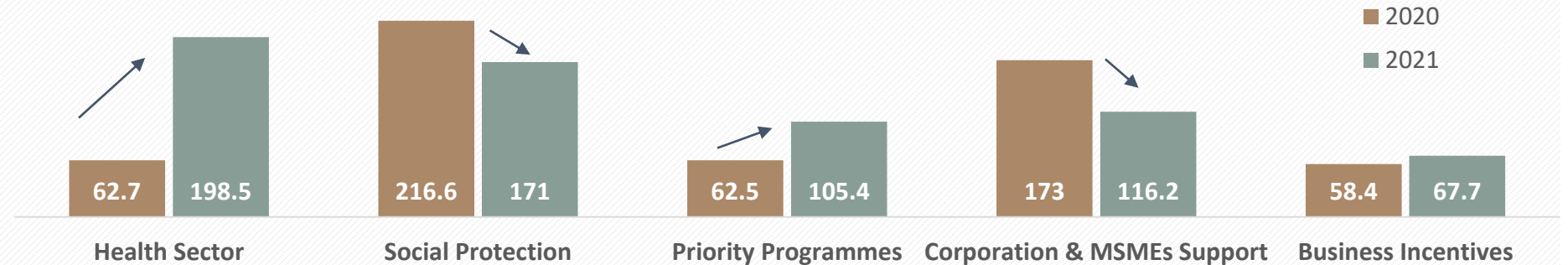
THE NATIONAL ECONOMIC RECOVERY PROGRAM (PEN) HAS EFFECTIVELY CUSHIONED THE IMPACT OF THE PANDEMIC

The program continues to offer support for communities during hard times and accelerate the economic recovery

**NATIONAL
ECONOMIC
RECOVERY
PROGRAM (PEN)**

2020: 575.9 T

2021: 658.6 T



National Economic Recovery Program (PEN) was enacted in response to the Covid-19 pandemic handling and was aimed at saving lives and supporting the economy. In 2021, the initial figures were lower than 2020, however, due to delta variant outbreak in July, **PEN was strengthened** for social protection expansion and hospital costs.

Amidst elevating global uncertainty, the Government optimally carried out the budget as “shock absorber”, through responsive and anticipative PEN program

**ALLOCATION IN
2022:**

455.6 T

*(Realization up to end Dec
IDR 396.7 T)*

Health Sector IDR 122.54 T	Social Protection IDR 154.76 T	Economic Recovery IDR 178.32 T
<p>Realization: IDR 61.3 T</p> <ul style="list-style-type: none"> • Patient treatment IDR 28.8 T • Research IDR 20.7 B • Health worker incentives IDR 3.5 T • Vaccination IDR 3.4T • Tax incentives IDR 1.8T • Covid-19 Handling through village fund IDR 18.3 T 	<p>Realization: IDR 152.0 T</p> <ul style="list-style-type: none"> • PKH IDR 28.7 T, Sembako IDR 44.1 T • Cash Transfer- cooking oil IDR 7.0 T • Cash Transfer- village fund IDR 26.9 T • Cash Transfer–street vendor IDR 1.3T • Preemployment card IDR 18.8 T • Assistance for Elderly and disable people IDR 224.7 B 	<p>Realization: IDR 183.4 T</p> <ul style="list-style-type: none"> • Labor intensive program IDR 21.2T • Food Security IDR 36.1 T • MSMEs Supports IDR 26.1 T • Tax incentives IDR 19.7 T

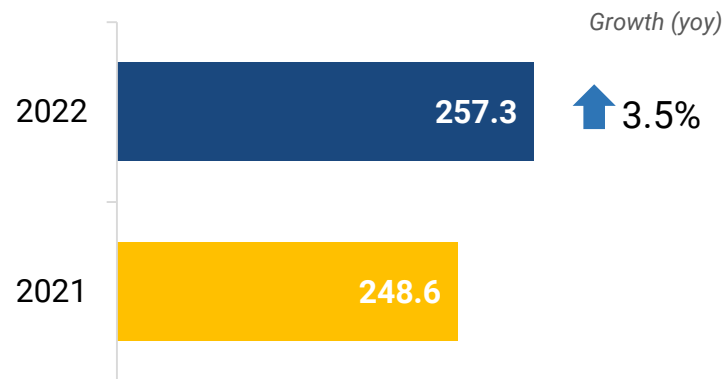


MAINTAINED ACCELERATION OF GOVERNMENT SPENDING

The success of controlling Covid-19 has reduced overall costs and increases capacity for other government spending

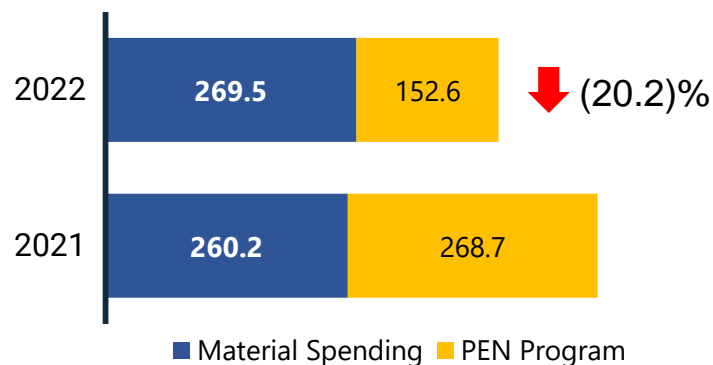
Personal Spending¹

(in IDRtn¹)



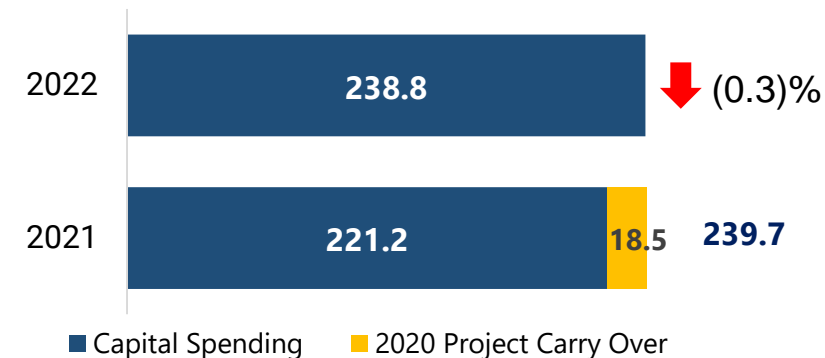
Material Spending¹

(in IDRtn¹)

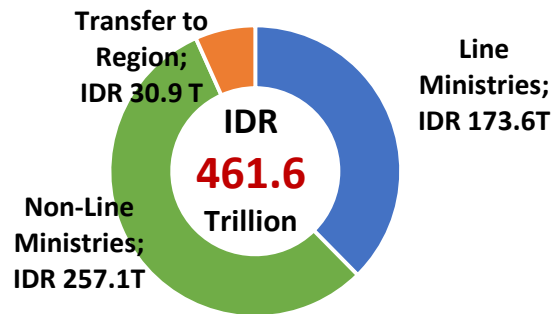


Capital Spending¹

(in IDRtn¹)

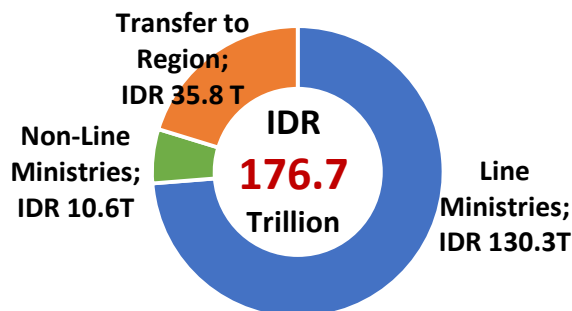


Social Protection Spending¹



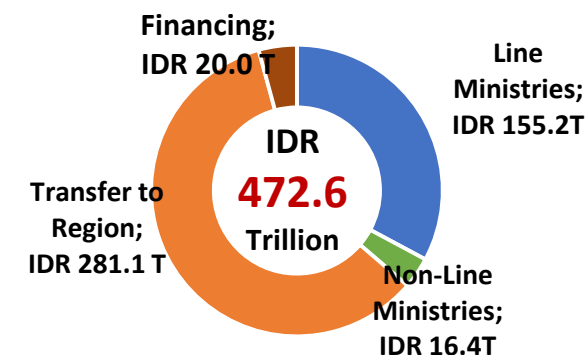
PEN IDR 152.0 T Non-PEN IDR 309.6 T

Health Spending¹



PEN IDR 47.0 T Non-PEN IDR 129.7 T

Education Spending¹



Source: Ministry of Finance

Note: 1. Temporary/Unaudited Realization up to YTD December 2022



INCREASED SUBSIDIES AND COMPENSATION SPENDING TO MAINTAIN PEOPLE'S PURCHASING POWER AND SUPPORT ECONOMIC RECOVERY

(IDR Trillion)	2021	2022			
		Budget	Revised Budget	Realization (Unaudited)	Difference to The Revised Budget
I. Energy Subsidy	140.4	134.0	208.9	171.9	-37.1
a. Fuel & LPG	83.8	77.5	149.4	115.6	-38.8
-BBM	16.2	11.3	14.6	15.2	0.6
-LPG	67.6	66.3	134.8	100.4	-34.4
b. Electricity	56.6	56.5	59.6	56.2	-3.3
II. Compensation	47.9	18.5	293.5	379.3	85.8
a. Fuel	30.0	18.5	252.5	307.2	54.7
b. Electricity	17.9		41.0	72.1	31.1
Subsidy + Compensation	188.3	152.5	502.4	551.2	48.7
ICP (USD/Barrel)	68.5	63.0	100.0	97.0	
Exchange Rate (IDR/USD)	14,312.0	14,350.0	14,450.0	14,871.0	
Volume (Million KL)	14.6	15.6	15.6	16.5	



TRANSFER TO REGION PERFORMANCE WAS IMPROVED

Transfer to Region Fund

(January – December)



- Profit Sharing Funds (DBH)
- General Allocation Funds (DAU)
- Physical Special Allocation Fund (DAK Fisik)
- Non-Physical Special Allocation Fund (DAK Non Fisik)
- Regional Incentive Fund (DID)
- Special Autonomy Fund (OTSUS)
- Village Fund (Dana Desa)

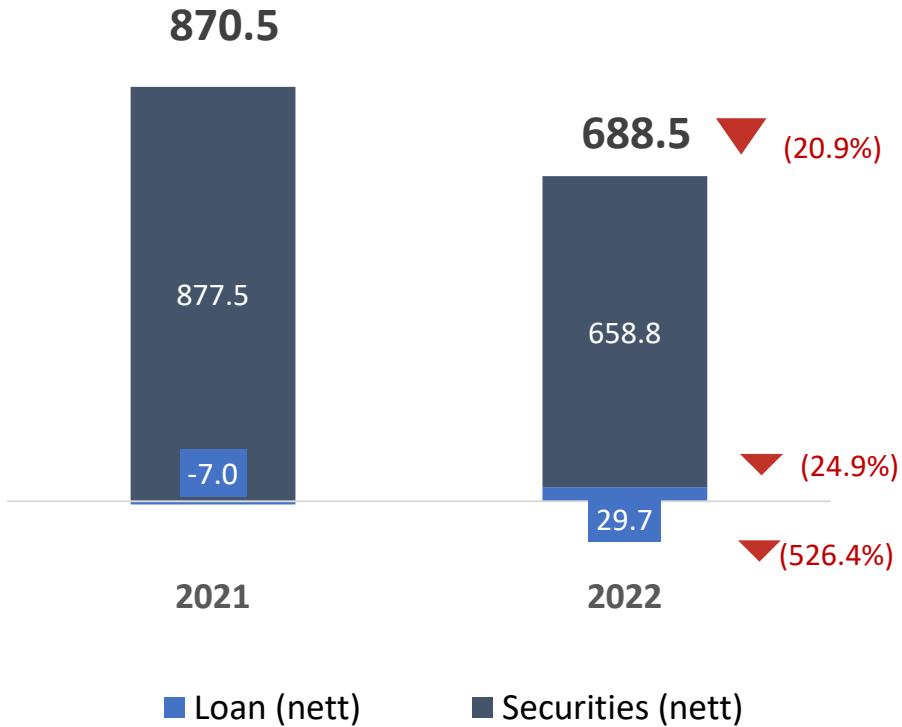
- Local government compliance on meeting administrative requirements have improved, driving higher realization on various items of transfer
- Several items of transfer realization, such as DID was lower compared to previous year, mainly due to lower budget allocation
- Village Fund distribution is higher because many local governments have submitted submissions for Village Fund distribution requirements compared to 2021.



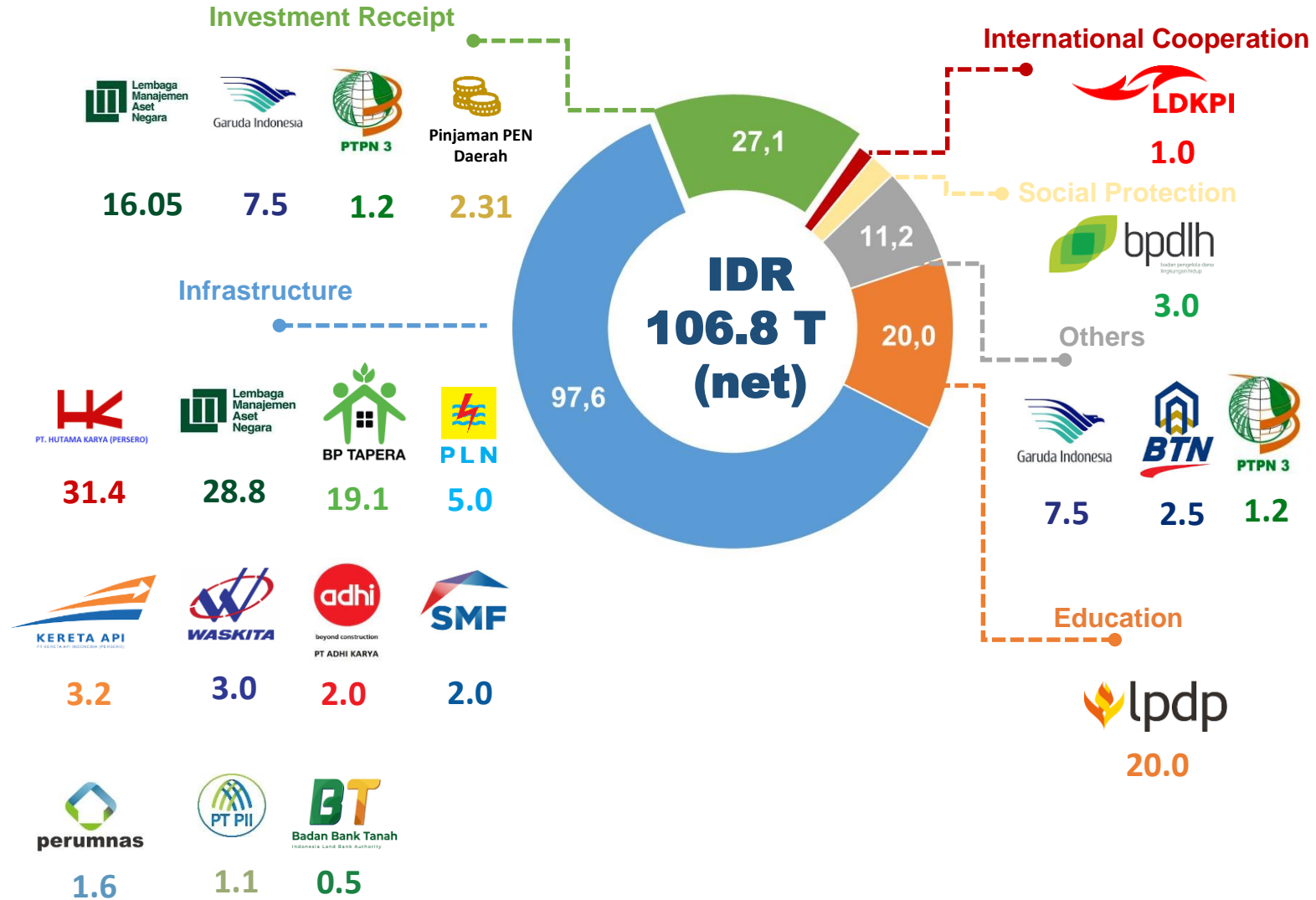
BUDGET FINANCING APPLY PRUDENT, FLEXIBLE, AND OPPORTUNISTIC PRINCIPLE

Financing anticipating the ongoing volatility

Financing Realization January - December



Investment Financing



Source: Ministry of Finance, Temporary/Unaudited Realization up to YTD December 2022



04



FISCAL POLICY DIRECTION 2023

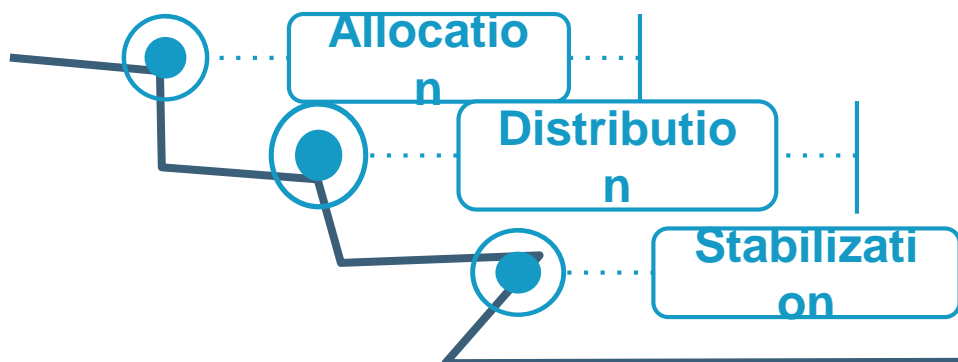


2023 BUDGET IS AIMED TO BOOST PRODUCTIVITY FOR INCLUSIVE AND SUSTAINABLE ECONOMIC TRANSFORMATION

Fiscal Policy Focus In 2023



Strengthening Budget Role For Quality Fiscal Consolidation



Strengthening the Role of the Government Budget in accordance with its Basic Functions

REVENUE MOBILIZATION

- Maintaining the effectiveness of the implementation of tax reform law
- Strengthening tax base and increasing taxpayer compliance
- Anticipating economic downturn and commodity prices moderation in 2023

SPENDING BETTER

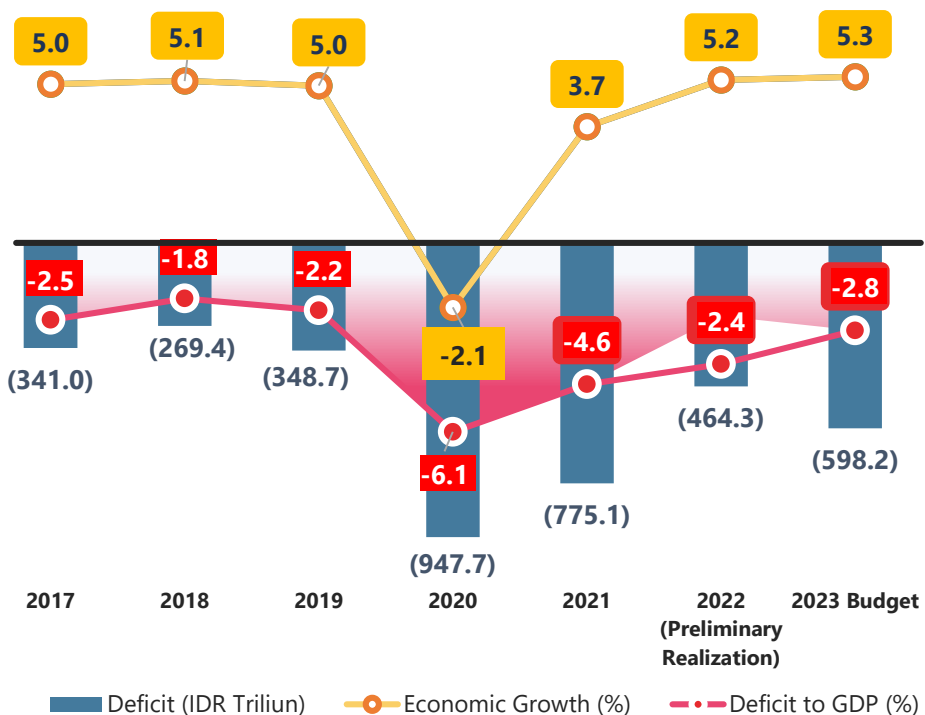
- Efficient, effective, priority, transparent, and accountable
- Focus on human capital, physical capital, and institutional reform
- Anticipating uncertainty

INOVATIF & SUSTAINABLE FINANCING

- Well-managed debt risk
- Increasing the involvement of private sector, SOEs, public service agency, innovative financing agency



2023 GOVERNMENT BUDGET TO INCREASE PRODUCTIVITY AND RESPOND TO RISKS OF GLOBAL ECONOMIC UNCERTAINTY



Account (IDR T)	2020	2021	2022		2023		
	Audited	Audited	Budget	Perpres 98/2022	Realization (Preliminary)	Budget	Growth* (%)
State Revenue*	1,647.8	2,011.4	1,846.1	2,266.2	2,626.4	2,463.6	(6.2)
Tax Revenue	1,285.1	1,547.9	1,510.0	1,784.0	2,034.5	2,021.2	(0.7)
Non Tax Revenue	343.8	458.5	335.6	481.6	588.3	441.4	(25.4)
State Expenditure	2,595.5	2,786.4	2,714.2	3,106.4	3,090.8	3,061.2	(1.0)
Central Government Expenditure	1,833.0	2,000.7	1,944.5	2,301.6	2,274.5	2,246.5	(1.2)
Regional Transfer & Village Funds	762.5	785.7	769.6	804.8	816.2	814.7	(0.2)
Primary Balance	(633.6)	(431.6)	(462.2)	(434.4)	(78.0)	(156.8)	(81.9)
Surplus (Deficit)	(947.7)	(775.1)	(868.0)	(840.8)	(464.3)	(598.2)	(18.3)
<i>% to GDP</i>	<i>(6.14)</i>	<i>(4.57)</i>	<i>(4.85)</i>	<i>(4.50)</i>	<i>(2.38)</i>	<i>(2.84)</i>	
Financing	1,193.3	871.7	868.0	840.2	583.5	598.2	(33.1)



Economic Growth
5.3%



Inflation
3.6%



Exchange Rate
IDR 14,800/USD



10Y T-Bonds Rate
7.9 %



ICP
90
USD/Barrel



Oil Lifting
660
Thousand bpd



Gas Lifting
1,100
million bpd



THANK YOU

FISCAL POLICY AGENCY, MINISTRY OF FINANCE,
REPUBLIC OF INDONESIA

Gd. Notohamiprodjo

Dr Wahidin no 1, Jakarta Pusat 10710

email: iru@kemenkeu.go.id