



MINISTRY OF FINANCE
REPUBLIC OF INDONESIA

Recent Economic Development

Jakarta, September 2025



- 1. Macroeconomic Update**
- 2. 2025 Fiscal Updates**
- 3. 2026 Fiscal Policy**



Macroeconomic Update





Global Economic Outlook is Improving Amid Easing Trade Tension

Global uncertainty needs to be closely monitored



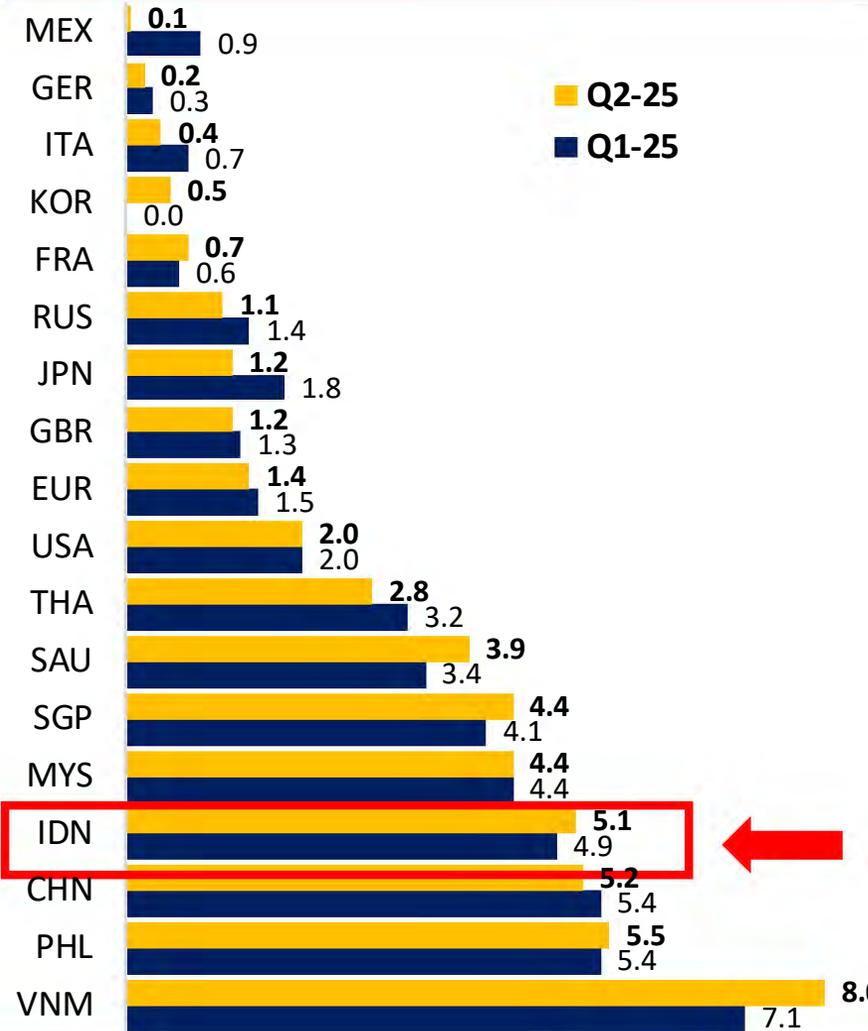
Tariff War and Fragmentation

Financial Market Volatility

Commodity Price Volatility

Cyber and Nuclear Threat

Amid Uncertainty, Several Economies Remain Resilient with Improved Outlook



Upward Revision of Economic Growth Projection (% , yoy)

Economies	IMF WEO Projection			
	2025f		2026f	
Global	3,0	▲0,2	3,1	▲0,1
US	1,9	▲0,1	2	▲0,3
China	4,8	▲0,8	4,2	▲0,2
EU	1,3	▲0,1	1,4	▼0,1
Japan	0,7	▲0,1	0,5	▼0,1
India	6,4	▲0,2	6,4	▲0,1
Indonesia	4,8	▲0,1	4,8	▲0,1

Source: IMF (WEO July), Bloomberg

The Fed's Rate Cuts Signals a Monetary Policy Easing



Federal Reserve cuts rates by quarter point and signals more to come



Despite Improving Outlook, Uncertainty Remains High in the Midst of Political Events in Several Major Economies

Downturn Risks from Current Global Uncertainty is Closely Monitored

Japan's Prime Minister to Resign After Clinching Tariff Deal

Shigeru Ishiba's successor to face challenges including inflation and Trump, as established parties struggle worldwide

Middle East & Africa | A new front

Israel gambles on decapitating Hamas in Qatar, shocking the Gulf

Airstrikes on Doha expand the Middle East wars further

Save Share Summary



PHOTOGRAPH: REUTERS

China's Economic Slump Across Board Raises Stimulus Expectations

By Bloomberg News
September 15, 2025 at 9:00 AM GMT+7
Updated on September 15, 2025 at 11:06 AM GMT+7

WORLD | EUROPE

Fitch Downgrades France's Credit Rating

Move made days after the ousting of the country's prime minister who failed to bring down the ballooning budget deficit

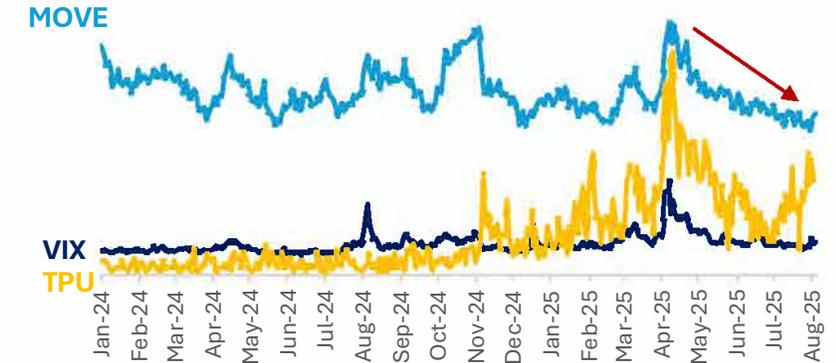
By Ed Frankl | Follow
Sept. 12, 2025 5:28 pm ET

Fall of French Government Prompts Muted Market Reaction

Prime Minister Francois Bayrou was pushed out of office late Monday after failing to secure a majority in a confidence vote

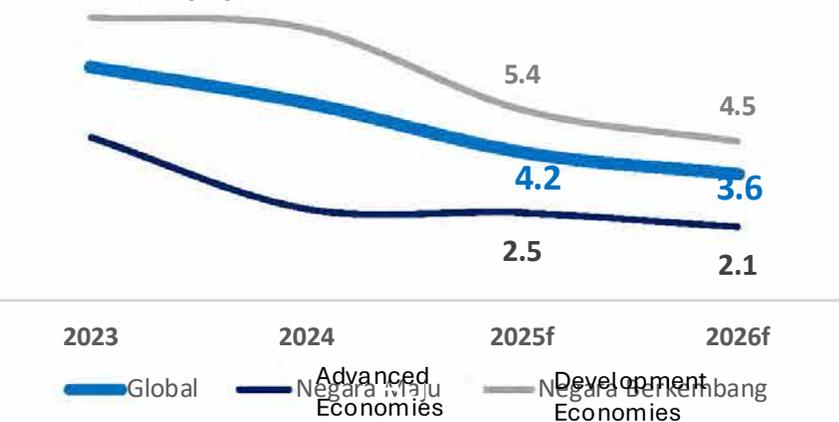
By Elena Vardon | Follow
Sept. 9, 2025 4:18 am ET

Volatility Indicators Shows Mixed



*MOVE Bond market volatility index; VIX Index stock market volatility; TPU Trade policy uncertainty index

Inflation Projection Continues Downward Trend (% yoy)



Source: IMF (WEO July), Bloomberg



Commodity Price Remains Volatile

Energy

Coal prices rebounded with uptick in Chinese demand, while Brent oil prices moderated due to abundant production.

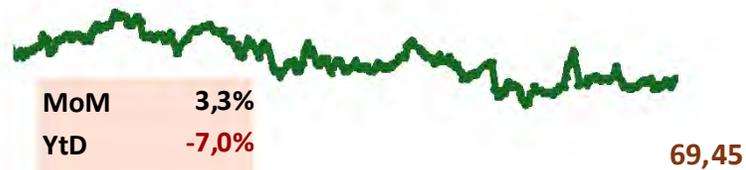
Coal (USD/Ton)

MoM	-6,9%
YtD	-17,1%
YoY	-21,3%



Brent (USD/Barrel)

MoM	3,3%
YtD	-7,0%
YoY	-14,6%



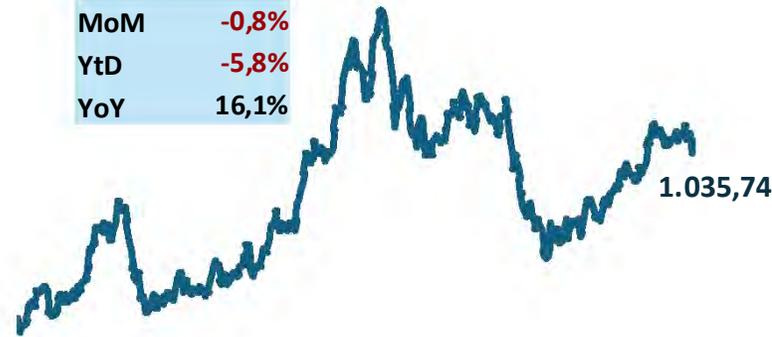
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Agriculture

Strong demand from India drove up CPO prices

CPO (USD/Ton)

MoM	-0,8%
YtD	-5,8%
YoY	16,1%



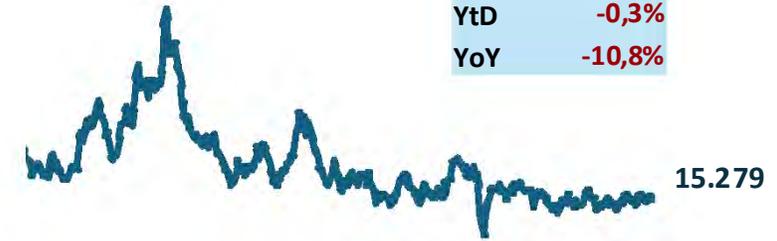
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Metal

Nickel prices are still weakening due to oversupply while copper prices tend to stabilize after falling at the end of July due to exemptions from US tariffs.

Nickel (USD/Ton)

MoM	-0,04%
YtD	-0,3%
YoY	-10,8%



Copper (USD/Ton)

MoM	4,3%
YtD	17,0%
YoY	3,6%

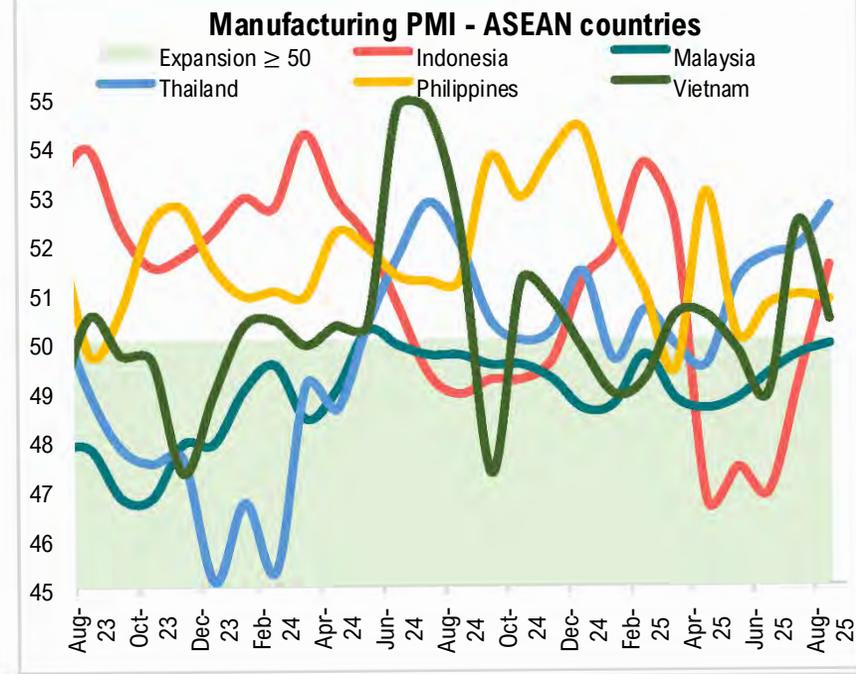
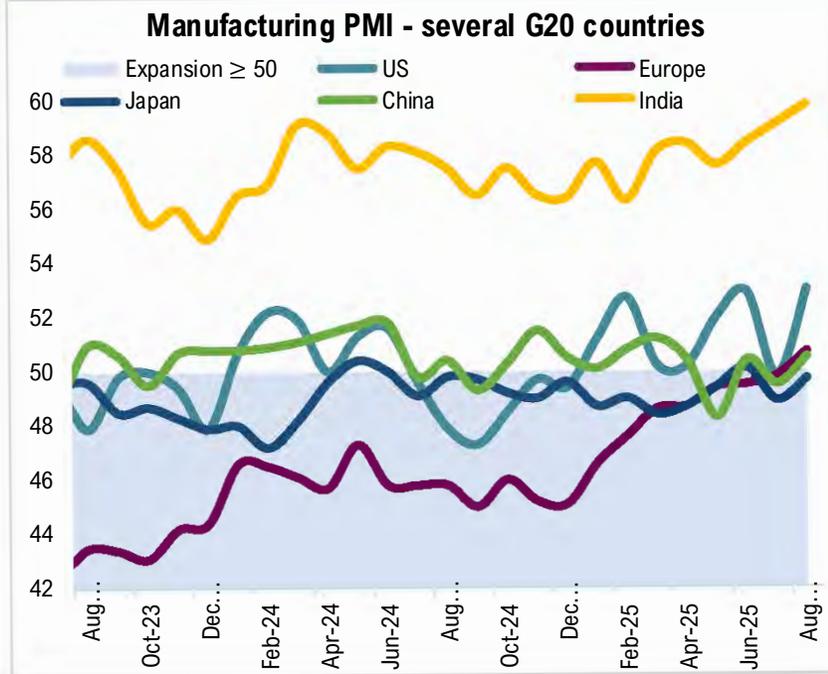
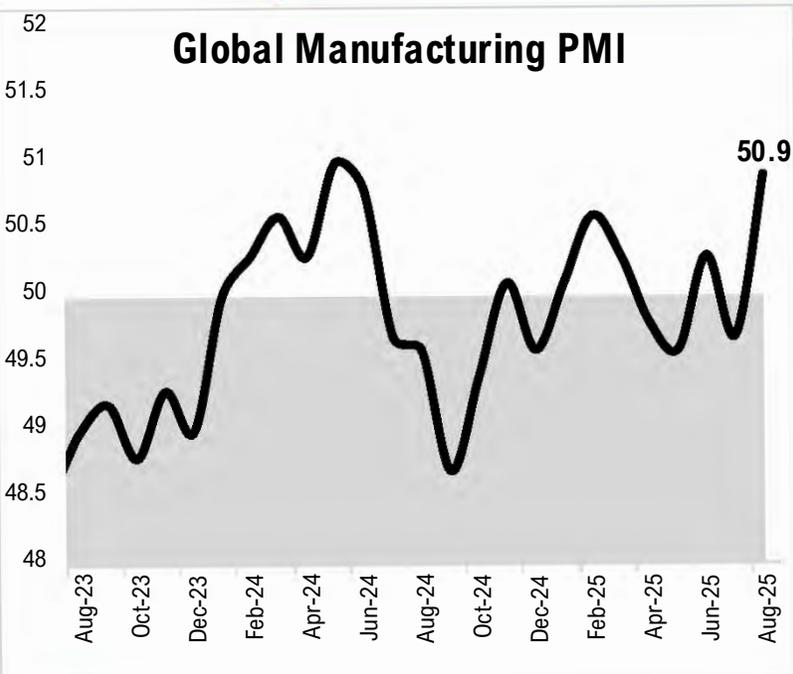


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Global Manufacturing Activity is Strengthening, Including Indonesia

The Eurozone recorded its first expansion since June 2022. Most G20 and ASEAN-6 countries also showed strong performance in the manufacturing sector. Indonesia returned to expansion after four months of contraction

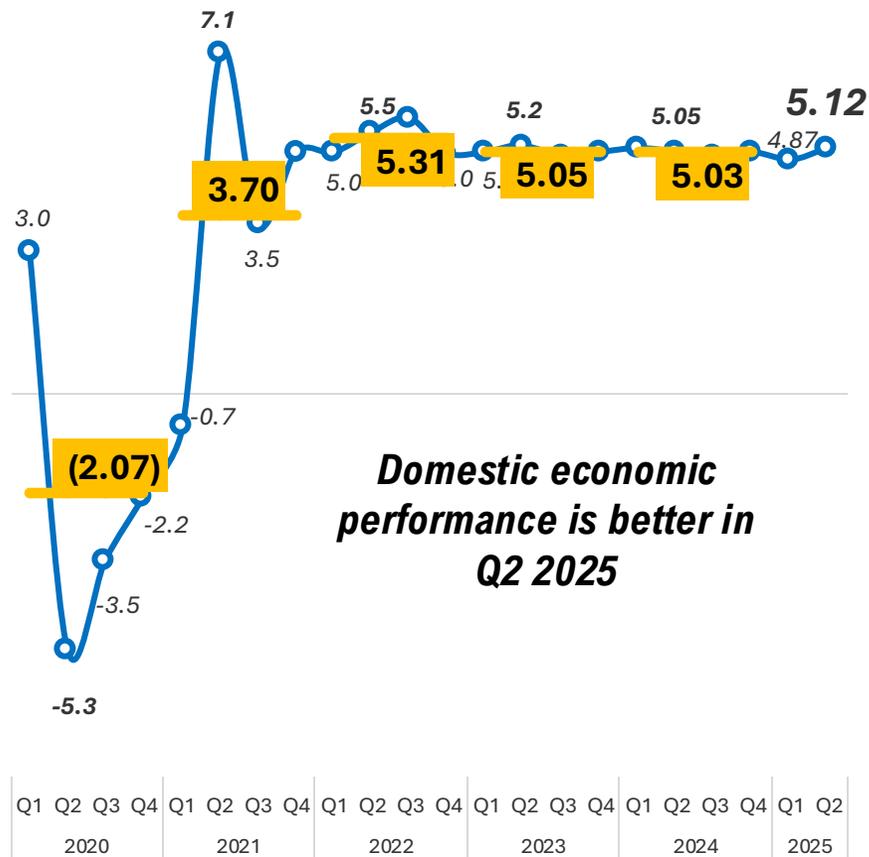




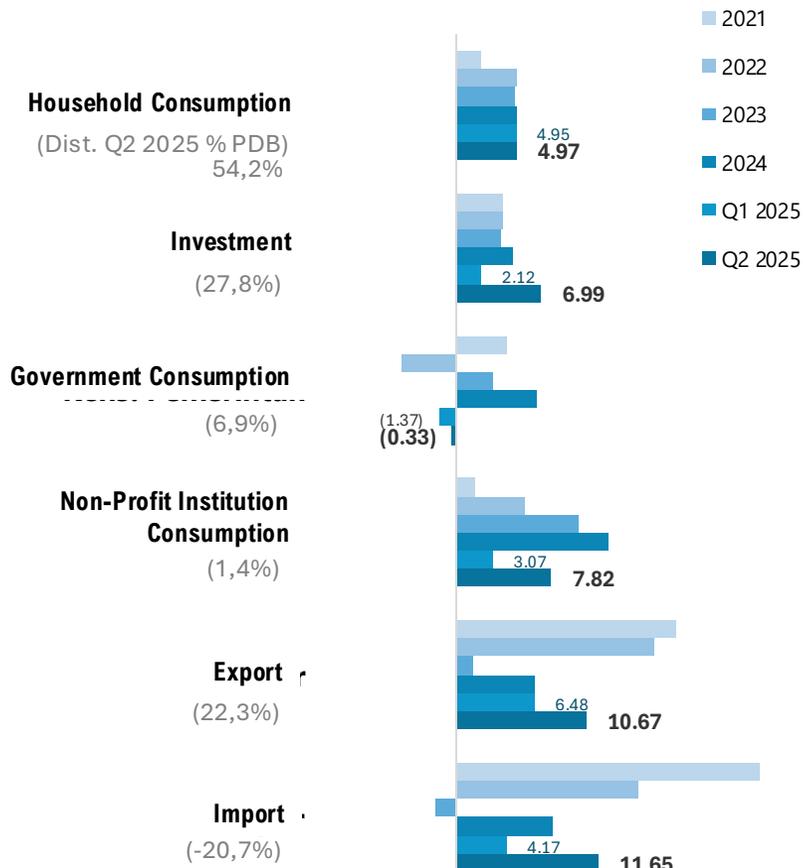
Indonesia's Dynamic Economy Continues to Show Strong Growth Across Sectors

Driven by strong household consumption and expanding investment and export

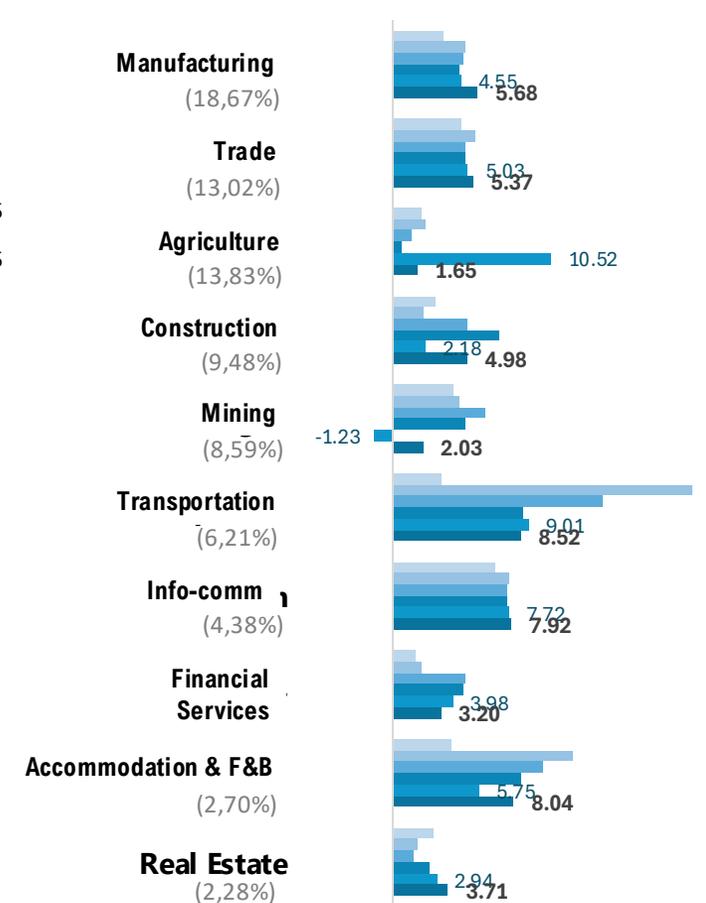
GDP Growth(% ,yoy)



GDP Growth: Expenditure(% ,yoy)



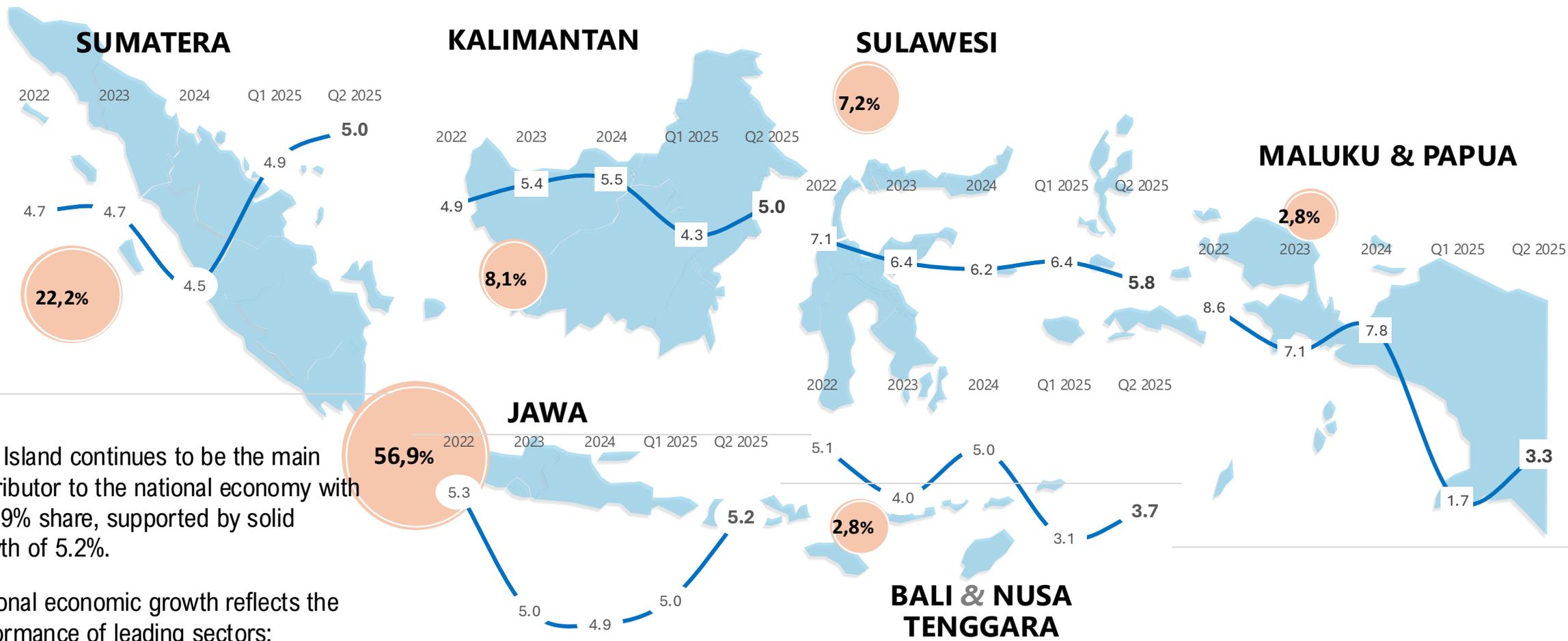
GDP Growth: Production (% ,yoy)



Source: Statistics Indonesia



Economic Growth Across Indonesia Remains Resilient, with Various Risks Continuously Anticipated and Mitigated



- Java Island continues to be the main contributor to the national economy with a 56.9% share, supported by solid growth of 5.2%.
- Regional economic growth reflects the performance of leading sectors: Sulawesi, Java, and Maluku–Papua are driven by manufacturing; Sumatra and Kalimantan by agriculture and trade; while Bali–Nusa Tenggara is supported by tourism.

■ % Growth (yoy)

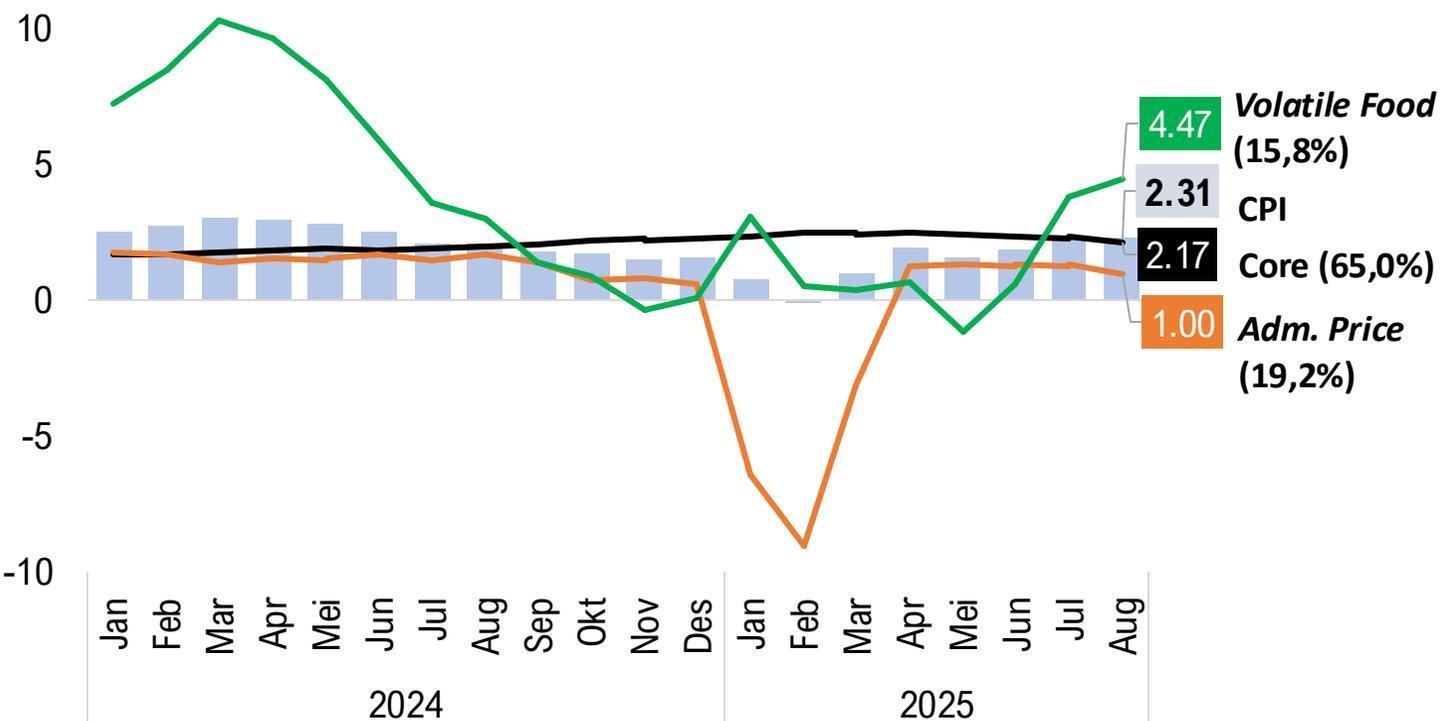
● Distribution of GDP Share at Current Prices, Q2-2025.



Stable Inflation Supports Household Purchasing Power, While Many Countries Struggle to Cope with Pressures

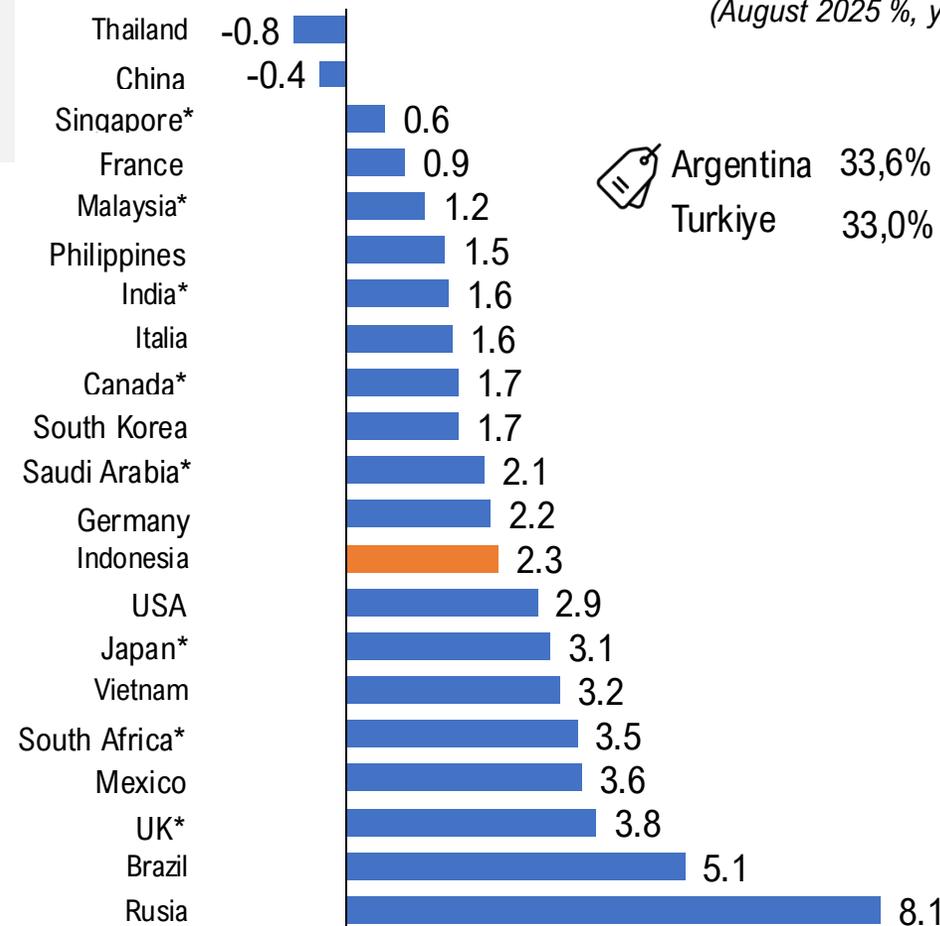
- **Price stability in food remains a priority**, with **volatile food inflation** continuously managed through price intervention policies and strengthening the role of Bulog, including rice price stabilization through the SPHP program
- **Core inflation** reflects resilient purchasing power, while **administered price inflation** remains under control, supported by national energy price policies aimed at maintaining purchasing power.

Inflation remains consistently within the target range, supporting purchasing power



Indonesia's inflation is low compared to many countries struggling with pressures

(August 2025 %, yoy)



Note: *July 2025 Data

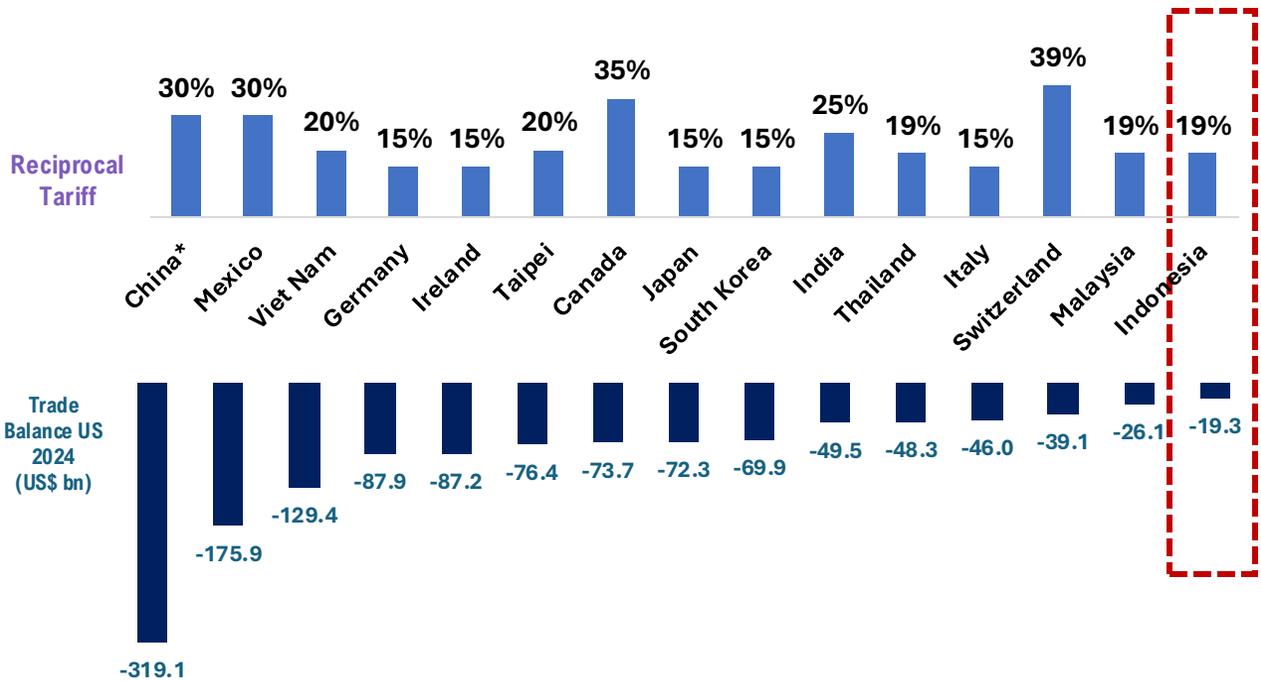
Source: Statistic Indonesia, Trading Economics



Indonesia Has Recently Reached Trade Agreement with the US, Improving Trade Outlook

It remains crucial to stay vigilant for emerging opportunities

US Reciprocal Tariffs



*based on the June 2025 trade deal, consisting of 10% baseline tariff and 20% tariff for all products due to fentanyl issue

Government's Measures

- Tariff adjustment
- Increasing US products import
- Tax and customs reforms
- Adjustment of local content requirement (TKDN)

Negotiation / Diplomacy

- Improving investment climate
- Addressing Non-Tariff Barrier by involving related ministries

Deregulation

- Stimulus package
- Effectivity of Priority Program
- Dananara
- Export facilities & incentives

Countercyclical Measure

Indonesia-US Trade Deal

Trump tariffs
 Donald Trump announces trade deal with Indonesia
 Jakarta to be hit with 19% tariff on exports to US after talks with Washington
 JULY 16, 2025



- ### US-Indonesia Trade Deal
- 19% US tariff on Indonesian exports
 - Indonesia impose no tariff to US products
 - Indonesia will purchase USD 15 billion in US energy products, USD 4.5 billion in agricultural goods, and 50 Boeing jets.



Indonesia has Initiated a Progressive Negotiation Process with the US

April 2
President Trump announced reciprocal tariff, including 32% for Indonesia

April 8
Indonesia sent a letter to US Administration Officials on Indonesia's offer

April 9
President Trump announced reciprocal tariff to be postponed until July 9

April 16-24
Head of Indonesia Tariff Negotiator, Minister Airlangga met with USTR, Sec. of Commerce, and Sec. of Treasury

May 12-14
Indonesia and USTR ART text walkthrough meeting based on USTR zero-draft

July 9
Minister Airlangga meeting with US Sec. of Commerce and USTR

July 16
President Trump cuts tariff on Indonesian goods to 19 percent after talks with President Prabowo



TRUMP TOUTS INDONESIA TRADE PACT

- 19% tariff rate on Indonesia
- US goods will enter Indonesia duty-free
- Indonesia to buy \$15B in US energy
- Indonesia will buy 50 Boeing jets
- Indonesia to buy \$4.5B in agricultural goods

May 21
Indonesia sent a letter to reiterate Indonesia's commitment

July 7
President Trump letter to President Prabowo on the imposition of 32% reciprocal tariff to Indonesia

July 3
Indonesia submit additional offer to the USTR

July 2
Meeting with USTR in DC to finalize discussion. USTR agree to send a draft joint statement

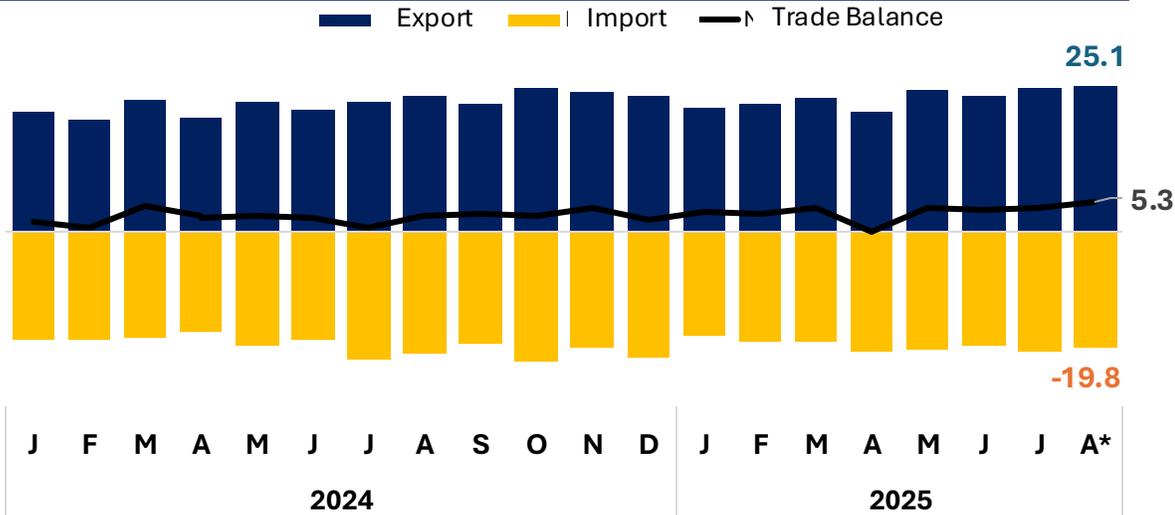
June 25
Indonesia has a virtual meeting with Sec. Bessent to discuss second offer

June 3
Indonesia submit its first offer to the Ambassador Greer in Paris



Robust Trade Balance in August 2025 Amid Lower Tariffs and Intensified Cooperation

Indonesia Trade Performance



Source: Statistics Indonesia (until July 2025), MoF (August 2025)

Top 5 Export Destinations Jan-Jul '25

#1 China



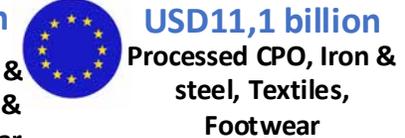
#2 ASEAN



#3 USA



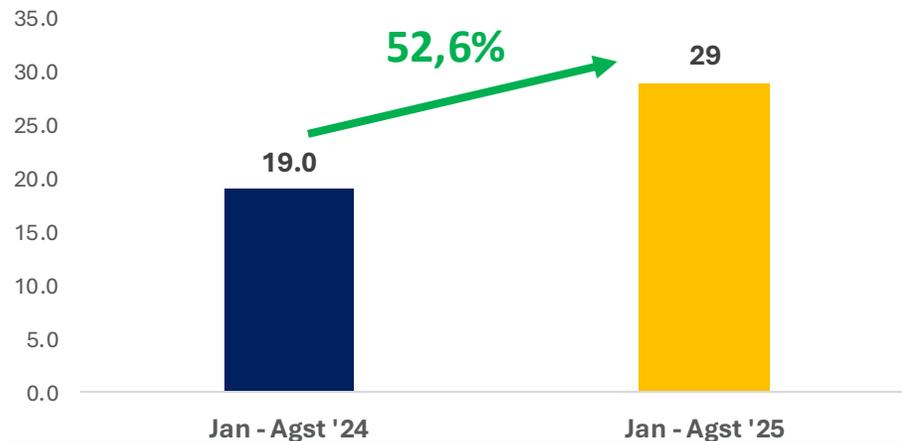
#4 EU



#5 India

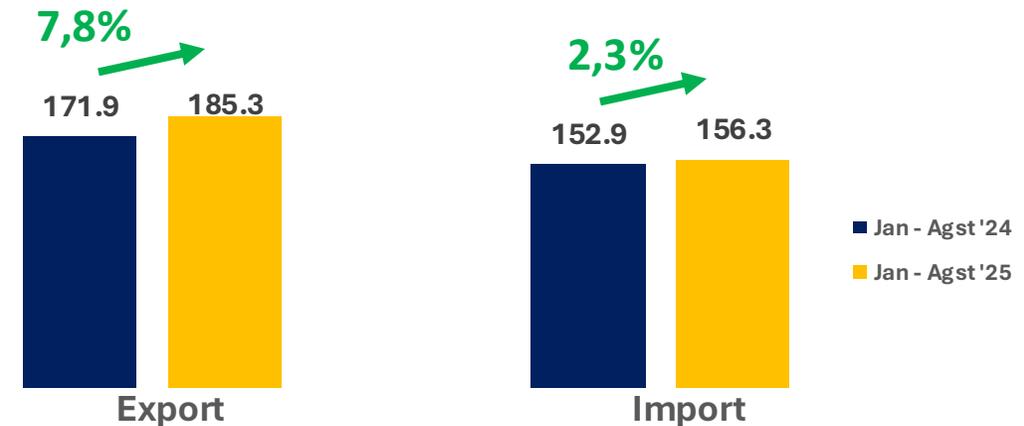


Cumulative Trade Balance (USD billion)



Source: Statistics Indonesia, DGCE

Cumulative Exports and Imports (USD billion)

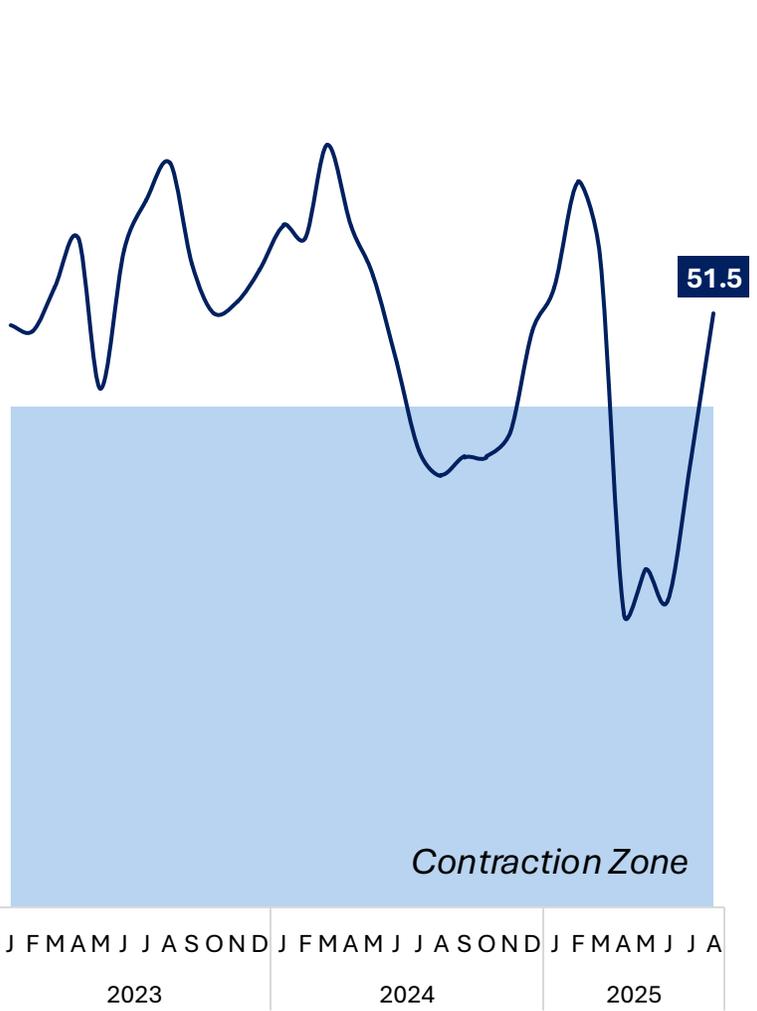


Source: Statistics Indonesia, DGCE



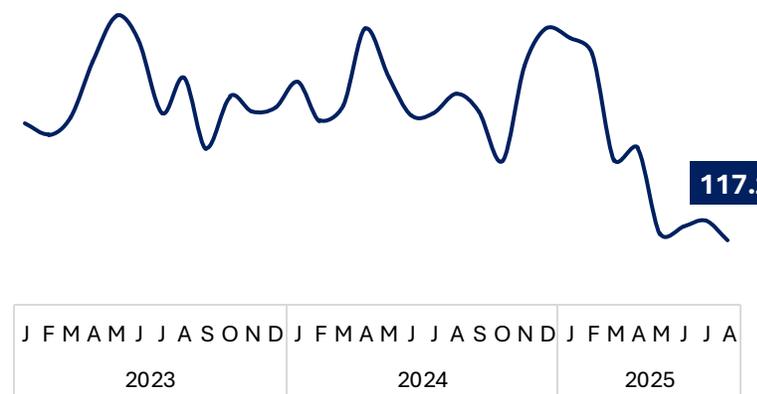
Entering The Second Semester of 2025, Various Indicators Show Positive Performance

Manufacturing activity has returned to the expansion level, driven by renewed growth in production and demand
(August, Index)



Source: S&P Global

Consumer confidence in economic conditions remains at an optimistic level
(August, Index)



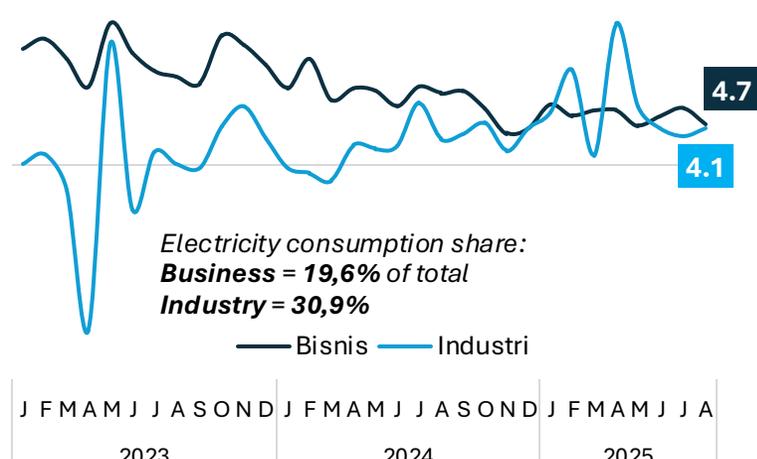
Source: Bank Indonesia

Retail sales growth is beginning to normalize after the holiday period
(August, % yoy)



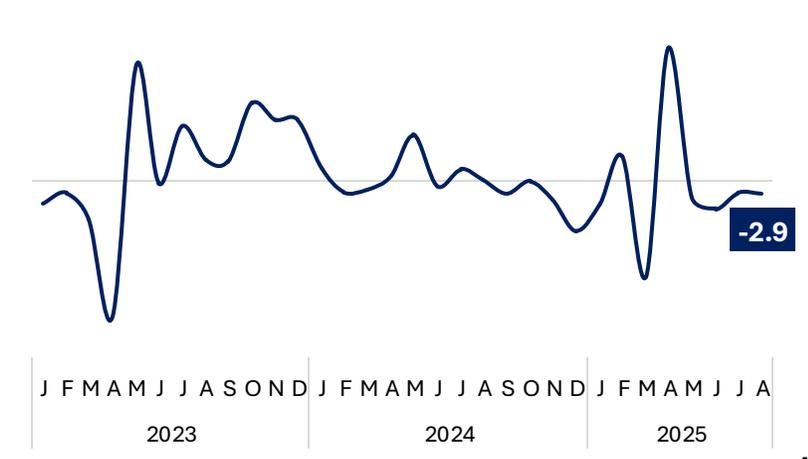
Source: Bank Indonesia

Electricity consumption grew positively, reflecting that economic activity remains sustained
(August, % yoy)



Source: State Electricity Company (PLN)

Cement sales improved in the last two months, although still contracting
(August, % yoy)

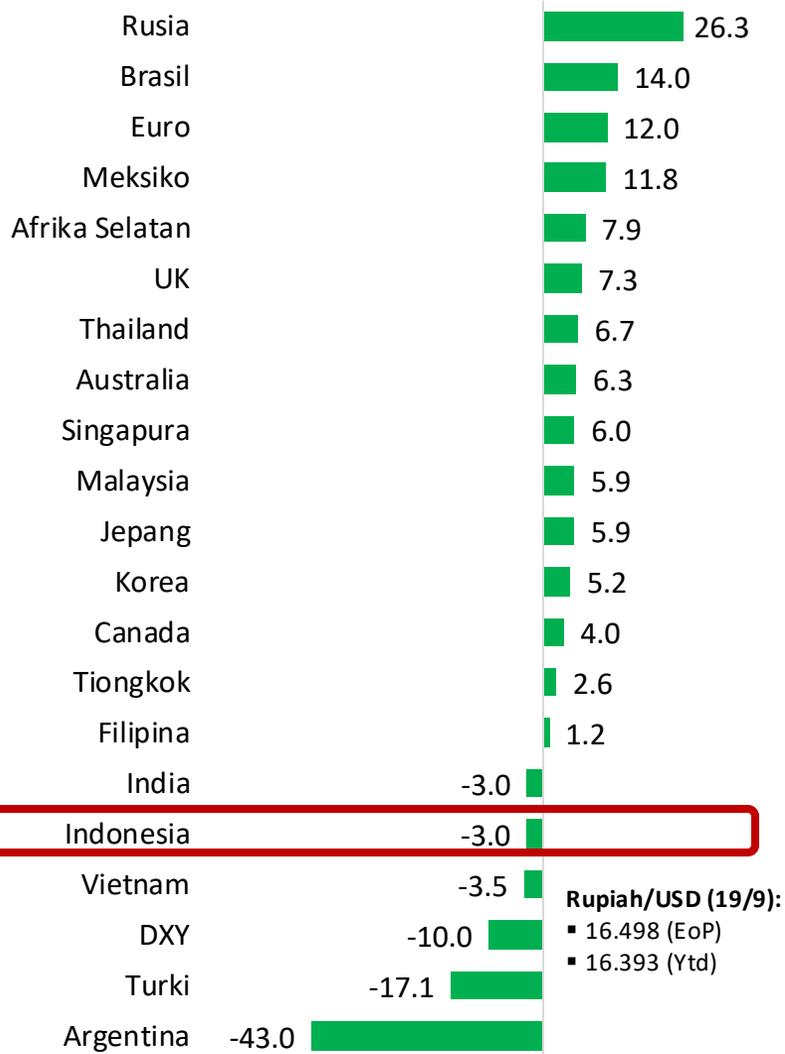


Source: Indonesia Cement Association (ASI)



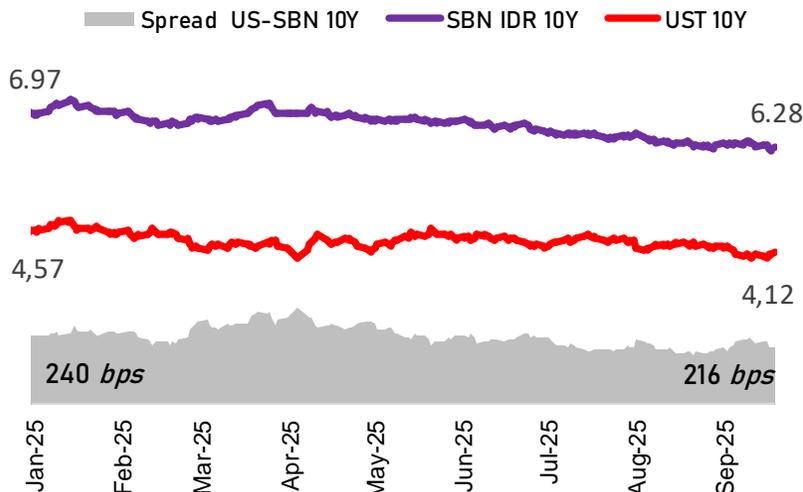
Financial Instrument Performance Improves, Investor Confidence Continues to Recover

Exchange Rate & USD Index (% ytd)



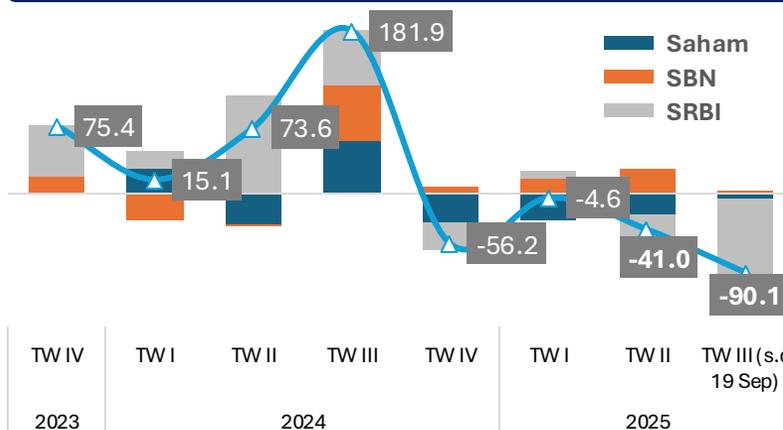
Source: Bloomberg, as of 19 September

Currency Risk Eases (Yield spread between IDR Government Bonds and US Treasuries)



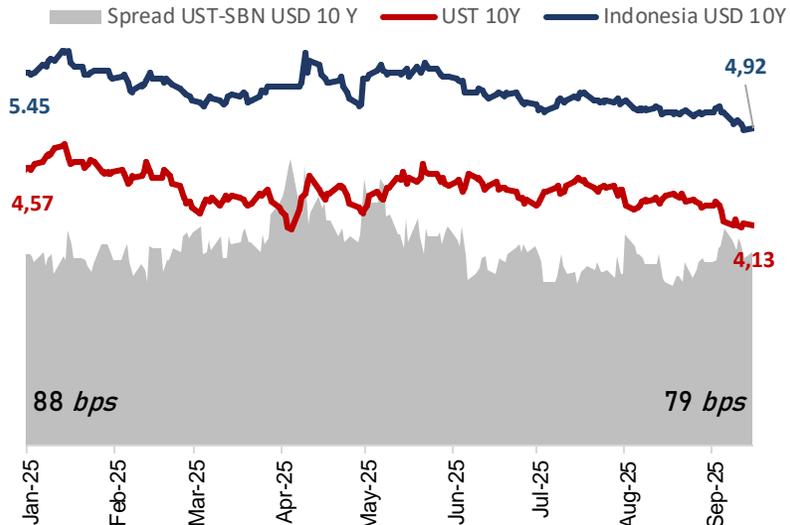
Source: Bloomberg, as of 19 September

Global Investor Buying Interest Improves



Source: Bloomberg, DJPPR, Bank Indonesia, as of 19 September

Country Risk Maintained (Spread of USD Government Bond Yields and UST)



Sumber: Bloomberg, as of 19 September

Jan-19 Sep '25 accumulation:

Outflow Rp128,47T

- SBN inflow Rp42,61 T
- SRBI outflow Rp119,62 T*
- Stock outflow Rp58,70 T

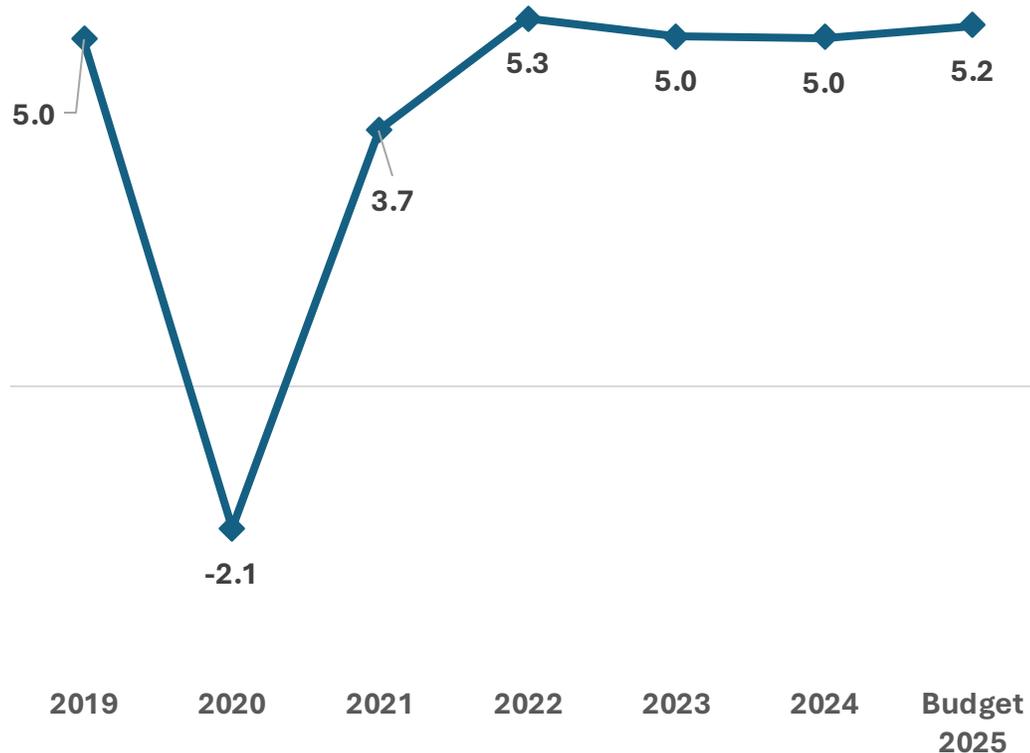
Note:

*) SRBI outflow is in line with the increasingly accommodative monetary policy to support economic activity



Boosting Economic Growth 2025, as a Stepway Towards 8% in The Medium Term

2025 Economic Growth Projection (%)



2025 Growth-Driven Policies



Acceleration of State Spending



Optimization of Priority Programs

- Acceleration of MBG allocation
- Effectiveness of FLPP with target 350k unit
- People's Schools, Food Barns, Red & White Village Cooperatives (KDMP)



Maintaining Public Purchasing Power

- Controlled inflation
- Effectiveness of the remaining Phase II 2025 fiscal stimulus and plans for Semester II 2025
- Optimization of Social Protection Programs



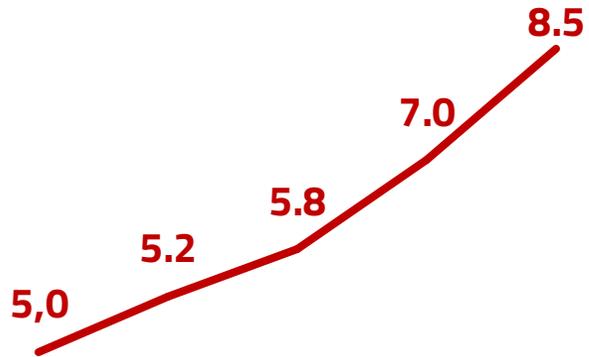
Maintaining External Sector Resilience and Increasing Exports, including strengthening downstreaming and optimizing export proceeds (DHE).



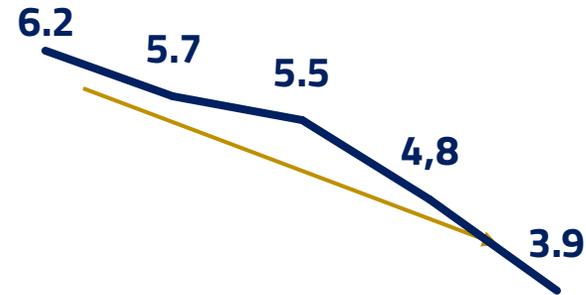
Strengthening the Role of Danantara for Investment Acceleration

Investment Growth (%)

Strong investment to drive 8% economic growth

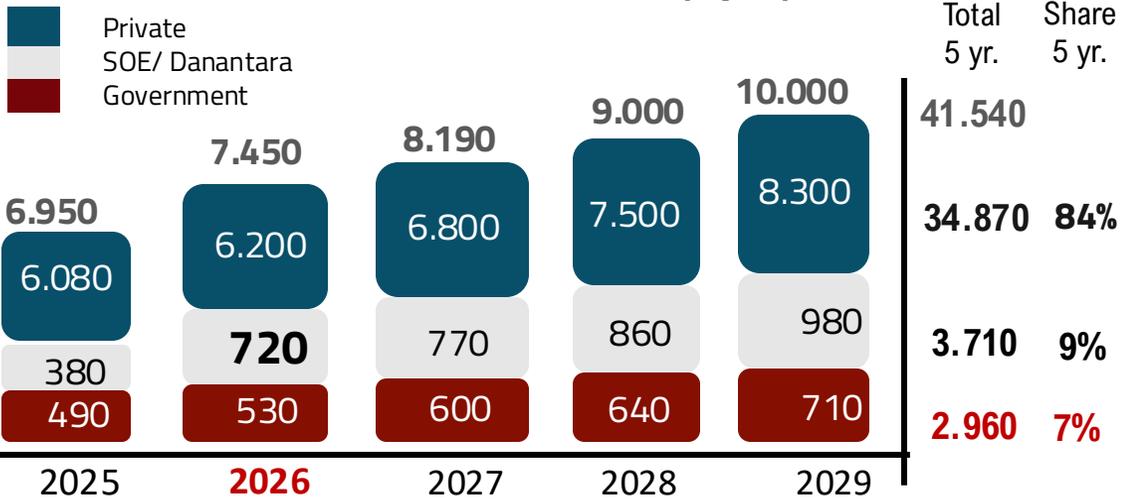


ICOR



2025 2026 2027 2028 2029 2025 2026 2027 2028 2029

Investment Contributor (Rp T)



Private Sector



Strengthened as the **“Engine of Economic Growth”**

Strategy for Creating High Value-Added Investment & Economic Resilience



Downstreaming of Natural Resources



High Value-Added Manufacturing



Food Security



Digital Infrastructure



Strategic Upstream Sectors



Renewable Energy

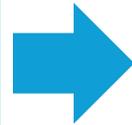


Strategy to Maintain Purchasing Power and Drive Economic Growth through Strengthened Support in the Second Semester (5.0% to 5.2% in 2025)

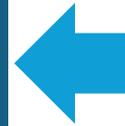
Aggregate Supply



- **Increase banking liquidity by Rp200 T.**
- **Infrastructure support**
- **Tax incentive support for businesses**
- **Deregulation and debottlenecking for trade and investment**



- The economy **grows at a higher rate.**
- Investment with higher added value and **increased** consumption.
- The real sector is **expanding.**
- **More liquid with efficient** financial market.



Aggregate Demand



- **Efficiency relaxation** (unblocking and providing Additional Budget).
- **Acceleration of ministry/agency spending absorption.**
- **Maintaining inflation levels** within the target range.
- **Economic stimulus package, strengthened by 2nd half year Stimulus.**



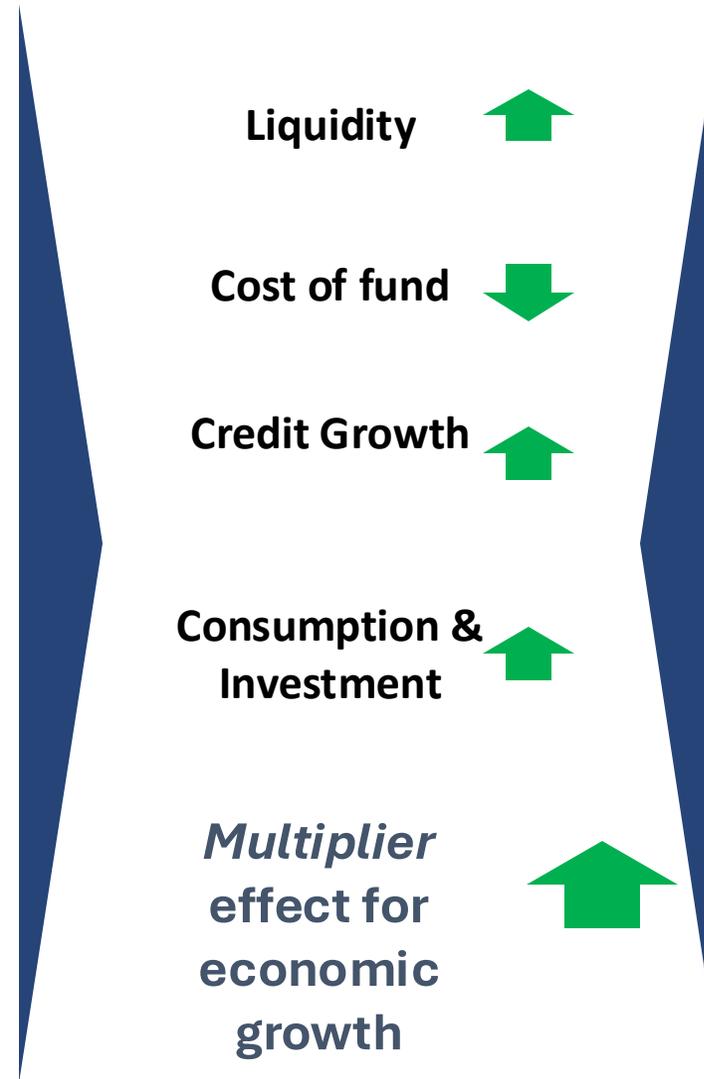
Low-Interest State Cash Placement in Commercial Banks to Support Economic Activities

All funds are directed productively, including through the placement of **IDR200 trillion** of state funds in commercial banks



MoF Decree No. 276/2025 on Government Fund Interest Rates in State-Owned Banks:

- In the form of conventional/sharia on-call deposits with a non-auction mechanism.
- Tenor of 6 months and extendable
- Yield at 80.476% of Bank Indonesia's policy rate.
- Not to be used for the purchase of Government Securities (SBN).



Stronger **coordination of fiscal and monetary policies.**

Danantara and private sectors as engine of growth.

- Investment strategies are directed toward **high-multiplier** sectors.
- Consistently supports **resilient and labor-intensive industries.**

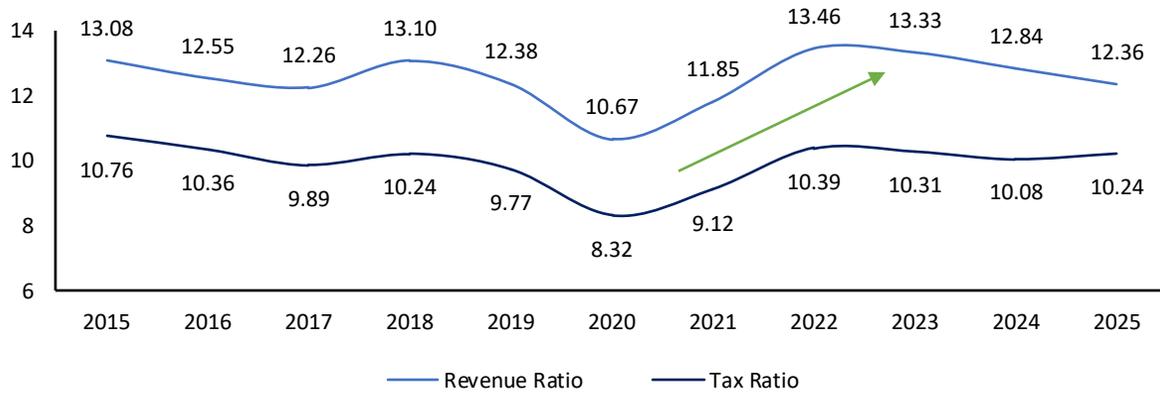
2025 Fiscal Updates



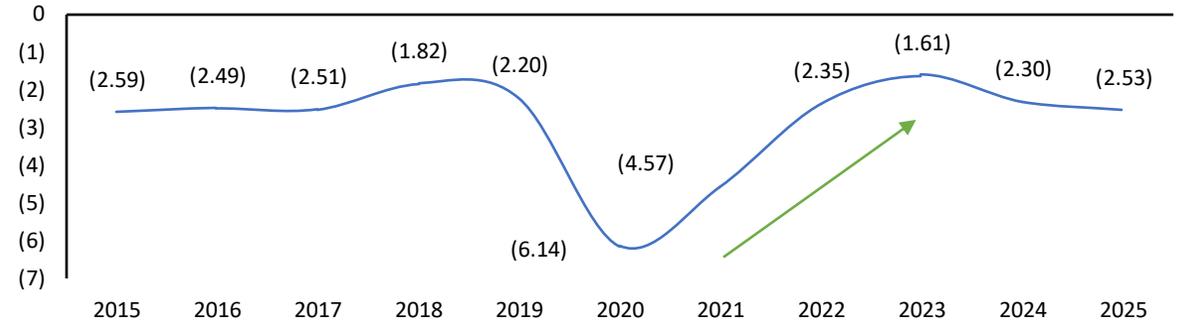


The state budget is well-maintained to become a credible instrument in the long term

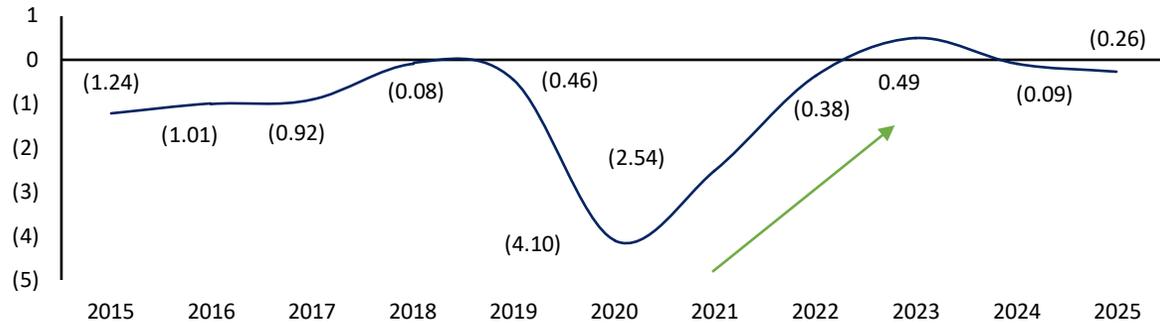
The revenue ratio must continue to be improved (% GDP)



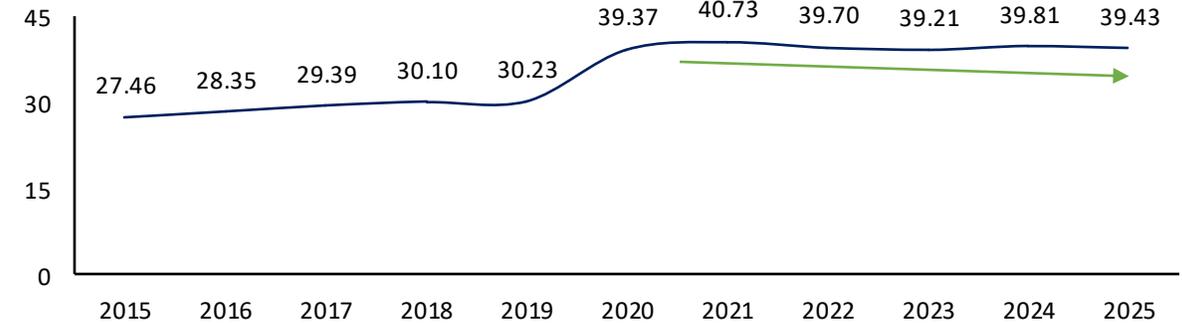
A controlled deficit (% GDP)



Primary balance is approaching to positive (% GDP)



Debt ratio is under control (% GDP)





2025 Macroeconomic Basic Assumptions

	2024		2025	
	Budget	Realization	Budget	Realization
 Economic Growth (%, yoy)	5,2	2024: 5,03%	5,2	5,12 ¹⁾
 Inflation (%, yoy)	2,8	1,57 (yoy)	2,5	2,31 ²⁾ (yoy) -0,08 ²⁾ (mtm)
 Exchange Rate (IDR/USD average)	15.000	16.162 (eop) 15.847 (ytd)	16.000	16.391 ³⁾ (eop) 16.392 ³⁾ (ytd)
 10 Y T-Bonds Rate (%, average)	6,7	7,0 (eop) 6,8 (ytd)	7,0	6,32 ⁴⁾ (eop) 6,80 ⁴⁾ (ytd)
 ICP Indonesian (USD/barel, average)	82	71,6 (eop) 78,1 (ytd)	82	68,59 ⁵⁾ (eop) 69,74 ⁵⁾ (ytd)
 Oil Lifting (tbpd)	635	579,7	605	575,4 ⁵⁾
 Gas Lifting (tboepd)	1.033	978,8	1.005	980,4 ⁵⁾

➤ **Household consumption remains resilient**, supported by economic stimulus, while **investment increases**, particularly in construction for strategic projects and priority programs (including MBG and housing). **The manufacturing sector** dominates growth contribution, driven by downstreaming and domestic demand

➤ **Volatile food inflation is under control** through price interventions and the strengthening of Bulog's role, while administered prices are supported by energy price policies to maintain people's purchasing power.

➤ **The movement of the Rupiah exchange rate** is supported by easing trade tensions and expectations of an FFR cut, providing room for Bank Indonesia to lower domestic interest rates to further support economic growth.

➤ **Market interest in government securities (SBN) remains high, with SBN yields consistently declining** amid global dynamics and rising yields of government bonds in advanced economies such as Japan and Europe.

➤ **Oil price dynamics are influenced by geopolitical factors** and OPEC+ policy responses

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

Notes :
2025 Realization ¹⁾ As of Q2 2025 ⁴⁾ As of last auction 15 September 2025
²⁾ As of August 2025 ⁵⁾ As of Juli 2025
³⁾ As of 15 September 2025



State Budget Realization as of August 31, 2025

(in IDR tn)	2025		
	Budget	Real. as of 31 August	% Budget
A. Revenue	3,005.1	1.638,7	54,5
1. Tax Revenue	2,490.9	1.330,4	53,4
1. Tax	2,189.3	1.135,4	51,9
2. Custom and Excise	301.6	194,9	64,6
II. Non-Tax Revenue	513.6	306,8	59,7
B. Expenditure	3,621.3	1,960,3	54,1
I. Central Government Expenditure	2,701.4	1.388,8	51,4
1. Line Ministries Expenditure	1,160.1	686,0	59,1
2. Non-Line-Ministries Expenditure	1,541.4	702,8	45,6
II. Transfer to Region	919.9	571,5	62,1
C. Primary Balance	(63.3)	22,0	(34,7)
D. Surplus/ (Deficit)	(616.2)	(321.6)	52,2
% Surplus/(Deficit) to GDP	(2.53)	(1,35)	
E. Financing	616.2	425,7	69,1

State Revenue

Rp1.638,7 T
57,2% of Outlook

State Expenditure

Rp1.960,3 T
55,6% of Outlook

APBN Deficit

Rp321,6 T
1,35% GDP

Primary Balance

Rp22,0 T



The 2025 State Budget Deficit Outlook at 2,78%: Supporting Economic Performance

Items	2025		
	Budget	Outlook	% of Budget
A. STATE REVENUE	3,005.1	2,865.5	95.4
I. Taxation Revenue	2,490.3	2,387.3	95.8
1. Tax Revenue	2,189.3	2,076.9	94.9
2. Customs and Excise	301.6	310.4	102.9
II. Non-Tax Revenue	513.6	477.2	92.9
III. Grant	0.6	1.0	170.7
B. STATE EXPENDITURE	3,621.3	3,527.5	97.4
I. Central Government Spending	2,701.4	2,663.4	98.6
1. Line Ministries Spending	1,160.1	1,275.6	109.9
2. Non-Line Ministries Spending	1,541.4	1,387.8	90.0
II. Transfer to Regions	919.9	864.1	93.9
C. PRIMARY BALANCE	(63.3)	(109.8)	173.4
D. SURPLUS (DEFICIT)	(616.2)	(662.0)	107.4
%GDP	(2.53)	(2.78)	
E. BUDGET FINANCING	616.2	662.0	107.4

- State revenue:** IDR 2,865.5 T or 95.4% of the budget target
 - **Tax:** IDR 2,076.9 T or 94.9% target
 - **Customs and excise:** IDR 310.4 T or 102.9% target
 - **Non-tax revenue:** IDR 477.2 T or 92.9% target
- State expenditure:** IDR 3,527.5 T or 97.4% target
 - **Ministries/agencies:** IDR 1,275.6 T (109.96%)
 - **Supporting priority development programs: food security, energy security, MBG, education, health, villages & MSMEs, universal defense, and investment**
 - **Non-ministries/agencies spending:** IDR 1,387.8 T (90%) → Maintaining food price stability and public purchasing power
 - **Transfers to regions:** IDR 864.1 T (93.9%)
 - **Supporting public services in education and health, including additional ASN updates and natural absorption**
- Budget deficit:** IDR 662.0 T (2.78% of GDP)
- Budget financing:** IDR 662.0 T
 - **additional Treasury Surplus** of IDR 85.6 T to reduce SBN issuance, meet government obligations/priority spending, and finance the deficit



Continuing Structural Reform Strategies While Maintaining Prudent Fiscal Governance and Anticipating Global Risks



Food security

“Nourishing stability,
cultivating sustainability”

Energy security

“The backbone of resilience and growth”

Free nutritious meals (MBG)

“Empowering Indonesia through
nutritious meals”

Educational program

“Quality education, many ways forward”

Health program

“Healthy people for strong and sustainable
economy”

Village development, cooperatives, MSMEs

“Empowering communities,
advancing the nation”

Universal defense

“A foundation for economic,
Social, and political self-reliance
Toward equitable prosperity”

Accelerating global trade & investment

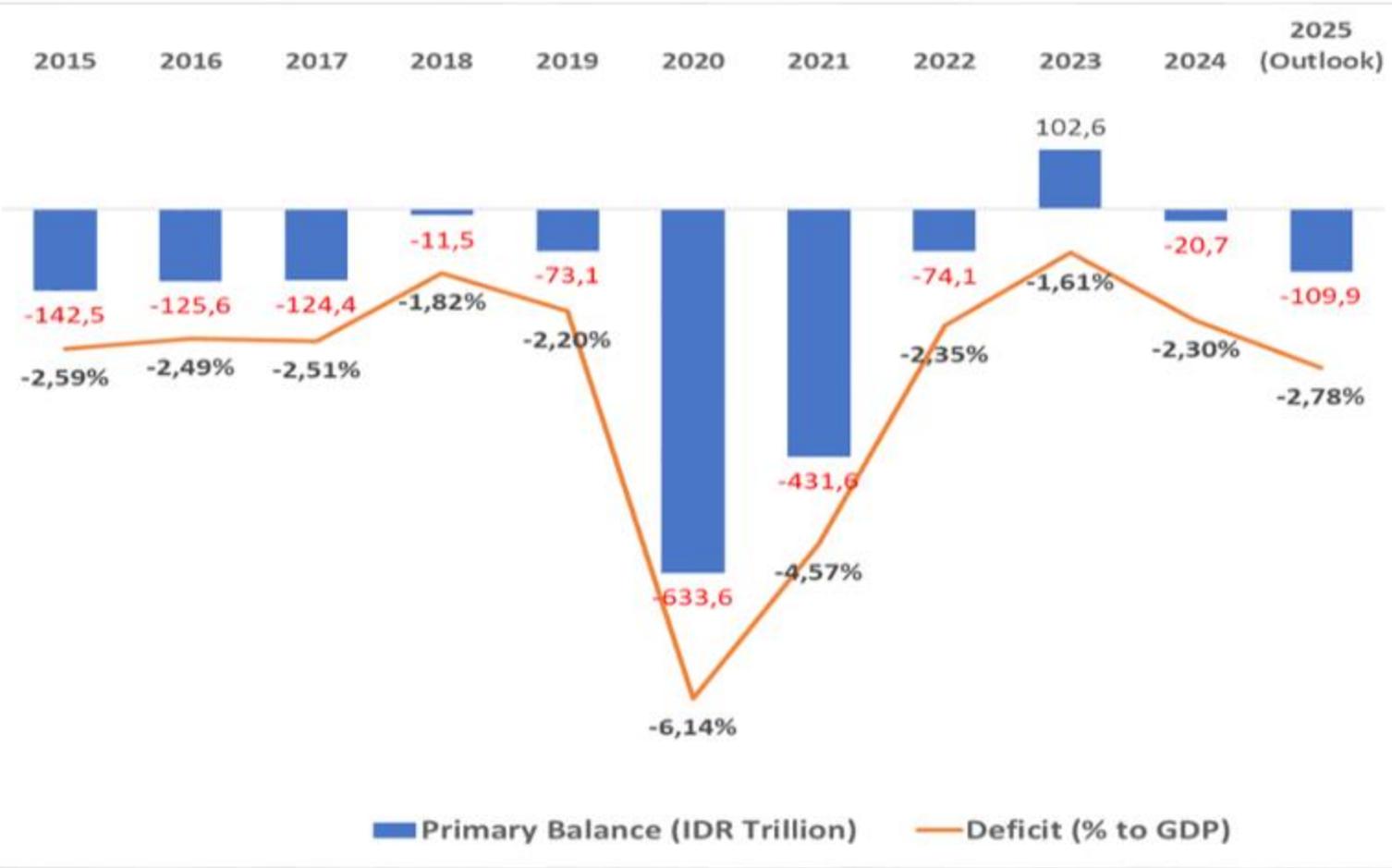
“strengthening Indonesia in the global value
chain”



2025 STATE BUDGET FINANCING: DEFICIT OUTLOOK 2,78% GDP

Provide Funding for National Priority Spending to Enhance Public Welfare and Security

Primary Balance and Deficit to GDP, 2015 - 2025



2025 Financing Policies

- Directed towards economic transformation, including ICT infrastructure, energy, connectivity, industrial zones, and economic zones.
- Encouraging sustainable and more extensive PPP (Public-Private Partnership) schemes.
- Financial market deepening.
- Strengthening the role of SOEs (State-Owned Enterprises), BLUs (Public Service Agencies), SMVs (State-Owned Venture Capital), and SWFs (Sovereign Wealth Funds).



MEDIUM TERM DEBT MANAGEMENT STRATEGY: QUANTITATIVE TARGET 2025-2029

New Debt Issuance^{*)}

 IDR : Minimum 70%
 Fixed Rate: Minimum 80%
 Medium – Long Term (>3y): Minimum 65%

*)) The composition of new debt issuance may deviate from the target in the following circumstances:

1. State budget deviations that lead to significant changes in debt financing needs and sources;
2. Significant changes in financial markets resulting in turmoil in the SBN market;
3. Guarantee obligation claims with a significant value that cannot be covered by the guarantee reserve fund.
4. Acceleration of loan withdrawals to support national development financing.
5. Emergency conditions that could potentially disrupt the financing plan.

Targeted Risk Indicators^{**)}

 Foreign Currency to Total Outstanding (%)	Maximum 30,0%
 Variable Debt to Total Outstanding (%)	Maximum 20,0%
 Debt Maturity in 1 Year to Total Outstanding (%)	Maximum 12,5%
 Average Time to Maturity/ATM (year)	Minimum 7,0 years

Monitored Debt Risk Indicators^{**)}

 Debt to GDP (%)	Around 40%
 Interest Payment to GDP (%)	Around 3%

**) Established in the same trajectory for each year until 2029 and has accommodated the potential shock of interest rate and exchange rate



DEBT FINANCING NEEDS AND SOURCES: SBN issuance to decrease despite increased deficit due to use of cash surplus.

Financing Needs

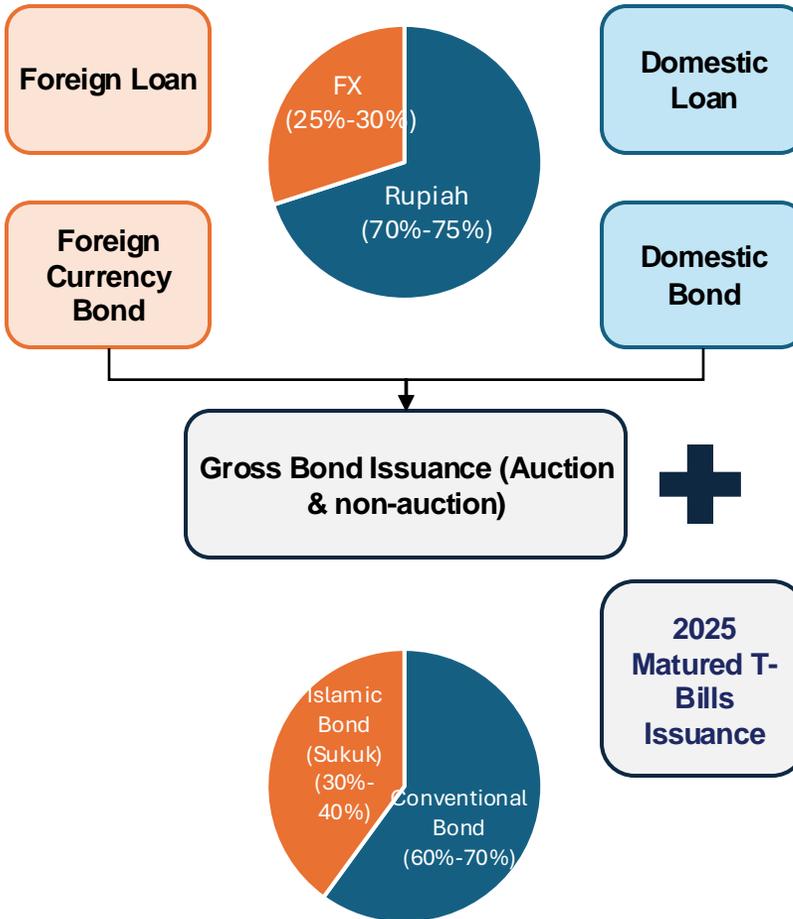
2025
State Budget Deficit

2.53% GDP
(*Outlook: 2.78% GDP*)



- Investment financing
- On Lending
- Guarantees
- Other Financing
- Debt Repayment

Financing Sources*



Debt Policy Direction

- **Focusing on domestic debt sources** while using external debt as a supplementary option.
- **Improving coordination between debt and cash management** to enhance the effectiveness of state budget management.
- **Managing short- to medium-term maturities** by prioritizing the issuance of bonds with medium to long tenors and actively managing the debt portfolio to control costs and risks.
- **Optimizing the use of retail bonds** to meet financing needs and develop the domestic bond market.
- **Allocating debt for productive activities** that support national development programs.
- **Strengthening relationships with investors and institutions** and optimizing communication strategies.



BUDGET FINANCING 2025

Financing needs is controlled and remains anticipatory amidst the dynamics of the global financial market

BUDGET FINANCING (trillion IDR)	2025		
	APBN	Realization a.o August	% to APBN
1. Debt Financing	775,9	463,7	59,8
2. Non-Debt Financing	(159,7)	(38,0)	23,8
Total	616,2	425,7	69,1

Fulfillment of debt financing is on track with various risk mitigation steps, including:

- Procurement of debt financing in a prudent, flexible, opportunistic and measured manner, covering aspects of timing, sizing, instruments and currency mix;
- Implementation of pre funding, adequate cash buffer, and active cash and debt management.



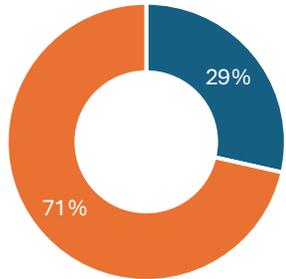
DISCIPLINE DEBT PORTFOLIO MANAGEMENT

Balanced maturity profile with strong resilience against external shocks

Debt Portfolio Composition as of August 2025¹

Outstanding by Source

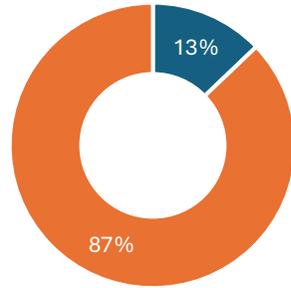
Domestic: USD404,5 bn
Foreign: USD162,9 bn



■ Foreign ■ Domestic

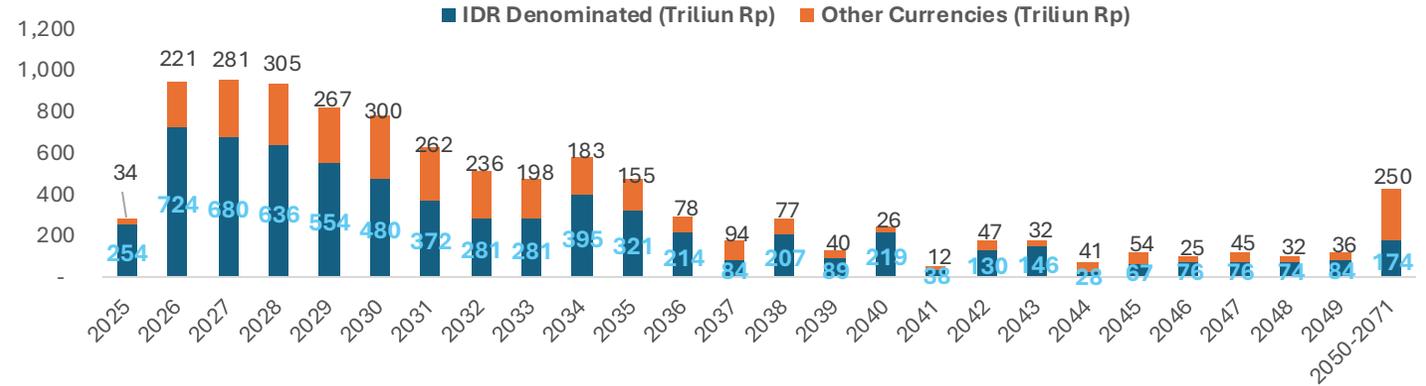
Outstanding by Instrument

Loans: USD73.2 bn
Govt. Securities: USD493.7 bn



■ Loans ■ Govt. Securities

Maturity Profile by Currencies

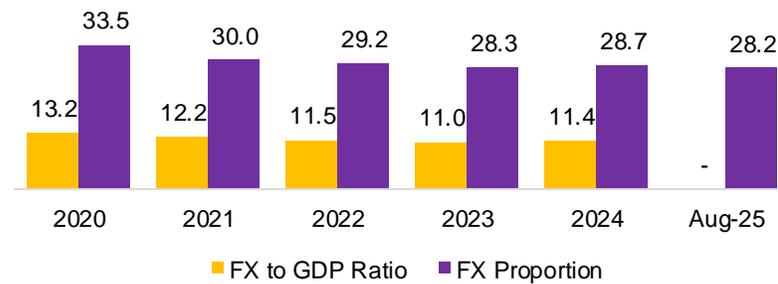


Weighted Average Debt Maturity (year)



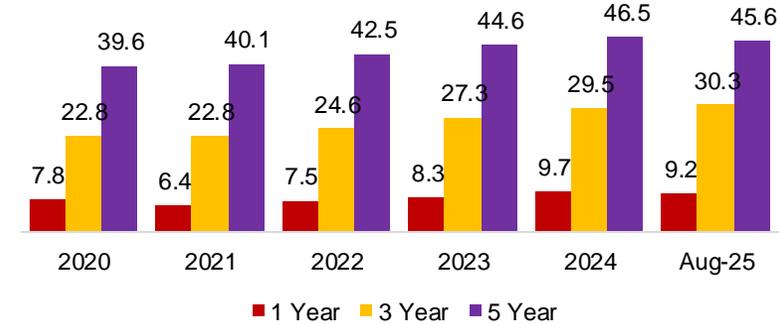
■ ATM

Stable Exchange Rate Risks (%)



■ FX to GDP Ratio ■ FX Proportion

Upcoming Maturities (Next 5 Years) (%)



■ 1 Year ■ 3 Year ■ 5 Year



Indonesia's Kangaroo Bonds

(AMTN-ID 2025) – August 7, 2025

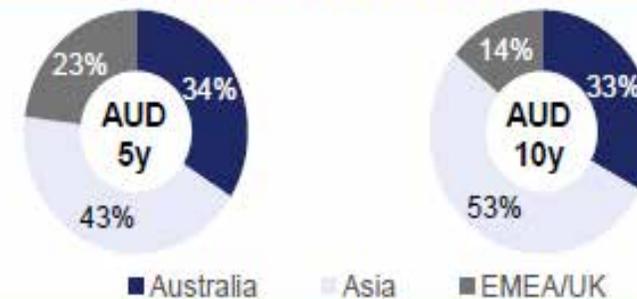
This transaction marks the first AUD sovereign bond offering rated in the BBB category, yet it generated strong investor interest, as the Republic's credit quality offered valuable investment diversification.

Series	RIAUD0830	RIAUD0835
Rating	Baa2 / BBB / BBB (Moody's / S&P / Fitch)	
Tenor	5Y	10Y
Mty Date	Aug 14, 2030	Aug 14, 2035
Pricing Date	August 7, 2025	
Settlement/ Issuance Date	August 14, 2025 (T+5)	
Size	AUD500 mio	AUD300 mio
Coupon	4,400% p.a. (semi-annual)	5,300% p.a. (semi-annual)
Yield	4,427% (SQ ASW +90bps)	5,380% (SQ ASW +135bps)

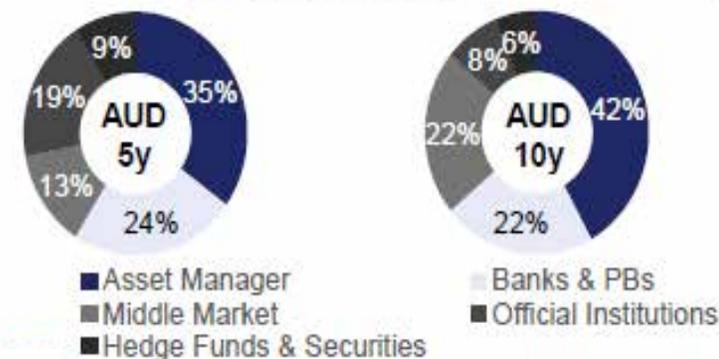
Highlights :

- **Strong orderbook.** Total order reached AUD8,02 bio (5Y: AUD3,76 bio ; 10Y: AUD4,26 bio) with *bid-to-cover* ratio 5Y: 7,52x dan 10Y: 14,2x.
- **Impeccable Timing.** Managed to price *inside the USD curve**:
 - Yield AUD 5Y: 4,427% *equiv.* USD yield 4,294 (vs 4,342 % if issued in USD)
 - Yield AUD 10Y: 5,380% *equiv.* USD yield 4,998% (vs 5,030% if issued in USD)
- **Spread tightening across all tranches:**
 - 5Y tenor, tightened by 25 bps (IPG 115 bps -> LY 90 bps)
 - 10Y tenor, tightened by 30 bps (IPG 165 bps -> LY 135 bps)
- **Enhancing Engagement with Australian Investors.** ~1/3 of the allocation was given to Australian investors as a form of domestic support, paving the way for Indonesian corporations and other emerging market issuers.

Investors by Geography



Investors by Type





FREE NUTRITIOUS MEALS (MBG)

22.7 million beneficiaries, 7,644 SPPG

PEOPLE'S SCHOOL

100 Schools OPERATE to educate 9,780 STUDENTS

“MBG has created 290 thousand new jobs in kitchens, and involved 1 million farmers, fishermen, livestock breeders, and MSMEs. MBG drives economic growth in villages.”



President Prabowo at the State Address (15 August 2025)

In the People's School, Students not only obtain formal education, but also various positive activities hone creativity.



Realization

as of 8 September 2025

Rp13 Tn (18.3% of state budget)

The allocation will be adjusted in line with the progress toward reaching 82.9 million beneficiaries

Realization:

Rp788.7 Bn (6.5% of state budget)

Min. Public Works

Education Center Renovation

Rp711.1* Bn

Min. Social Affairs

Educational Implementation

Rp77.6 Bn

As of 8 September 2025

Accepted students in 2025 : 396 classes.

Will increase to 641 classes (15,895 students)

Beneficiary distribution:

Region	Beneficiary (milion people)	Region	Penerima (Juta Orang)
Sumatera	4,86	Sulawesi	1,70
Jawa	13,26	Maluku-Papua	0,52
Kalimantan	1,03	Bali - Nusa Tenggara	1,34

Location distribution:

Region	School (Units)	Region	School (Units)
Sumatera	22	Sulawesi	15
Jawa	48	Maluku-Papua	7
Kalimantan	4	Bali - Nusa Tenggara	4



Special high schools for students having above-average performance with the International Baccalaureate (IB) curriculum

Realization Rp 8.7 Bn (4.4% of allocation Rp 2 T)

as of 8 September 2025

- ❑ Rp970 Bn will be allocated for the development of the Endowment Fund of Garuda High School

New SUGs

- Group 1: 4 Locations with 3 locations are ready (Bangka Belitung, Timteng Regency NTT and South Sulawesi). Construction is pending for EIA.
- Group 2: 5 Locations with 1 location ready (Nabire). Construction will be carried out in 2026.

Transformation SUGs

Transformation of 12 leading high schools in 11 provinces. The target is to complete and start learning in 2026.

source: Ministry of Primary and Secondary Education

Realization Rp9.6 Tn (48 % of allocation Rp 20 T)



Min. of Primary and Secondary Education: Real. of IDR 8.8 T from IDR 16.9T for 10,440 educational units (78% public, 22% private)

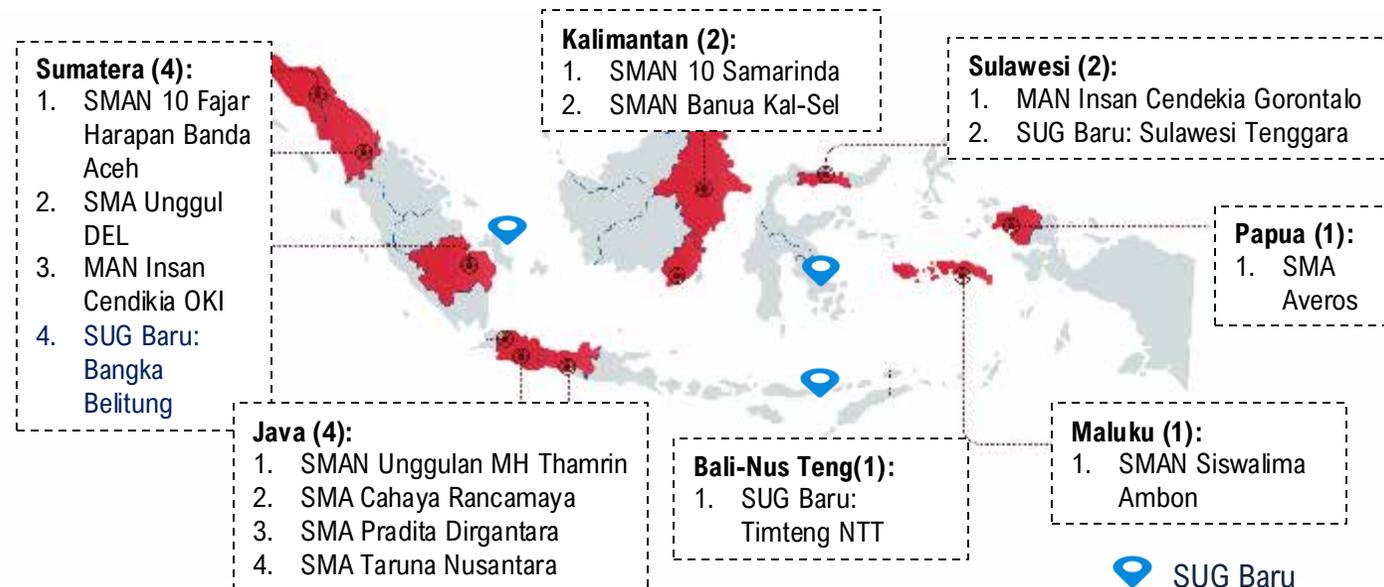


Min. of Religious Affairs: Budget of Rp0,5 T



Min. of Public Works: Realization of IDR 832.7 billion from IDR 2.52 billion for 2,120 madrasah

SUG's Location





FREE Medical Check Up (MCU)

27,4 Million people



Early detection of health conditions to prevent diseases and improve public health.

Allocation Rp3.4 Tn (Through K/L Rp2.2 Tn and TKD Rp1.2 Tn)

Realization as of September 8, 2025, Rp 0.6 T*

Realization 27,4 Million people (26.6% of the 102.8 million target)
*Exclude realisation of TKD

MCU Services

- **MCU on Birthday:** Toddler, Pre-school, Adult and elderly
- **Routine MCU:** pregnant mother, baby and toddler
- **MCU on School:** students and teenager



Investment builds a healthier Indonesian society for the future. Healthy children will be more ready to learn, grow in confidence, and face the future with enthusiasm

As of 11 September 2025

HOSPITAL REVITALIZATION

32 UNITS

as of 8 September 2025

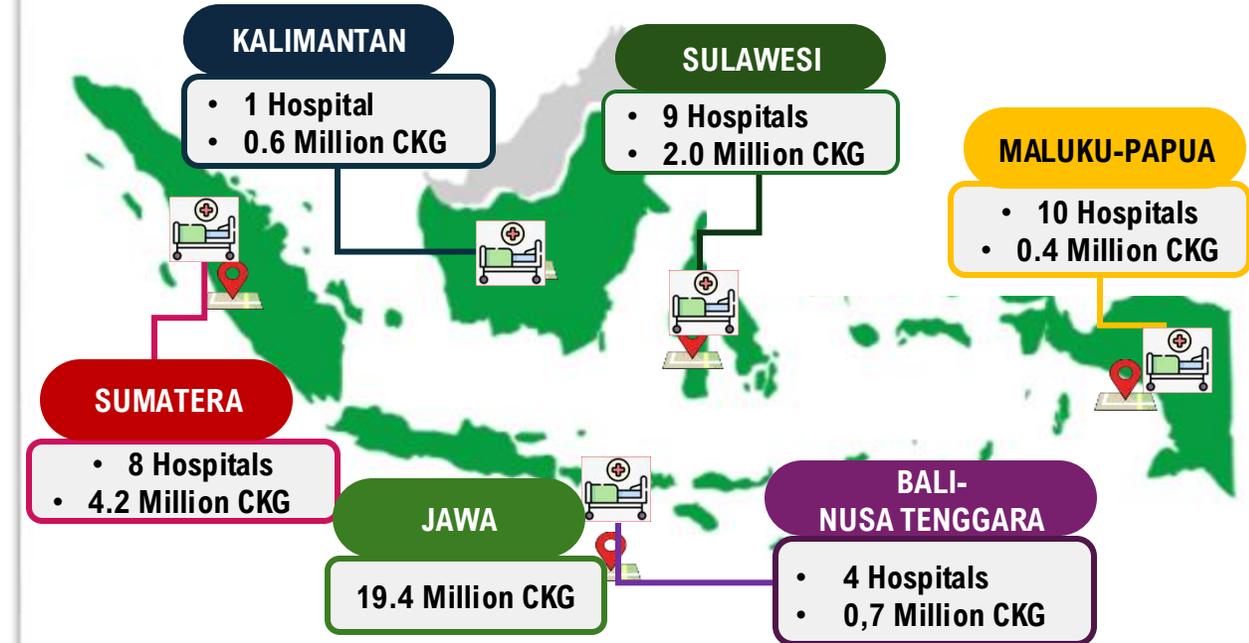


Upgrade D/D Pratama class to be C class .

Main focus: strengthening the infrastructure of KJSU (Cancer, Heart, Stroke, and Uronephrology).

- ➔ Allocation IDR 4,4 T
- ➔ Realization through Ministry of Health: IDR1,5 T for 20 Hospitals (on progress)
- ➔ Realization through DAK Fisik: IDR 0,4 T for 12 hospitals (on progress) Realization until August 2025.

Distribution of Hospital Revitalization by Region





As of 12 September 2025



Transmigration Areas as a New Epicentrum of Growth:

1. Synergy with other Priority Programs
2. Instruments for area development
3. Improving human resource quality
4. Entrepreneurship and job creation

- **TRANS GOTONG ROYONG.** Collaborative-based development of transmigration areas
- **TRANSMIGRASI LOKAL.** Building new towns from villages through potential-based development
- **TRANSMIGRASI PATRIOT.** Creating development cadres in transmigration areas
- **TRANS KARYA NUSANTARA.** Developing an economy based on the potential of transmigration areas
- **TRANS TUNTAS.** Resolving various land issues in transmigration areas

As of 8 September 2025

Interest Subsidy **Rp14,9 T**

(KUR Ceiling Rp179,9 T)

Ministry/Agency (K/L) **Rp0,7 T**

(for facilities and development of cooperatives and MSMEs)

Distribution of KUR Beneficiaries

- Jawa 1,66 mio Debtors
- Sumatera 0,69 mio Debtors
- Bali-Nusra 0,20 mio Debtors
- Kalimantan 0,17 mio Debtors
- Sulawesi 0,32 mio Debtors
- Maluku-Papua 0,05 mio Debtors



Regulation of the Minister of Finance No. 49/2025 on Capital Access for Red and White Village Cooperative (KDMP)

- Loan interest 6% p.a
- Loan Ceiling up to IDR 3 Billion
- Grace period 6-8 months
- Tenor 6 Years

Red and White Village Cooperative is a tangible manifestation of mutual cooperation spirit, strengthening village independence





The State Budget, including Expenditure for Priority Programs, Aims to Enhance People's Welfare



Additional Job Creation

<u>2024</u>	<u>2025</u> ▲
3,55 mio	3,59 mio



Open Unemployment Rate

<u>2024</u>	<u>2025</u> ▼
4,82%	4,76%



Poverty Rate

<u>2024</u>	<u>2025</u> ▼
9,03%	8,47%

Source: Statistics Indonesia, February data, processed

Source: Statistics Indonesia, March data, processed

2026 Fiscal Policy





Economy 2026 Targeted for Higher, Stable, and Equitable Growth

The strong economic performance in 2025 provides a foundation, reinforced by the 2026 fiscal strategy and strong synergy with the Danantara and the private sector

Fiscal Strategy:

- Strengthening long-term **fundamentals**
- **Countercyclical** measures in times of pressure
- Inclusive across all regions

APBN as an Instrument:

- **Quality Spending**
 - 8 Priority Agendas
 - Social Protection
 - Stimulus as as buffer
- **Optimization of State Revenue**
- **Innovative and Sustainable Financing**

APBN as an *Enabler*:

- Focus on strategic sectors, high value-added, and export-oriented.
- Continue supporting the performance of labor-intensive sectors

Fulfilling functions:

- Allocation
- Stabilization
- Distribution

**RESILIENT
SELF-RELIANT
PROSPEROUS
INDONESIA**

Synergy and Strengthening of the Role as a Growth Engine Continues to be Enhanced



Private Sector



Realizing a Resilient, Independent, and Prosperous Indonesia

Economic and fiscal strategy 2026

A Short-term strategy: "maintaining economic resilience and protecting the people"

Economic Stability

- **Economic Diplomacy** (Trade & Investment Negotiations, Deregulation),
- **Collaboration** on Fiscal, Monetary, and Financial Sector

Protect The Business & People's Purchasing Power

- Fiscal incentives
- Social protection
- Subsidies & compensation

Budget Sustainability

- Efficiency and Reconstruction of Spending
- Deficit & Debt controlled
- Revenue optimization
- Fiscal Resilience: fiscal buffer & flexibility

B Medium-term: "improving competitiveness, productivity and supporting the development agenda"

1	Food Security "Nourishing stability, cultivating sustainability"	3	Free Nutritious Meals "Empowering Indonesia through nutritious meals"	5	Health Programs "Healthy people for strong and sustainable economy"	7	Universal Defense "A foundation for economic, social, and political self-reliance toward prosperity"
2	Energy Security "The backbone of resilience"	4	Educational Program "Strengthening quality education"	6	Village Development Cooperatives & MSMEs "Empowering communities, advancing the nation"	8	Accelerating Global Investment and Trade "strengthening Indonesia in the global value chain"



1. FOOD SECURITY

Rp164,7 T



- ▶ Fertilizer Subsidy : **9,62 mio tons**, Rp46,9 T
- ▶ Rice field development and land optimization: **550.000 ha** Rp19,7 T
- ▶ Farmers' access road **103 km**
- ▶ Bulog to maintain rice and paddy stock: **3 mio tons**, Rp22,7 T

2. ENERGY SECURITY

Rp402,4 T



- ▶ Energy subsidies will continue
- ▶ **(Fuel, Electricity, and 3 kg LPG) targeted effectively using DTSEN**
- ▶ Tax Incentive
- ▶ Development of New and Renewable Energy (NRE)
- ▶ Village electricity programs



2026 State Budget Priority Agenda

3. MBG



Rp335 T

Education Function **Rp223,6 T**

Health Function **Rp24,7 T**

Economic Function **Rp19,7 T**

Reserve **Rp67 T**

82,9 mio Beneficiaries

- ▶ 71,9 mio Students
- ▶ 2,9 mio Pregnant/Breastfeeding Mothers
- ▶ 8,1 mio Toddlers

4. EDUCATION PROGRAM



Rp769,1 T

- ▶ Education budget through **TKD** (e.g., allowances for public/private teachers, BOS, PAUD operational assistance) **Rp 264,6 T**
- ▶ Education budget through **non-BGN Ministries / Institutions** (e.g., school revitalization and People's Schools) **Rp 246,9 T**
- ▶ **MBG Rp 223,6 T for 71,9 mio students**
- ▶ **Financing** (e.g., LPDP for 4,000 students, 452 research projects, 23 state universities with legal entity status) **Rp 34 T**



5. HEALTH PROGRAM

Rp244 T



Insurance contribution assistance:
96.8 mio people & non-salaried workers (PBPU) **49.6 mio** people

Rp69,0 T

Hospital revitalization **Rp2,7 T**, reduction of stunting and TB

Free Health Check (CKG) for 130.3 million participants
Rp2,6 T

Nutritional assistance for toddlers & pregnant women: **7.4 million people**
Rp24,7 T

6. VILLAGE DEVELOPMENT, COOPERATIVES, AND MSMEs

Rp181,8 T



Red and White Village Cooperative (KDMP) **80 thousand unit**

Village Fund **Rp60,6 T**

Placement of funds in state-owned banks (Himbara) for loans **Rp83,0 T**
to KDMP at low interest rates



2026 State Budget Priority Agenda

7. UNIVERSAL DEFENSE



- ▶ Defense: **Rp185.2 T** for modernization of defense equipment and development of domestic industry.
- ▶ Order and Security (including the National Police, State Intelligence Agency, National Narcotics Agency): **Rp179.4 T** for border security and prevention of terrorism and crime.
- ▶ Law (Prosecutor's Office, Human Rights, Judiciary, etc.): **Rp60.4 T** for combating corruption and narcotics crimes.

8. ACCELERATION OF INVESTMENT AND TRADE



- ▶ **Strengthening Danantara's role in accelerating productive investment:** Investment supporting the downstreaming of the mineral and coal sectors, energy transition, agriculture, maritime, and fisheries. **USD38 Bio**
- ▶ **Investment in the 3 million housing program**, reaching **770 thousand housing units** through FLPP, BSPS, KUR schemes for MSME contractors, and DTP VAT.
- ▶ **Investment in water security and waste management.**



Strong Social Protection Must Be Maintained

LIFELONG SOCIAL PROTECTION

From pregnancy to elderly

Rp508,2T

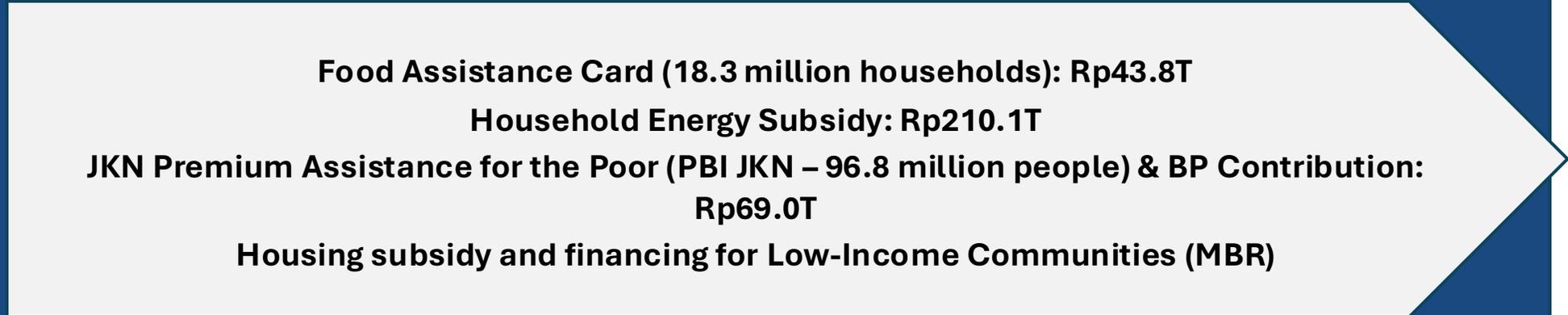


- PKH for Pregnant Mothers
- PKH for Early Childhood

- PKH for Elementary–Junior–Senior High School
- PIP (Education Assistance) for Elementary–Junior–Senior High School: Rp15.5T
- Public Schools Rp4,9T
- ATENSI (Care) for children and orphans

- Indonesia Smart Card (KIP) for Higher Education Rp17T
- Contribution to Job Loss Insurance Rp1,2T
- KUR (People’s Business Credit) Subsidy Rp36,5T
- Housing subsidies/assistance
- Contribution subsidy for National Health Insurance (JKN) for informal workers

- PKH for the Elderly
- ATENSI and Food Support for the Elderly



ADAPTIVE SOCIAL PROTECTION FOR DISASTERS/CRISIS

Food and ATENSI for Persons with Disabilities

ATENSI for Victims of Drug and Addictive Substance Abuse

Disaster Emergency Fund

Government Food Reserves



CENTRAL GOVERNMENT EXPENDITURE IN 2026: Rp3,149,7 trillion

Quality spending for sustainable development

2026 Ministry/Agency (K/L) Budget Ceiling

Increased from the 2026 Indicative Ceiling of Rp1,167.8 trillion



Minimum Operational Spending, including: I.:

- Personnel Expenditure: Rp332.8 T
- Operational Goods Expenditure
- Defense and Security Operations, Education Operations (including Smart Indonesia Program / PIP and College KIP), and support for ministries/agencies' main duties and functions

Spending includes, among others:

- Regular Social Assistance, including: Family Hope Program (PKH), National Health Insurance Contribution Assistance (PBI JKN), Food Assistance Card, totaling Rp162.4 T
- Expenditures financed by Non-Pure Rupiah sources;
- MBG Program Expenditures;
- Priority Spending for 98 Ministries/Agencies.

2026 Non-Ministry/Agency (Non-K/L) Budget Ceiling

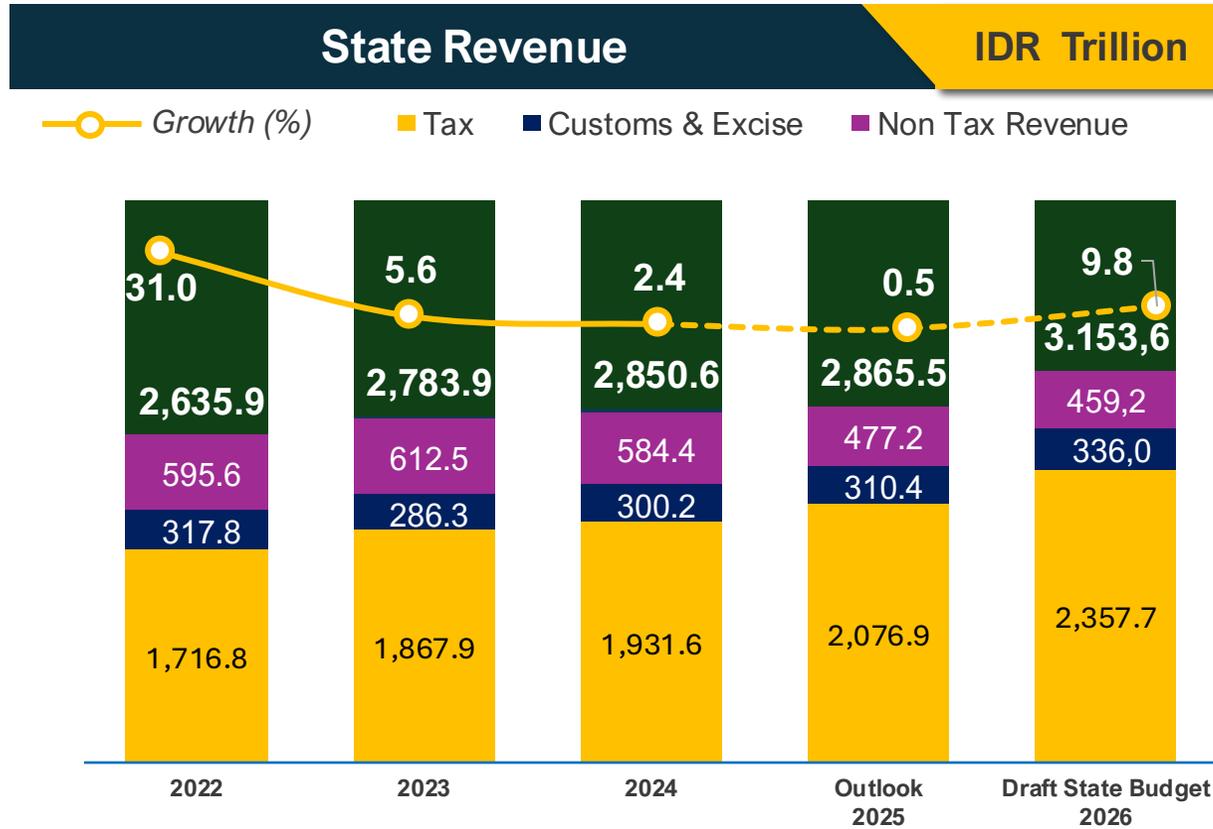


- Mandatory Expenditure (including pension payments, debt interest, disaster management)
- Subsidies/compensation and other priorities
- Presidential Discretion



2026 STATE REVENUE TARGET IDR 3,153.6 T

State revenue grew 9.8% and taxes grew 13.5% amid challenges in commodity prices and the global economy



Ratio (% GDP)	2022	2023	2024	Outlook 2025	Draft State Budget 2026
Revenue Ratio	13,46	13,33	12,88	12,04	12,24
Taxation Ratio	10,39	10,31	10,08	10,03	10,47

Tax

1. Utilization of CORETAX and synergy in data exchange with Ministries/Agencies
2. Collection system for domestic and cross-border digital transactions
3. Joint programs in data analytics, supervision, audit, intelligence, and tax compliance
4. Providing incentives to support purchasing power, investment, and downstreaming

Customs

1. Excise Policy on Tobacco Products and Excise Base Expansion
2. Intensification of Import Duties on International Trade
3. Export Duty Policy to Support Product Downstreaming
4. Law Enforcement to Combat the Circulation of Illegal Excise Goods and Smuggling

Non-Tax Revenue

1. Optimization, governance improvement, innovation, supervision, and law enforcement in natural resources management
2. Strengthening synergy among Ministries/Agencies and the Mineral and Coal Information System (SIMBARA)

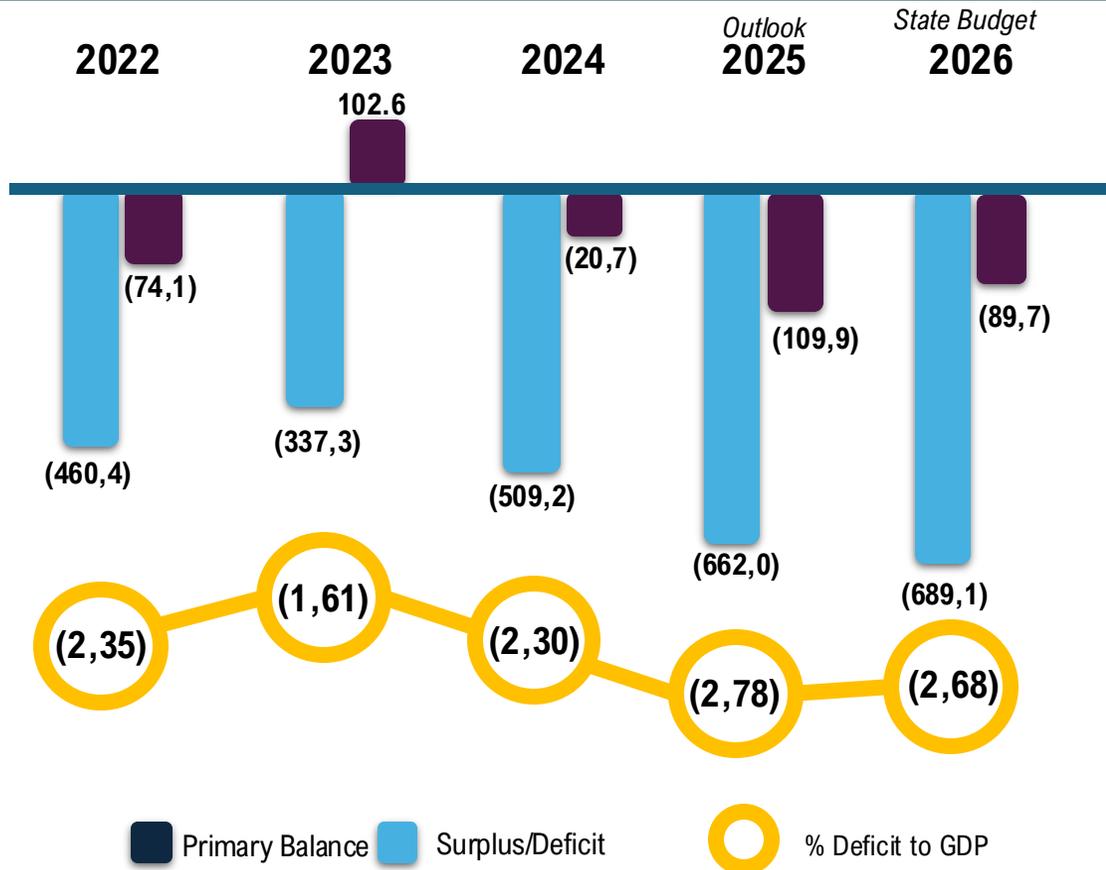


State Budget (APBN) 2026: Controlled Deficit at 2.68% of GDP

Lower than 2025 (prudent), yet sufficient to support priority programs (expansive).

Development of Budget Deficit and Primary Balance 2022–2026

IDR Trillion



Budget Financing in the State Budget (APBN) FY 2026 amounts to IDR 689,1 trillion

Budget Financing Policy 2026

- **Maintaining debt-to-GDP ratio at safe limit and manageable.**
 - Prioritizing domestic debt sources
 - Developing innovative financing
 - Actively managing debt portfolio
- **Optimizing and synergizing** Public Service Agencies (BLU), Special Mission Vehicles (SMVs), Indonesian Investment Authority (INA), and Danantara Investment Management Agency (BPI)
- **Utilizing SAL** (Budget Surplus) as a fiscal buffer
- **Enhancing access to investment financing**
- **Deepening the domestic financial market**
- **Promoting innovative financing**, including Public-Private Partnerships (PPP)



THE 2026 STATE BUDGET STRUCTURE

Additional State Expenditure of Rp56.2 trillion (including Rp5.9 trillion from optimization)

→ Deficit 2,68% of GDP

(in IDR tn)	2026		
	State Budget Draft (RAPBN)	State Budget (Approved)	Difference vs RAPBN
A. Revenue	3,147.17	3,153.6	5,9
1. Tax Revenue	2,692.0	2,693.7	1,7
1. Tax	2,357.7	2,357.7	0,0
2. Custom and Excise	334,4	336.0	1,7
II. Non-Tax Revenue	455,0	459.2	4,2
B. Expenditure	3,786.5	3,842.7	56,2
I. Central Government Expenditure	3,136.5	3,149.7	13,2
1. Line Ministries Expenditure	1,498,3	1,510.5	12,3
2. Non-Line-Ministries Expenditure	1,638,2	1,639.2	0,9
II. Transfer to Region	650,0	693,0	43,0
C. Primary Balance	(39.4)	(89,7)	(50,3)
D. Surplus/ (Deficit)	(638.8)	(689,1)	(50,3)
% Surplus/(Deficit) to GDP	(2.48)	(2,68)	
E. Financing	638.8	689,1	50,3



Macroeconomics Assumption and Development Indicators Target 2026

	INDICATORS	TARGET
	Economic Growth (% , yoy)	5.4
	Inflation (% , yoy)	2.5
	Exchange Rate (Rp/US\$)	16,500
	10-Year Government Bond Yield (%)	6.9
	Indonesian Crude Oil Price (USD/barrel)	70
	Oil Lifting (thousand barrels/day)	610
	Gas Lifting (thousand BOE/day)	984

	INDICATORS	TARGET	
	Open Unemployment Rate (%)	4.44 – 4.96	
	Poverty Rate (%)	6.5 – 7.5	
	Extreme Poverty Rate (%)	0 – 0.5	
	Gini Ratio (indeks)	0.377 – 0.380	
	Human Capital Index (index)	0.57	
	Farmer Welfare Index (Index)	0.7731	
	Proportion of Formal Job Creation (%)	37.95	
	GNI per Capita (USD)	5,520	
	Greenhouse Gas Emission Intensity (%)	37.14	
	Environmental Quality Index (Index)	76.67	



Thank You

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