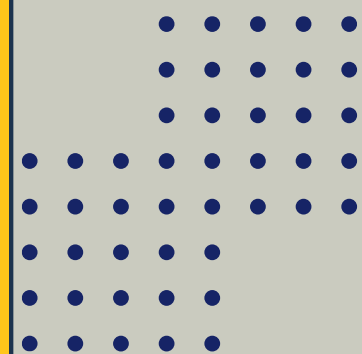




Investor Relations Unit
Ministry of Finance Indonesia

Recent Economic Development

June 2026



 fiskal.id/IRU

 iru@kemenkeu.go.id

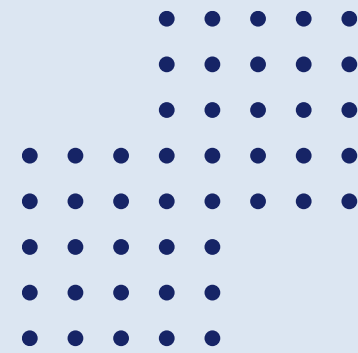
Overview

- 01** Macroeconomic Performance
- 02** Fiscal & Strategic Policy
- 03** 2026 Budget Overview



1

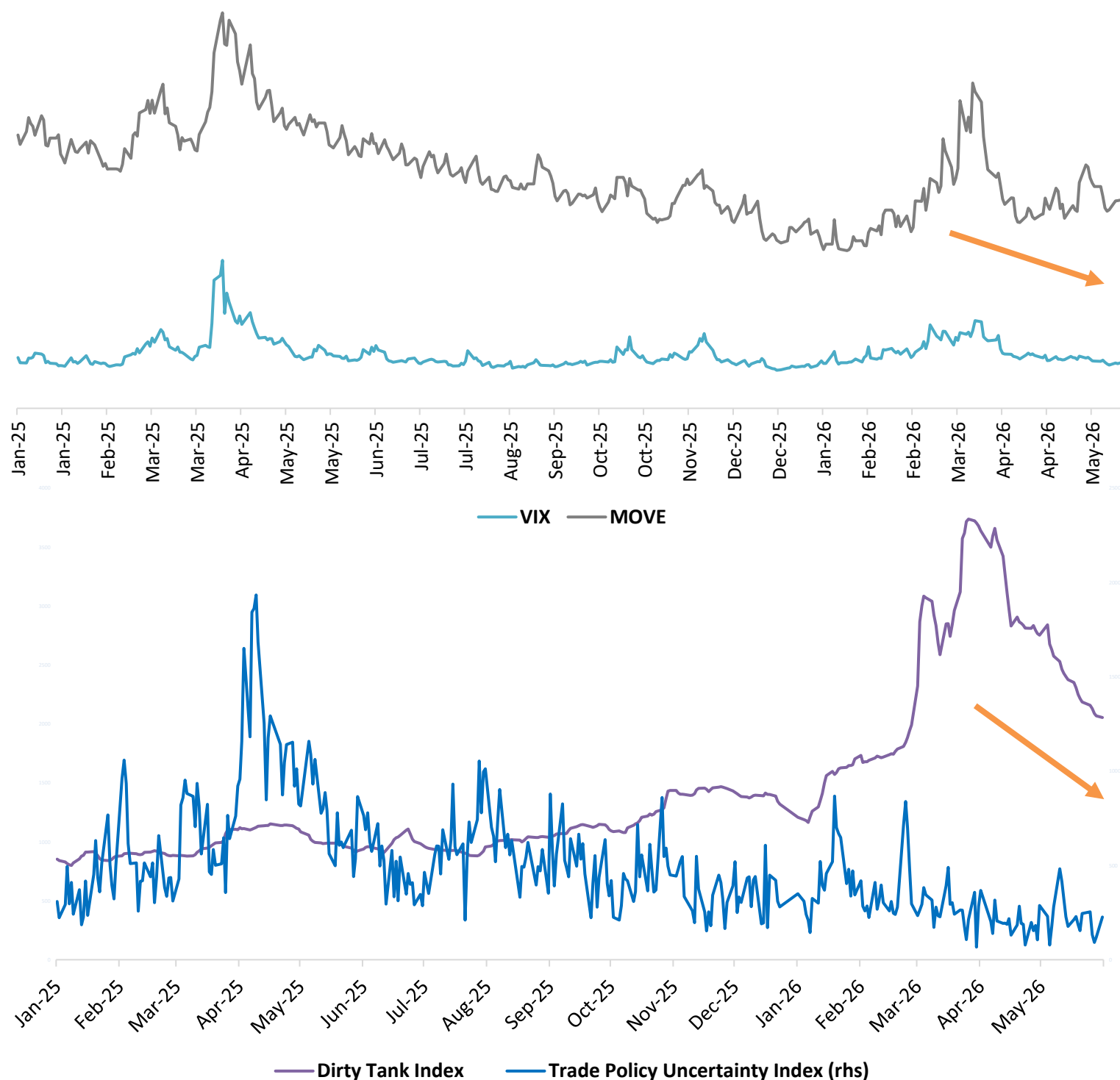
Macroeconomic Performance





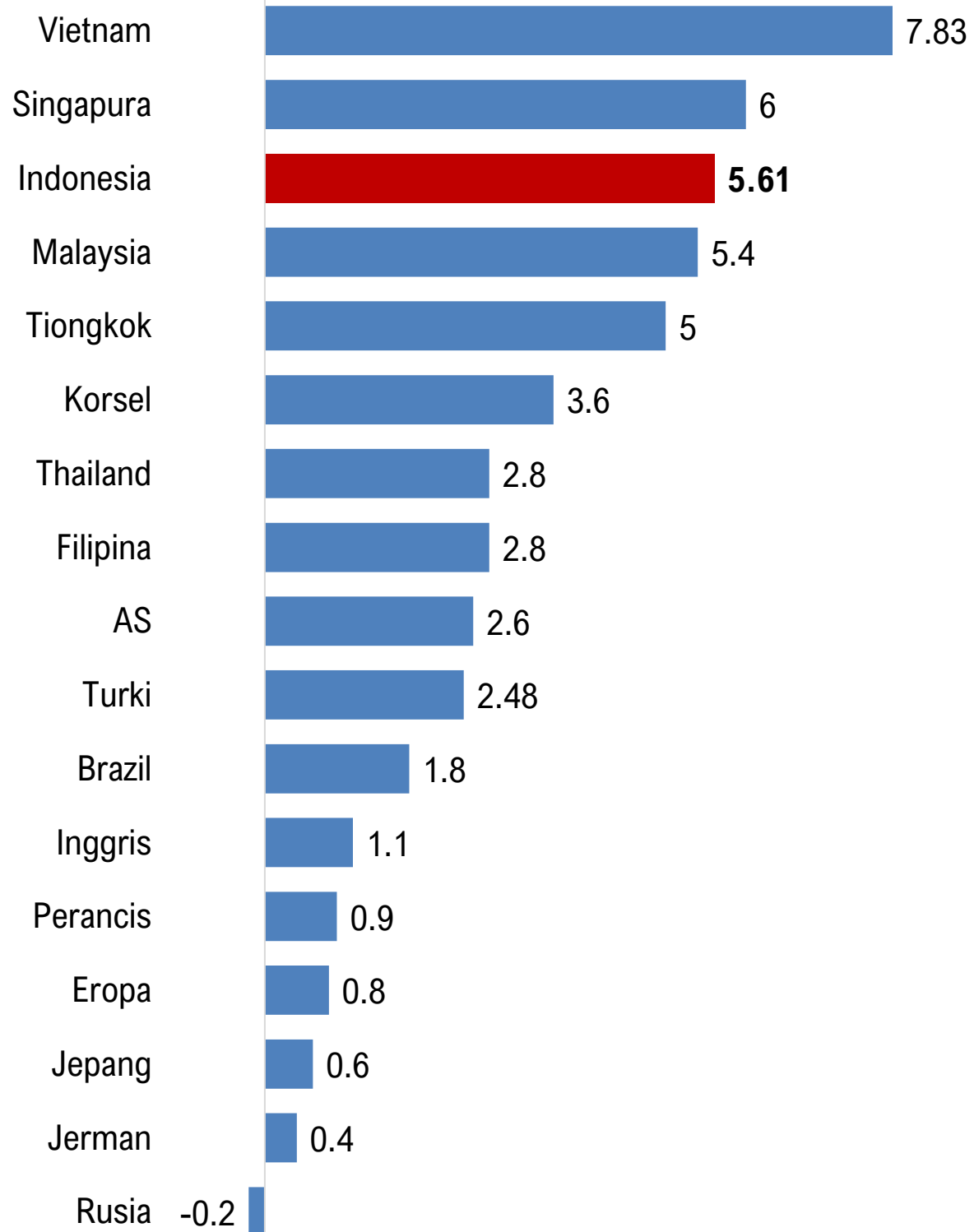
GEOPOLITICAL TENSIONS EASE, INDONESIA SHOWS STRONG ECONOMIC PERFORMANCE

Volatility indicators subside

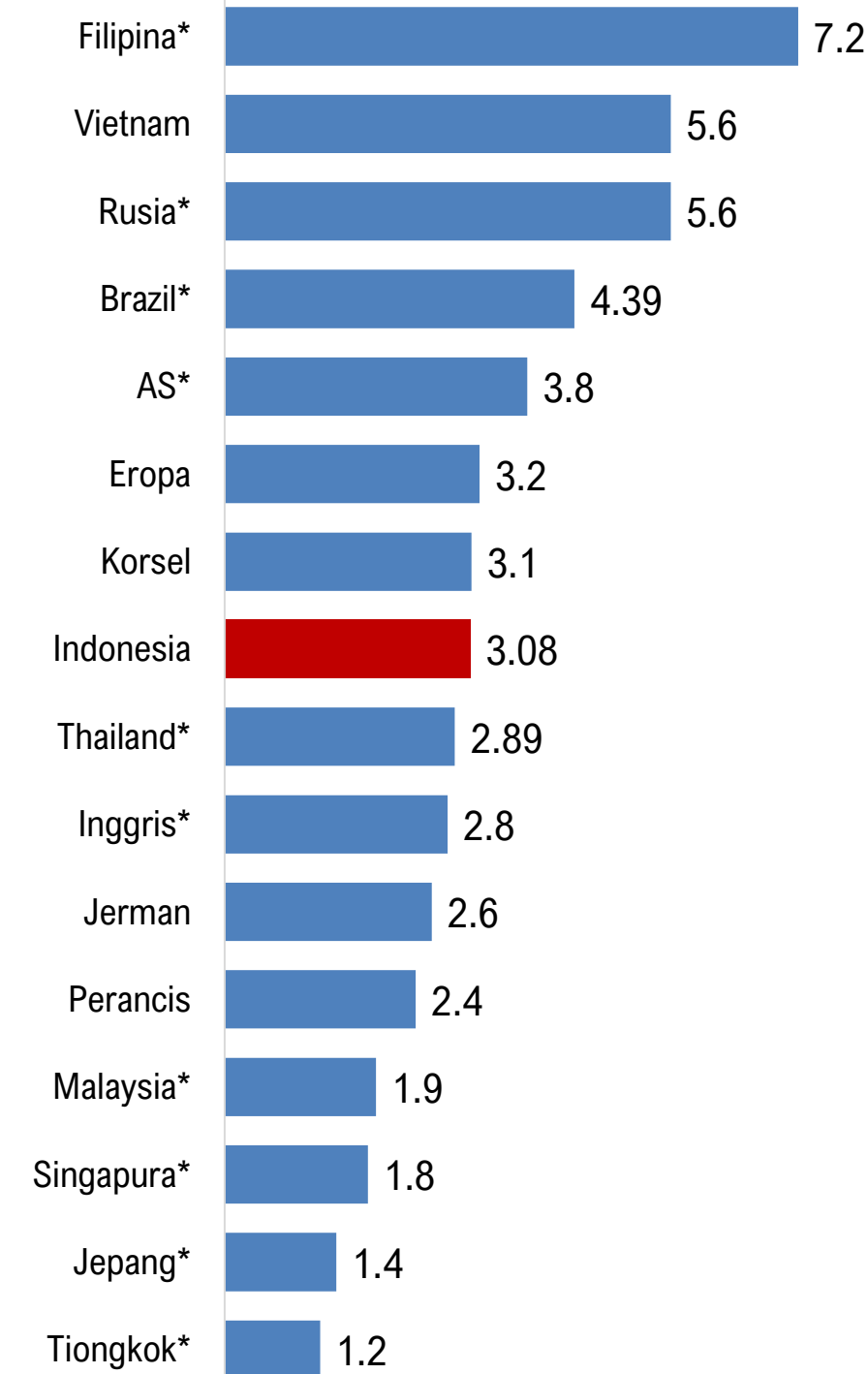


Indonesia demonstrates better performance among G20 & ASEAN countries

Q1 2026 GDP Growth (% yoy)



May 2026 Inflation (%)



Source: Bloomberg, policyuncertainty.com

VIX – Stock Market Volatility Index

Dirty Tank Index – Crude Oil Shipping Index

MOVE – Bond Market Volatility Indeks

TPUI – Trade Policy Uncertainty Index

*April Data
Source: Bloomberg

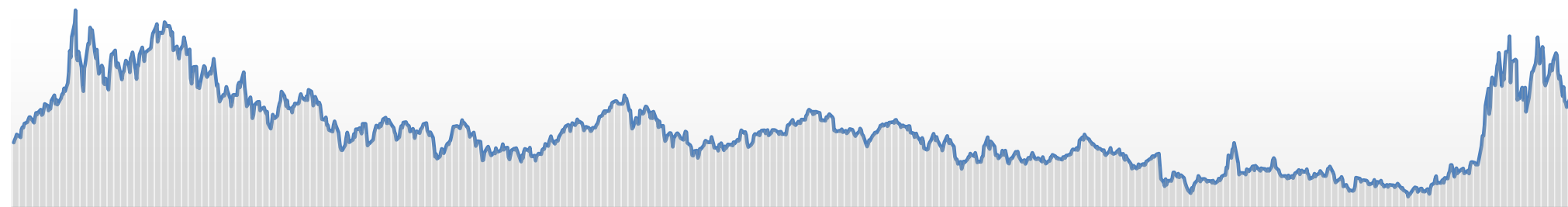


COMMODITY PRICES REMAIN ELEVATED AND CONTINUE TO BE VOLATILE

Brent
(USD/Barel)



MoM ● -15.5%
YoY ● 24.9%
YtD ● 58.8%

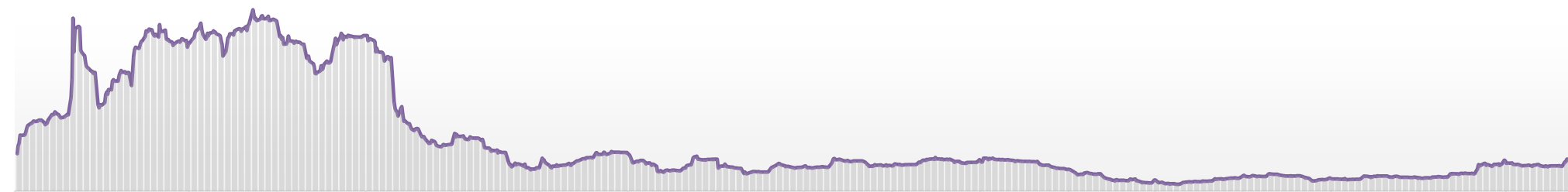


96.7

Coal
(USD/Ton)



MoM ● 7.9%
YoY ● 21.4%
YtD ● 36.0%

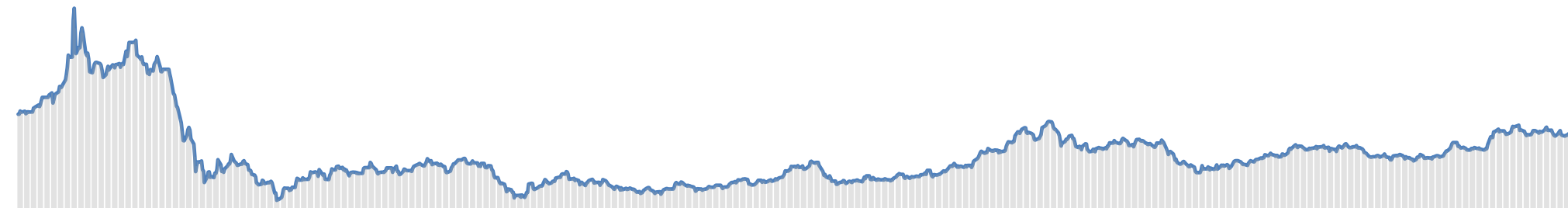


146.3

CPO
(USD/Ton)



MoM ● -1.5%
YoY ● 7.8%
YtD ● 16.7%

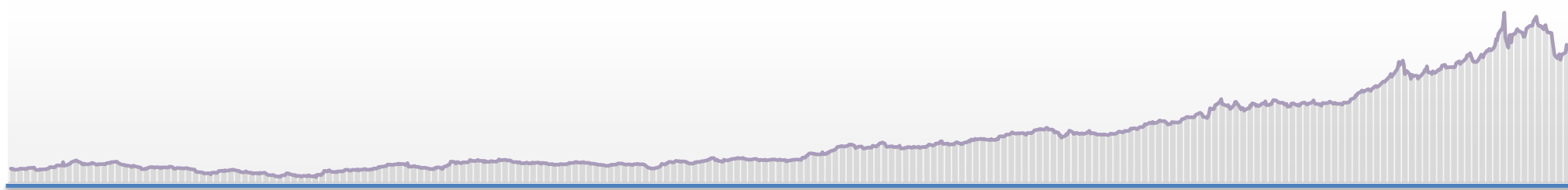


1137

Gold
(USD/Troy Ounce)



MoM ● -2.1%
YoY ● 57.6%
YtD ● 3.4%

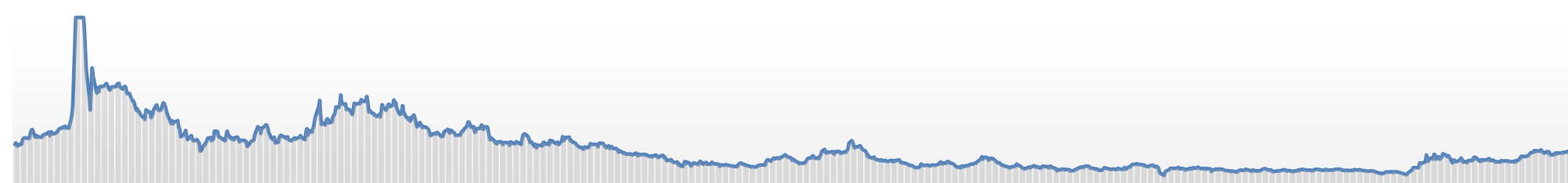


4466

Nickel
(USD/Ton)

Ni

MoM ● -2.6%
YoY ● 14.9%
YtD ● 13.4%

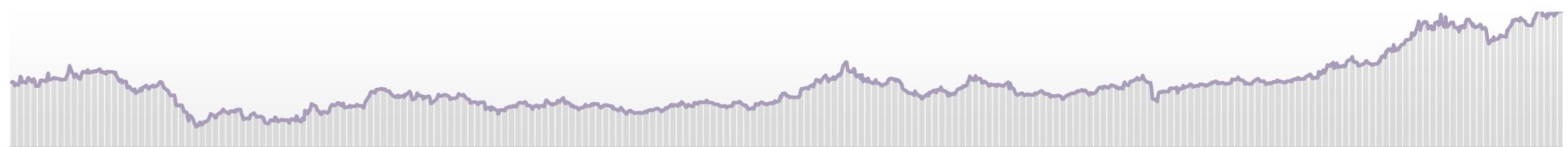


18871

Copper
(USD/Ton)



MoM ● 6.4%
YoY ● 39.0%
YtD ● 11.3%



13825

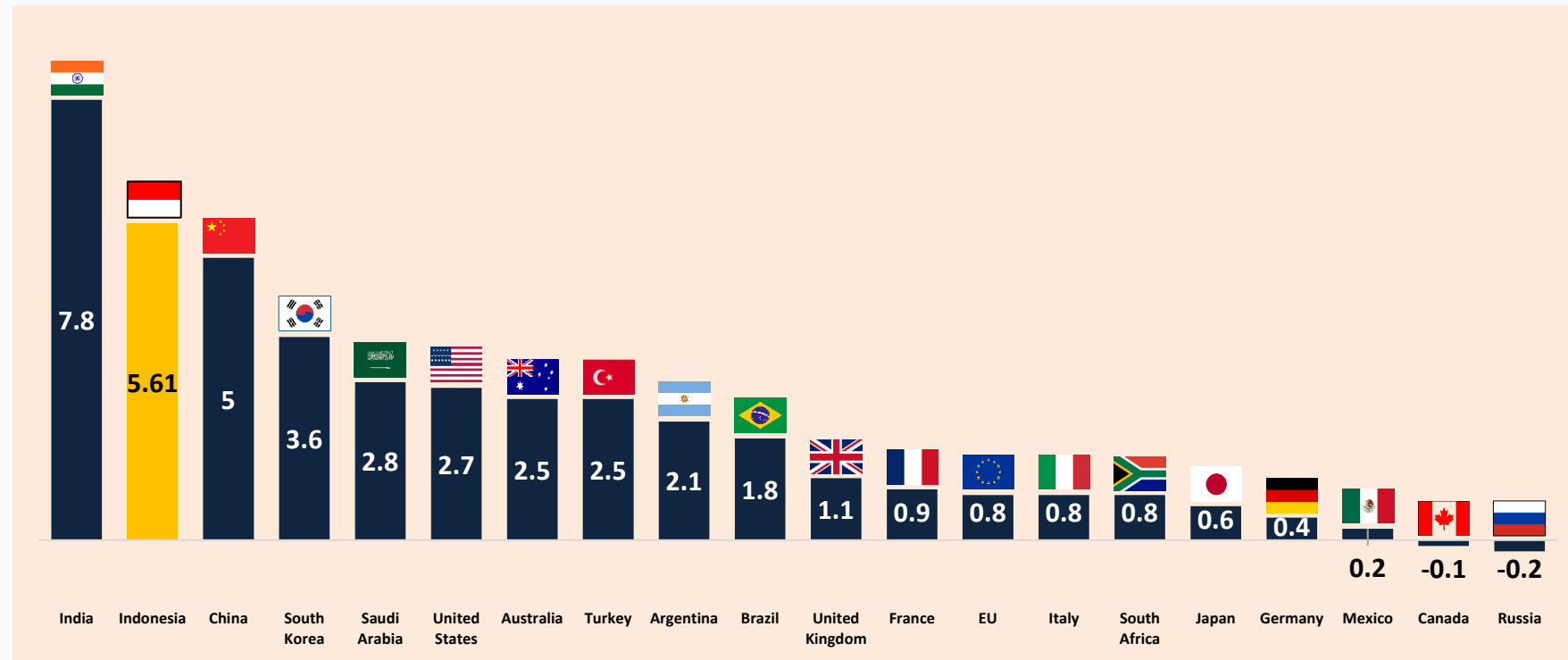
Jan22 May22 Sep22 Jan23 May23 Sep23 Jan24 May24 Sep24 Jan25 May25 Sep25 Jan26 May26

Source: Bloomberg; data as of June 4, 2026, 09:00 JKT time. YoY reflects the year-to-date average compared with the same period in the previous year.

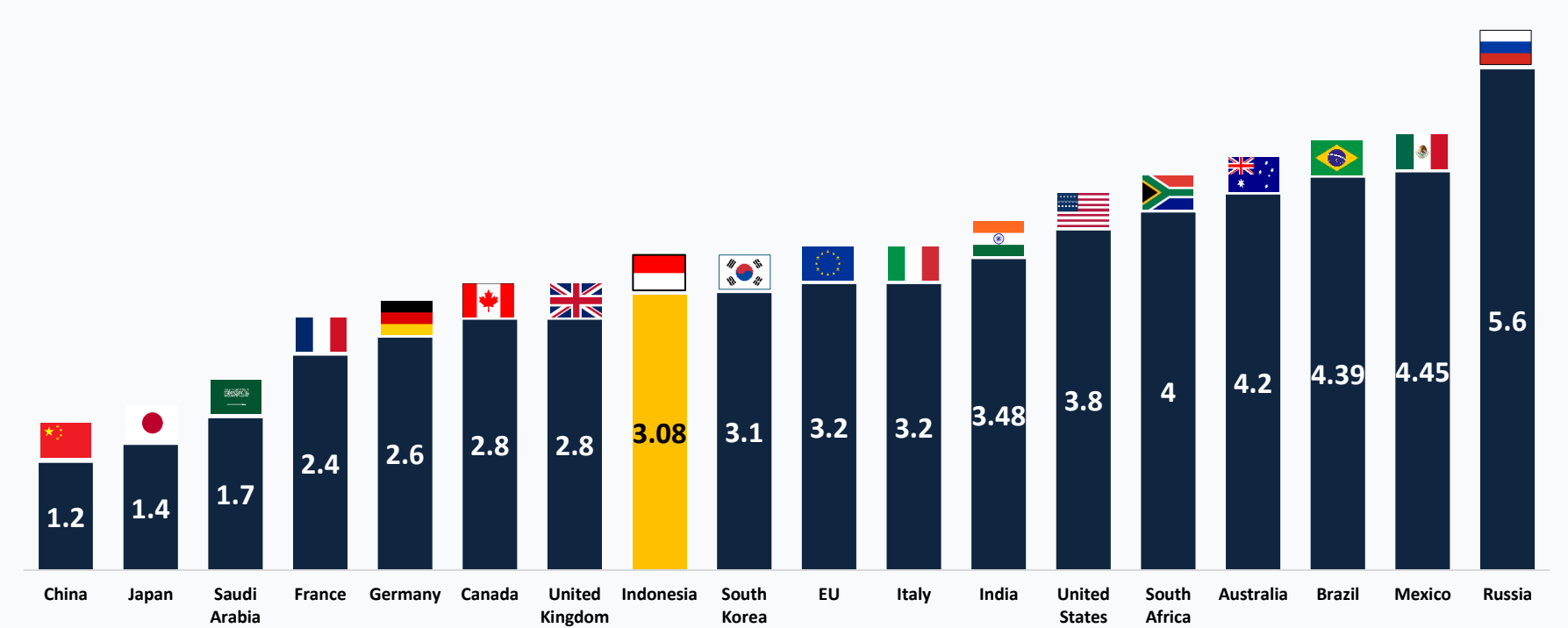


INDONESIA'S ECONOMIC AND FISCAL PERFORMANCE IN 2025 WAS BETTER COMPARED TO THE G-20 AND SEVERAL OTHER COUNTRIES

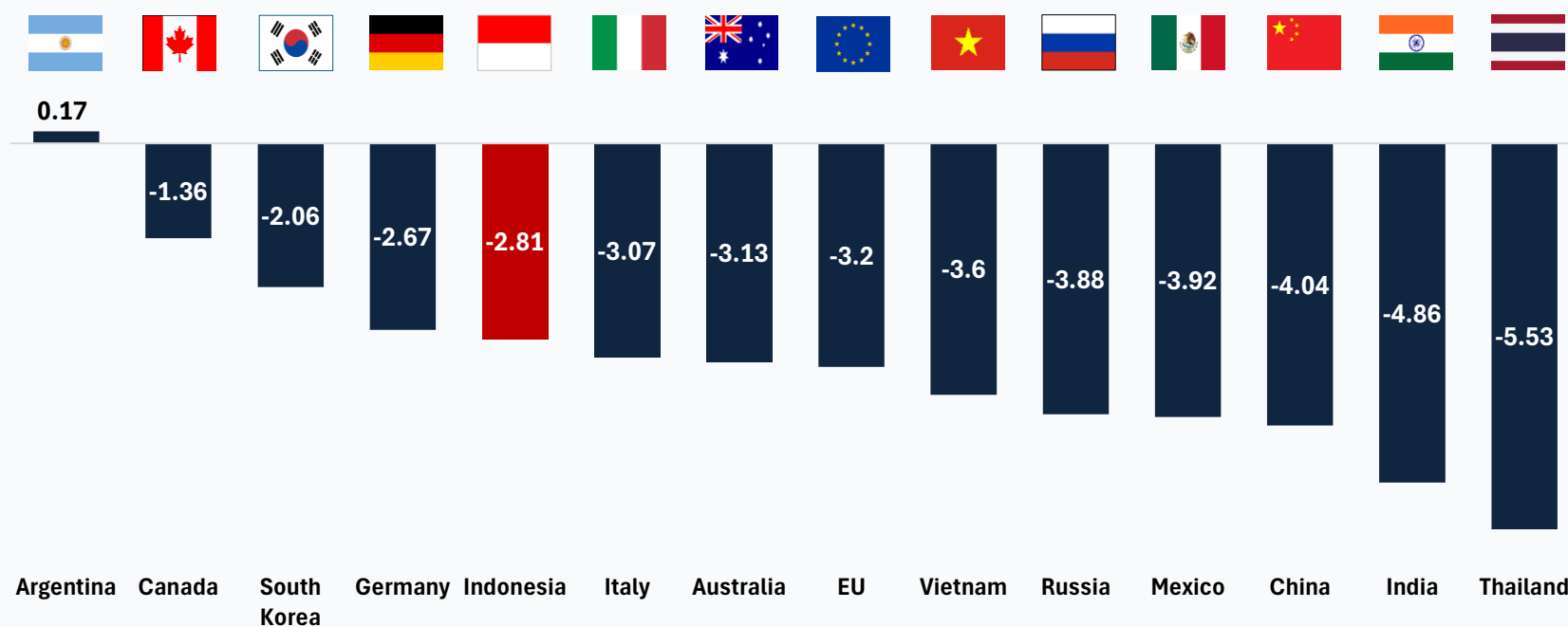
Economic Growth of G20 and Several Other Countries in Q1 2026



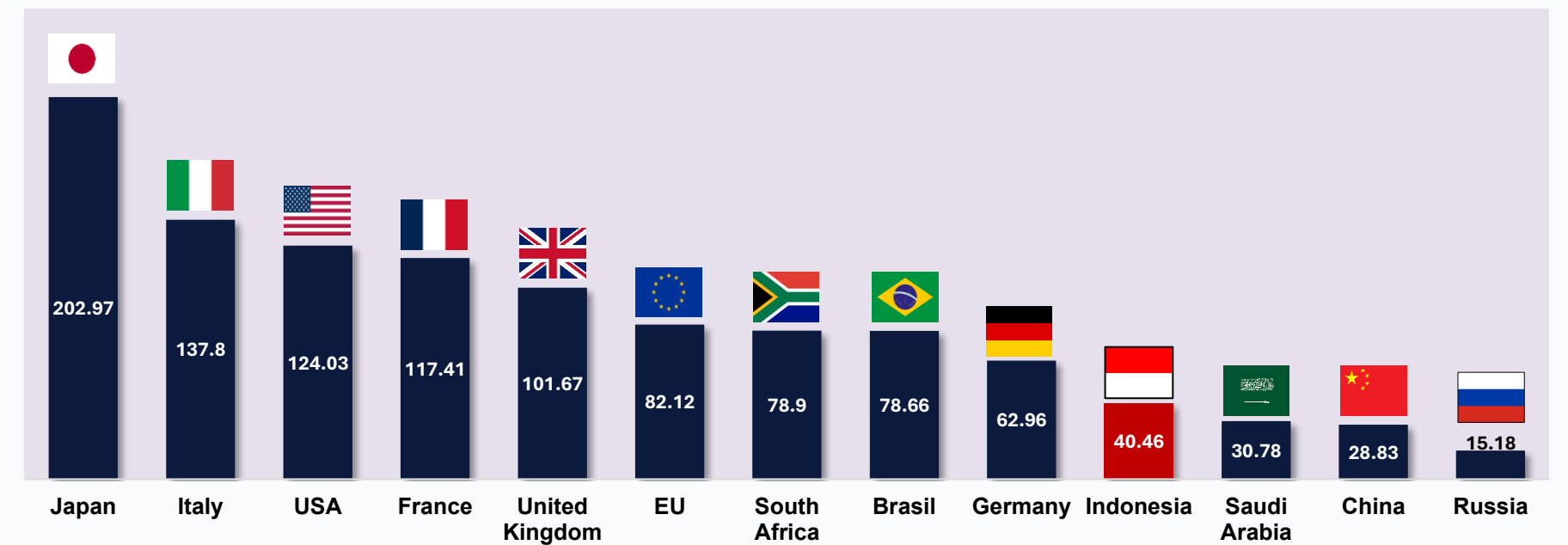
Inflation of G20 Countries as of May 2026



Fiscal Balance (%) of G20 and Several Other Countries in 2025



Debt to GDP Ratio (%) of G20 Countries in 2025





ECONOMIC PERFORMANCE REMAINS RESILIENT, WHILE GLOBAL RISKS CONTINUE TO BE JOINTLY ANTICIPATED

A

Strong Economic Growth



Q1 '26
5.61%

(Full year outlook 5.4-6.0%)
Highest in 3 Years, fueled by festive spending and government programs

B

Controlled Inflation



Apr '26
3.08% yoy
0.28% mom

Inflation remains under control, purchasing power preserved

C

Trade Surplus for 72 Months



Apr'2026:
Surplus USD 0.09 billion

Imports dominated by productive commodities (capital goods and raw materials)

D

Adequate Foreign Reserves



May'26
USD 144.9 billion

Equivalent to 5.5 months of imports and government external debt payments

E

Money Supply (M0-Non Adjusted) Growth

May '26
14.8% yoy

Economic liquidity sufficient to support higher growth

F

Credit Growth



Apr '26
10.0% yoy

Driven by strong investment credit growth of 19.5% yoy

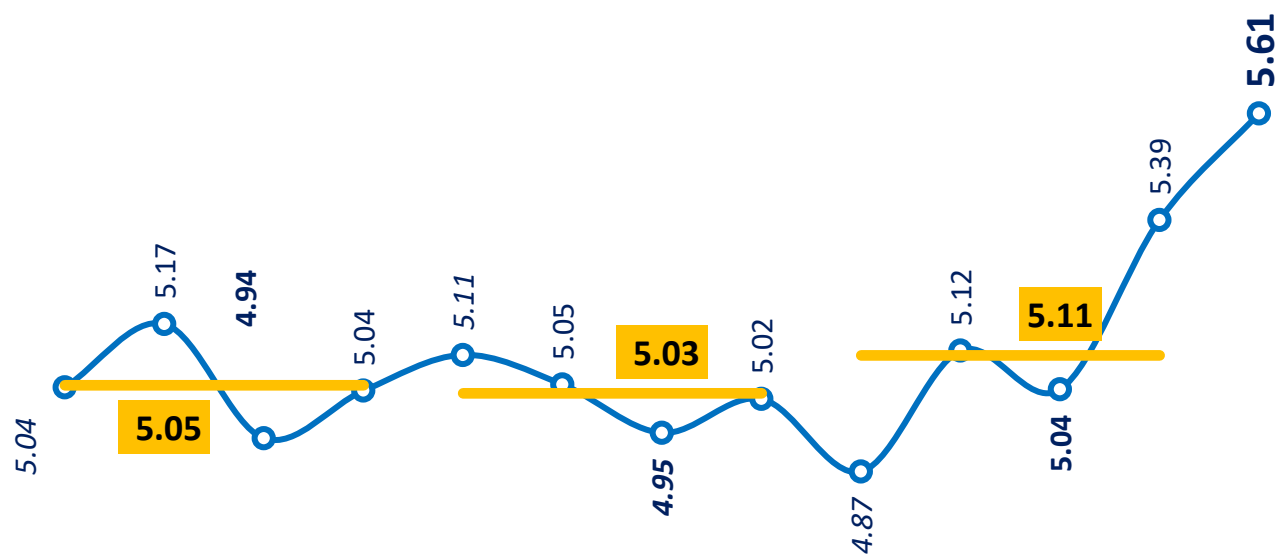


INDONESIA'S ECONOMY GREW STRONGLY BY 5.61% (YoY) IN Q1 2026

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

Economic Growth (%yoy)

Source: Statistics Indonesia



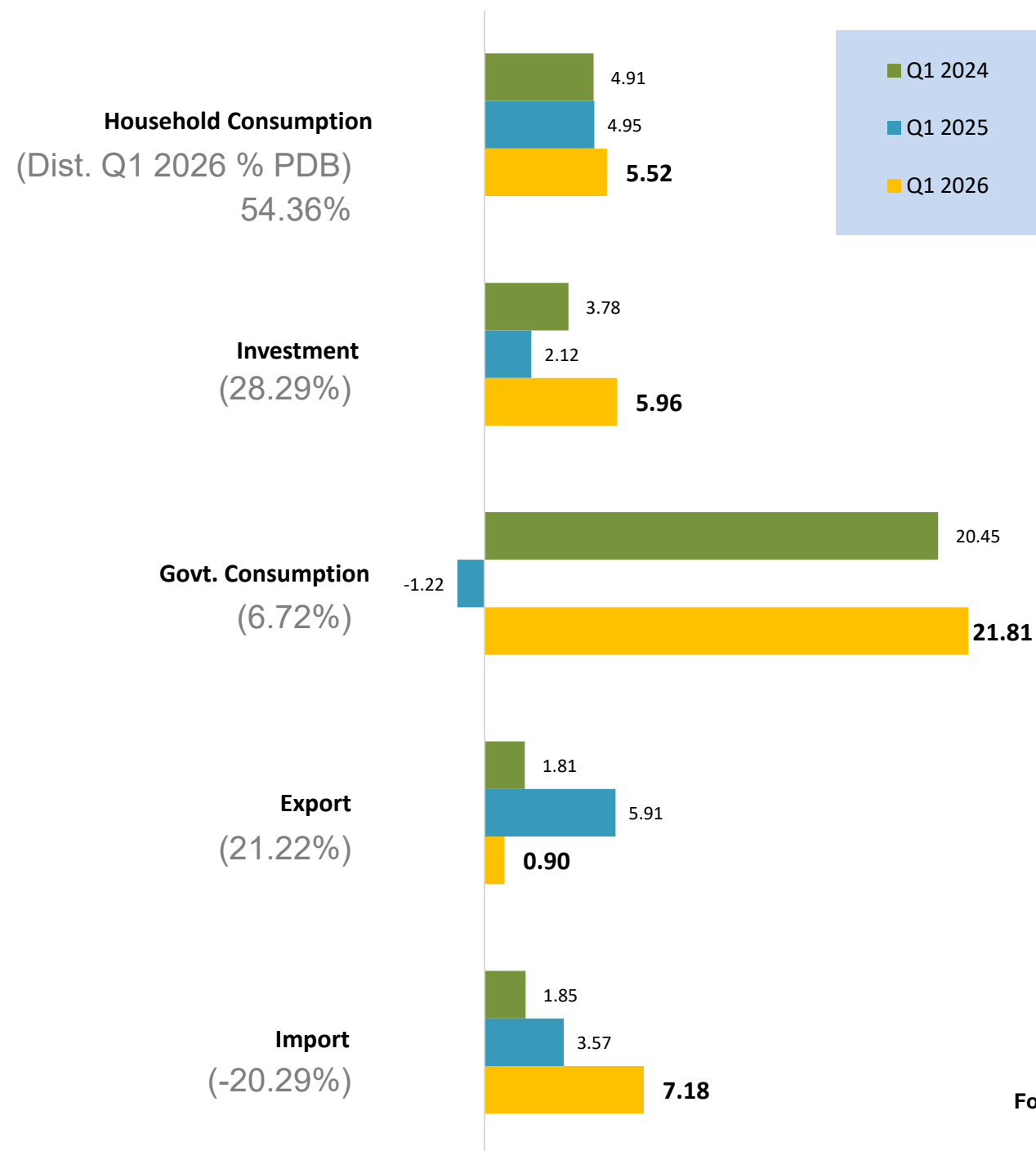
*On the Demand side, economic activity was mainly driven by accelerated **Government spending**, along with rising **Household Consumption** and **Investment**. **Investment** was further supported by the acceleration of various Danantara projects.*

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

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

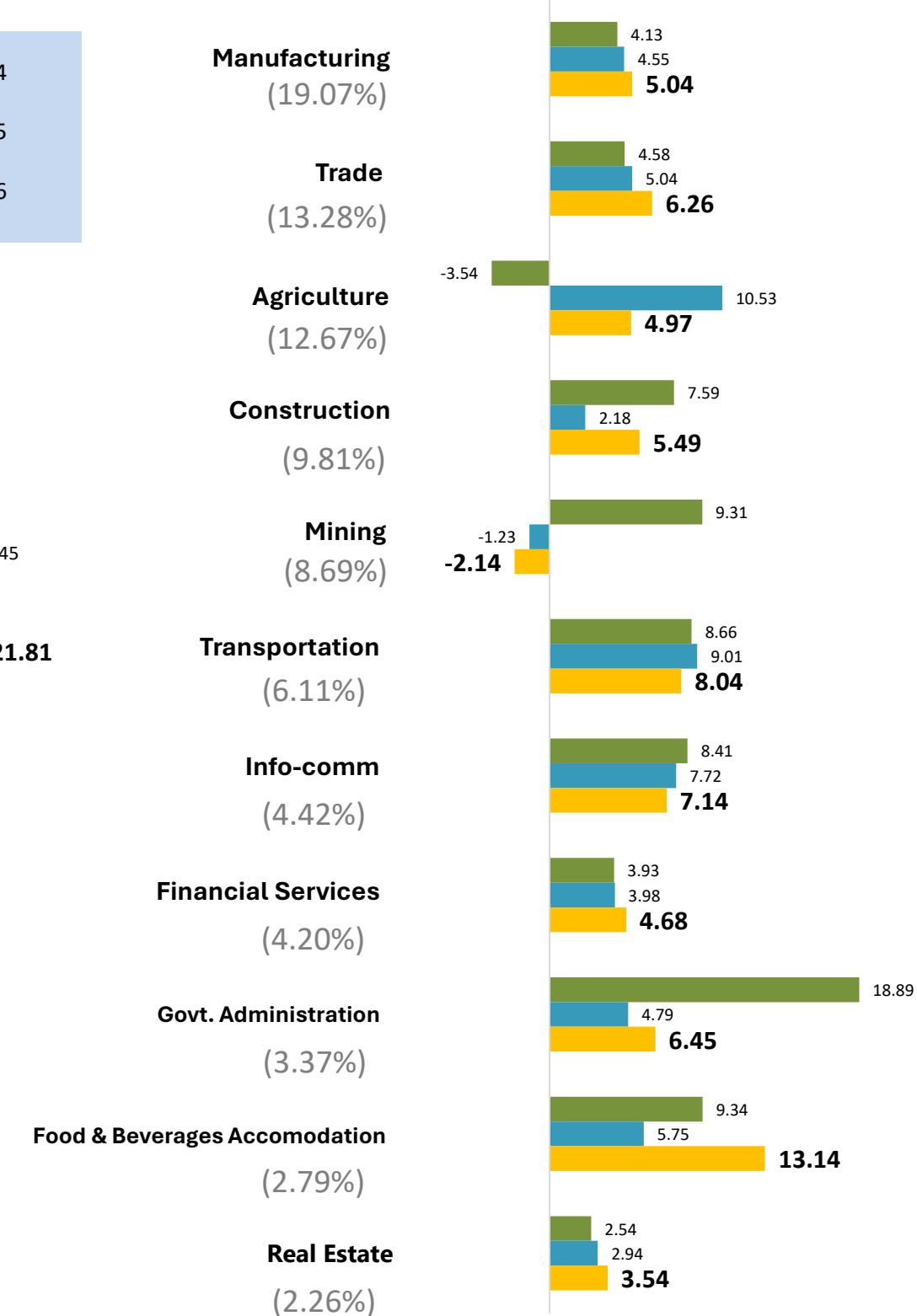
GDP Growth : Expenditure (% , yoy)

Source: Statistics Indonesia



GDP Growth : Production (% , yoy)

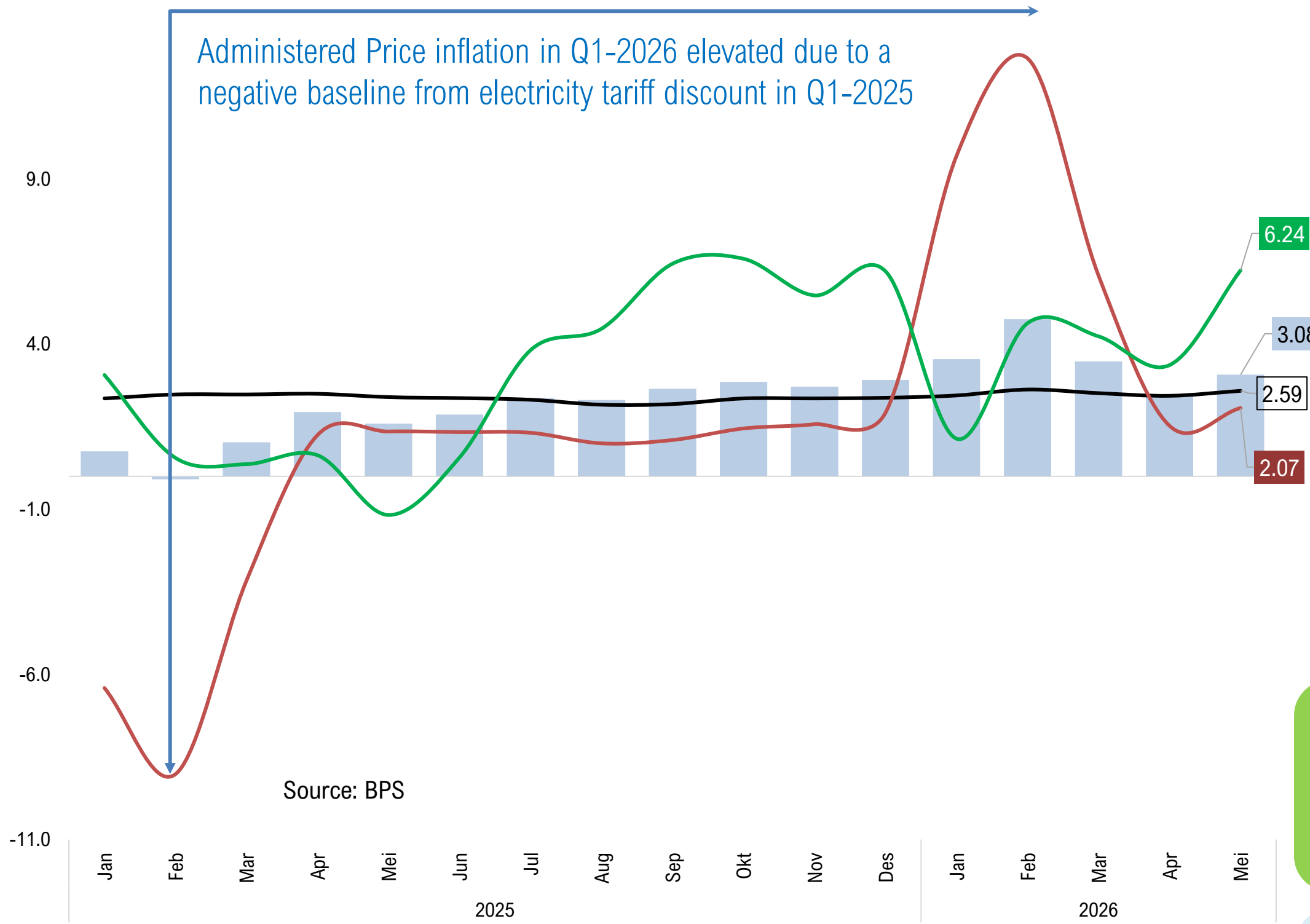
Source: Statistics Indonesia





INFLATION REMAINS UNDER CONTROL, PEOPLE PURCHASING POWER CONTINUES TO BE PROTECTED

Global commodity prices price pressures are being anticipated to manage domestic prices stability



Volatile food inflation rose, influenced by increases in several food prices due to the impact of extreme weather.

Core inflation increased, non-gold core inflation rose to 1.91% yoy driven by pressure on global commodity prices amid growing demand.


Administered price inflation rose, influenced by adjustments in transportation fares and several non-subsidized energy prices because of elevated oil price.


Volatile Food (15,8%)

Inflation (CPI)

Core (65.0%)

Adm. Price (19,2%)

 The Government continues to maintain domestic food prices supported by with strong food that reserves.

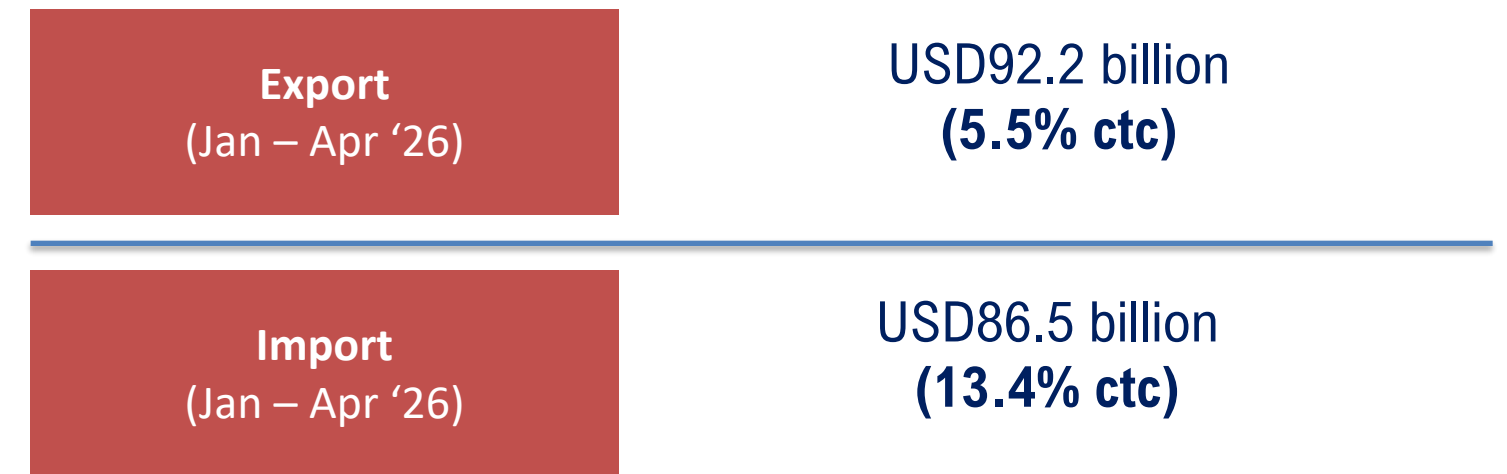
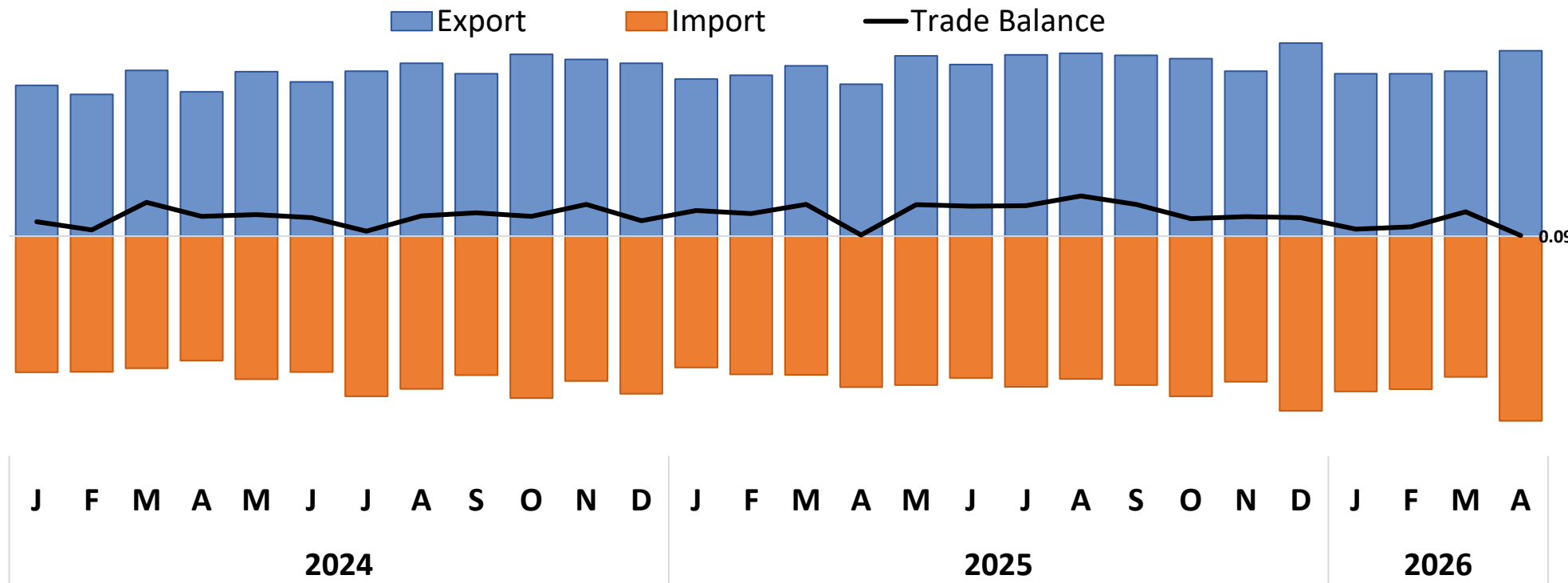
 The Government continues to anticipate the impact of global prices pressure and ensure subsidized energy price remains affordable.



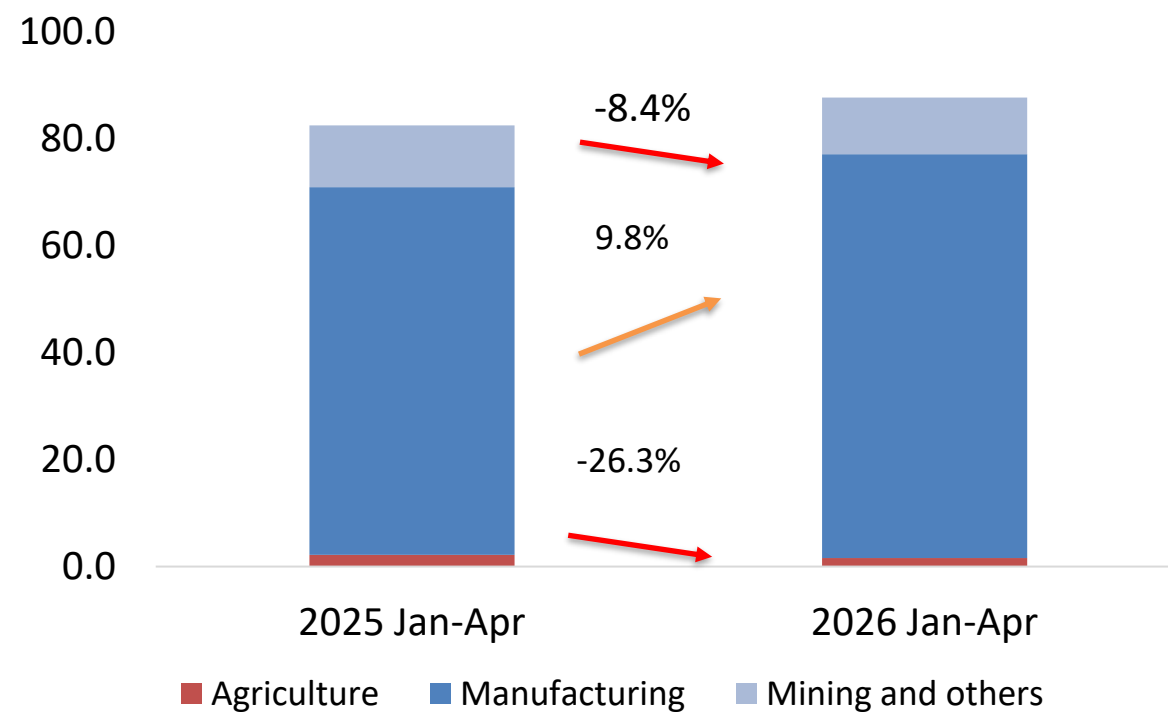
INDONESIA'S TRADE PERFORMANCE REMAINS SOLID, RECORDED 72 MONTHS OF CONSECUTIVE SURPLUS

Exports grew 5.5% (consecutive) to USD 92.2 billion in January–April 2026, but a faster 13.4% increase in imports led to a decline in the cumulative trade surplus to USD 5.6 billion.

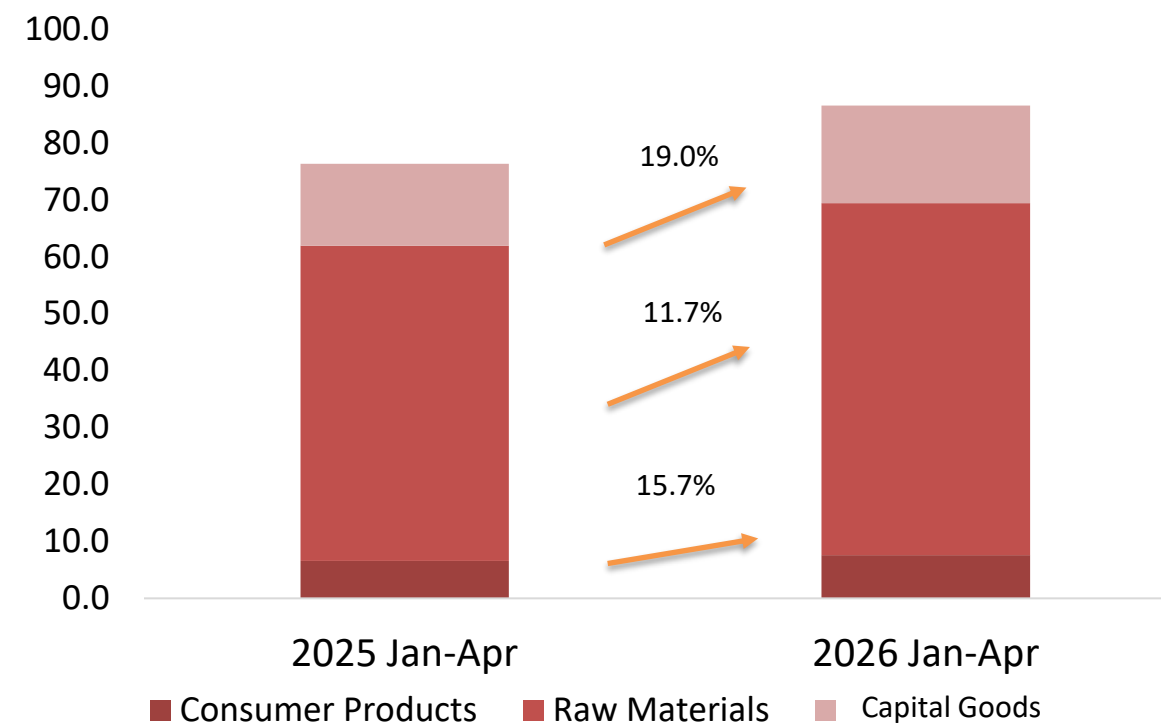
Indonesia Trade Balance, Monthly (US\$ Billion)



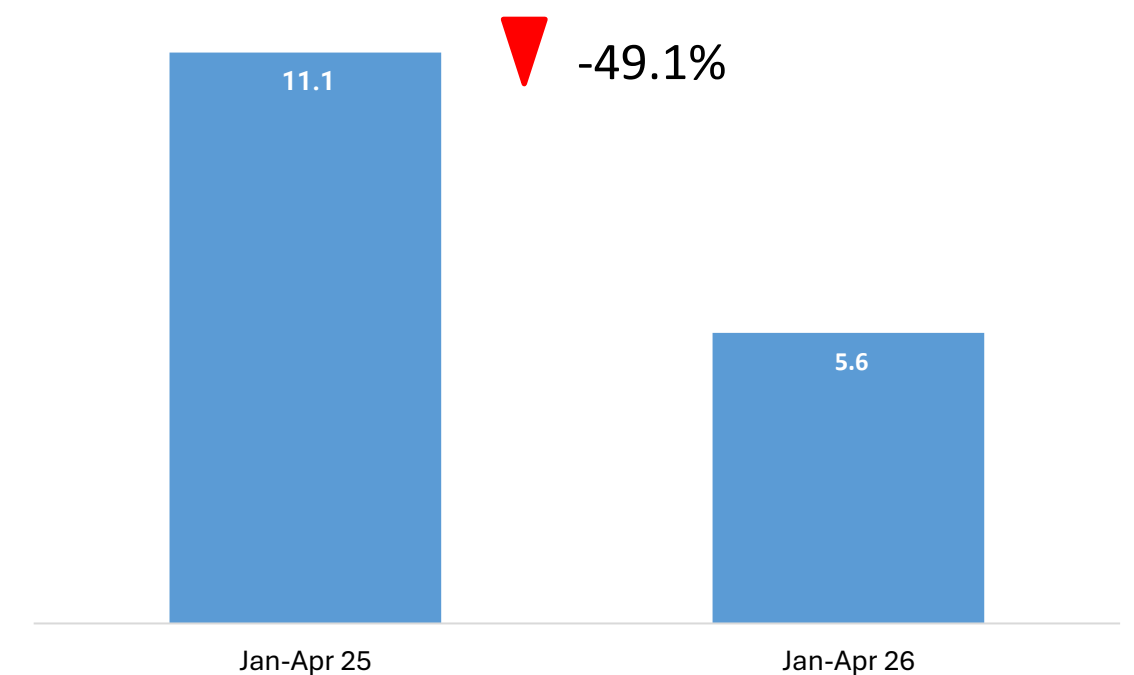
Exports by Sector



Import By Usage



Trade Balance, Cumulative (US\$ Billion)

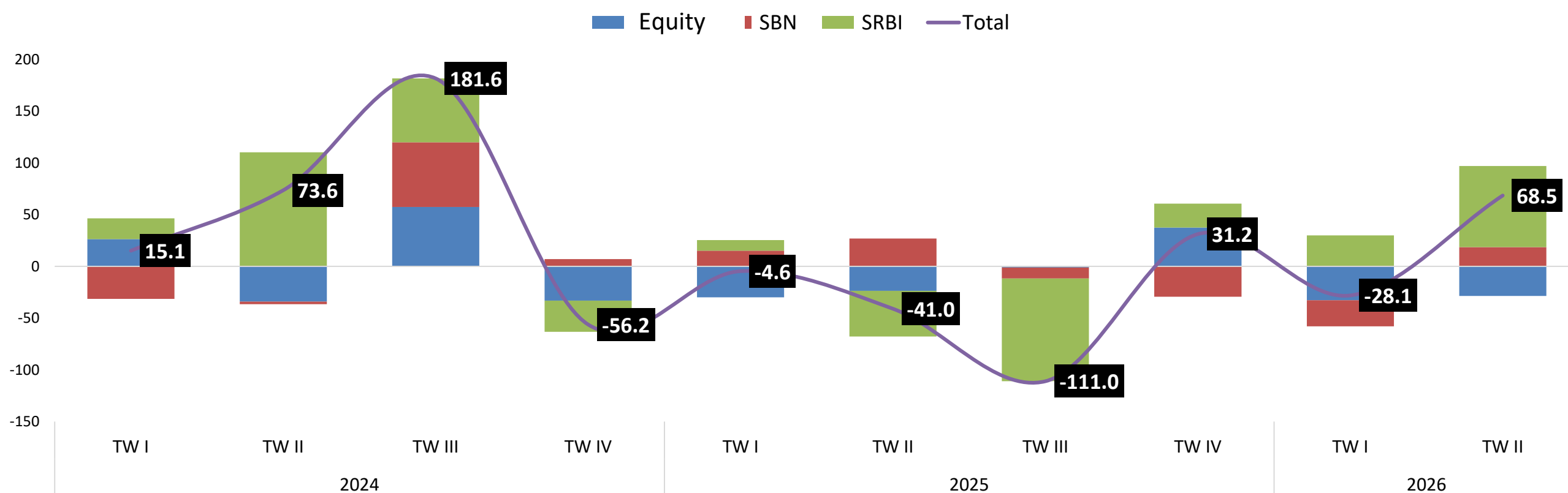




FOREIGN CAPITAL FLOWS RECORD NET INFLOW, SBN YIELDS MAINTAINED

Government remains committed to maintaining financial stability and bolstering market confidence

Capital flows improved in the second quarter, especially in SBN & SRBI



2026 Accumulation: **inflow Rp40,4 T**
(Tw II up to 5 Jun: **inflow Rp68,5 T**)

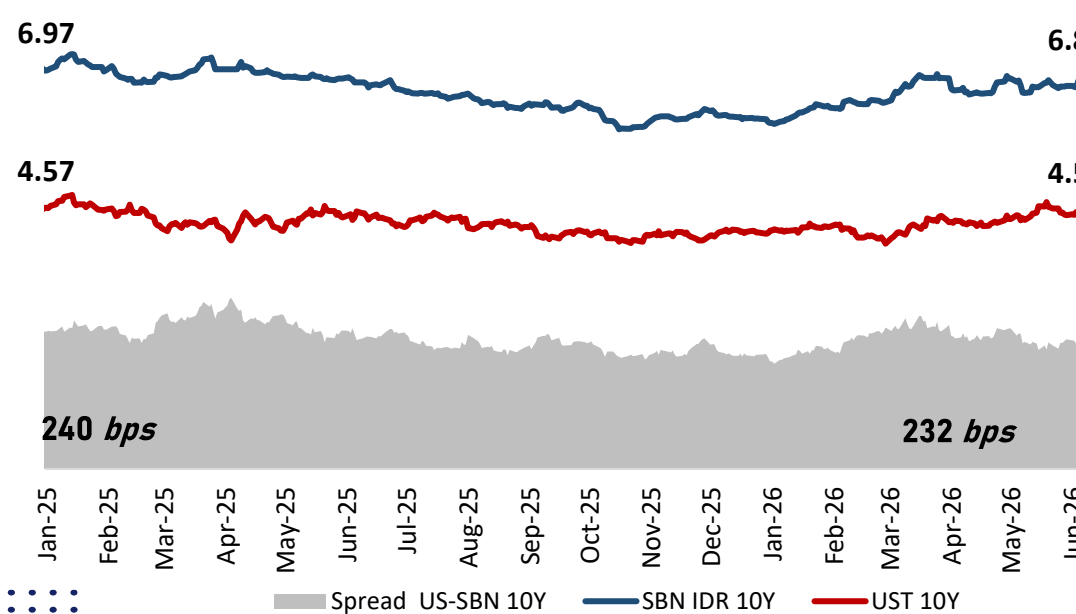
- **SBN outflow Rp6,6 T**
(Tw II up to 5 Jun: **inflow Rp 18,5 T**)
- **SRBI inflow Rp108,3 T**
(Tw II up to 5 Jun: **inflow Rp78,5 T**)
- **Equity outflow Rp61,4 T***
(Tw II up to 5 Jun: **outflow Rp28,5 T**)

Note: SRBI & SBN as of 4 Jun; Equity as of 5 Jun

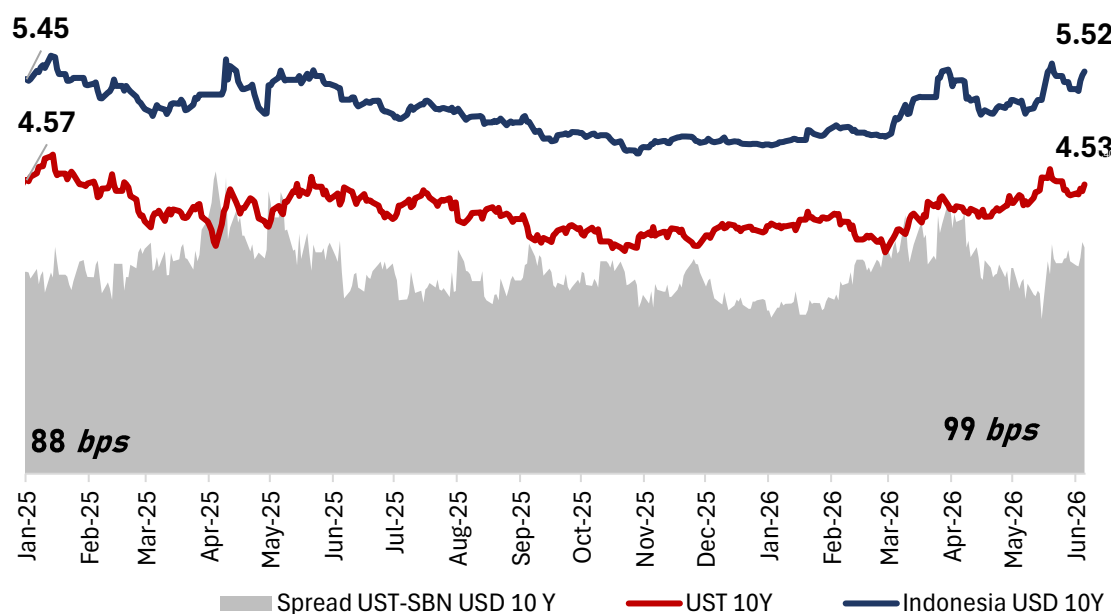
Source: Bloomberg, DJPPR, Bank Indonesia, proceed as of 5 Juni 26

Currency and Country Risk are maintained, SBN Spread is relatively low compared to EM Market

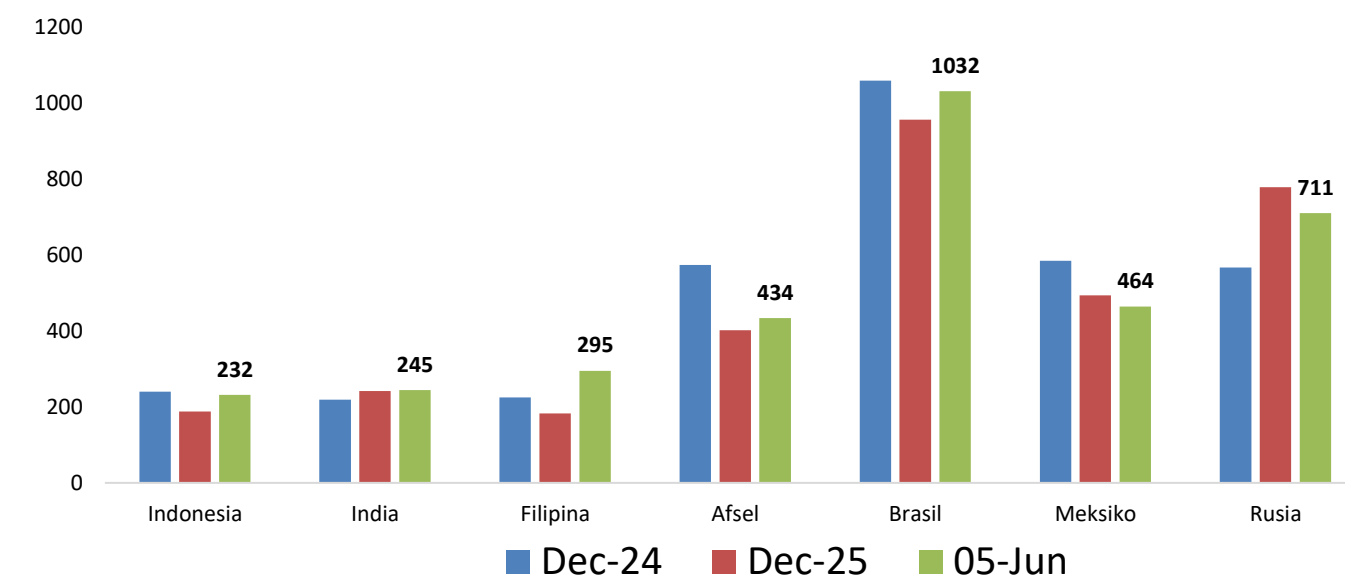
Currency Risk



Country Risk



Spread Govt Bond Yield (local currency) with UST 10 Y



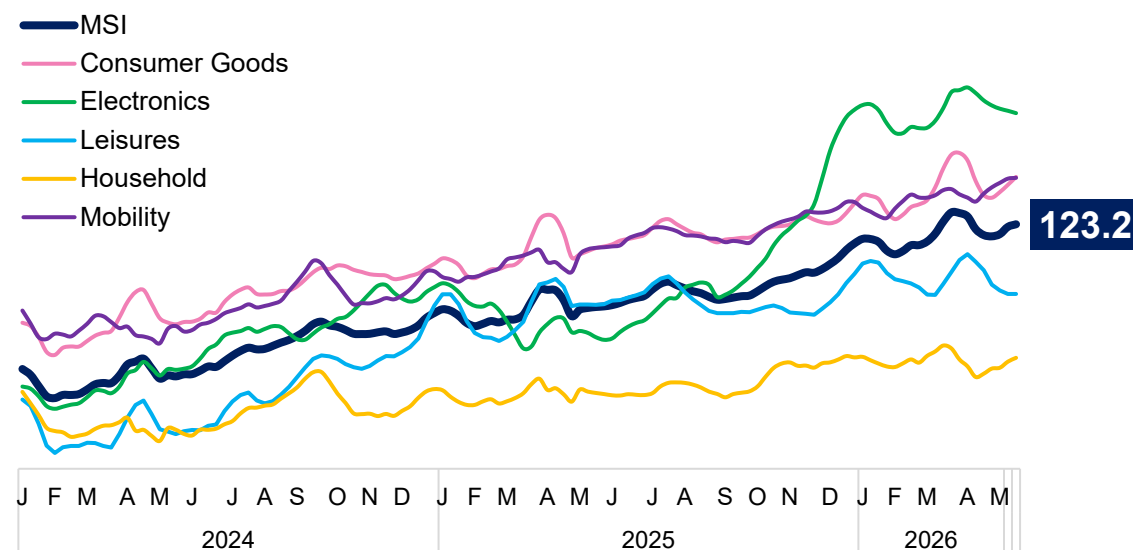


Economic activity in Q2 reflects mixed trends

Post-Eid normalization offset by faster rollout of Government priority programs

Household consumption shows an increase, driven by spending on consumer goods, household, and mobility

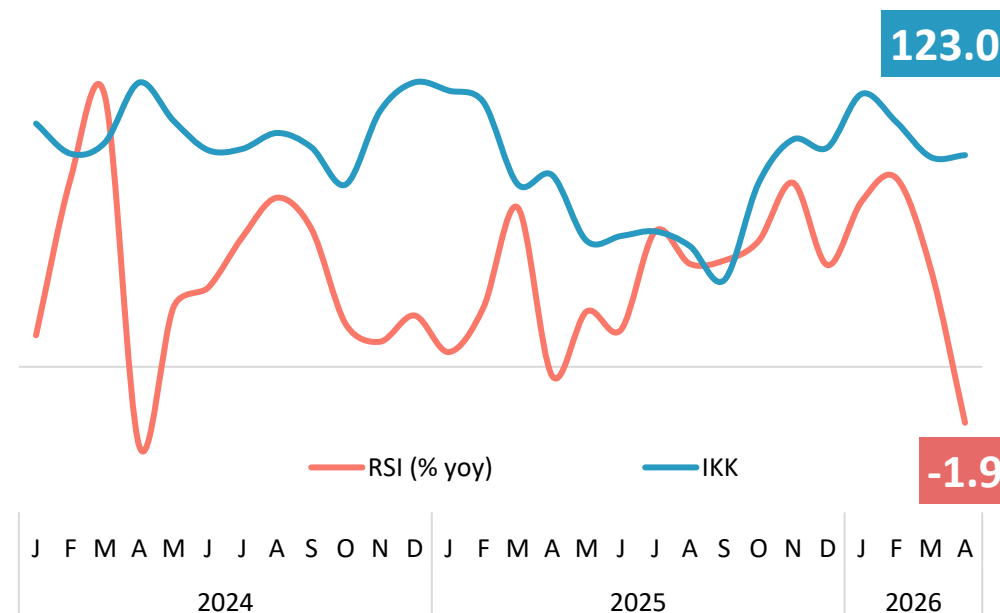
(May 17, Index)



Source: Bank Mandiri

Consumer confidence rose slightly amid strengthening optimism toward the economy, while retail sales reflected demand normalization

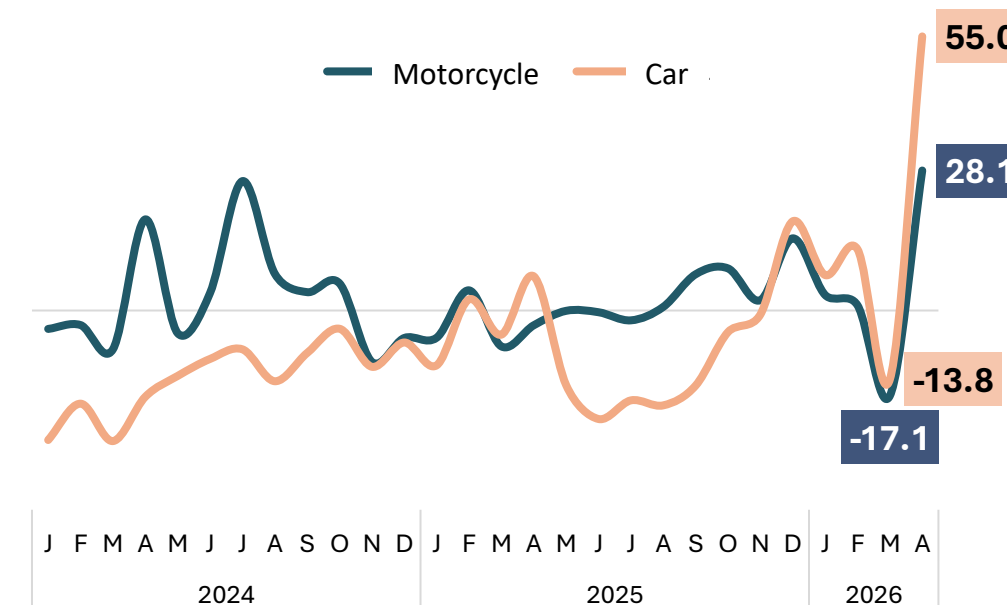
(April, % yoy, Index)



Source: Bank Indonesia

Car and motorcycle sales surged as activities returned to normal after the Eid holiday

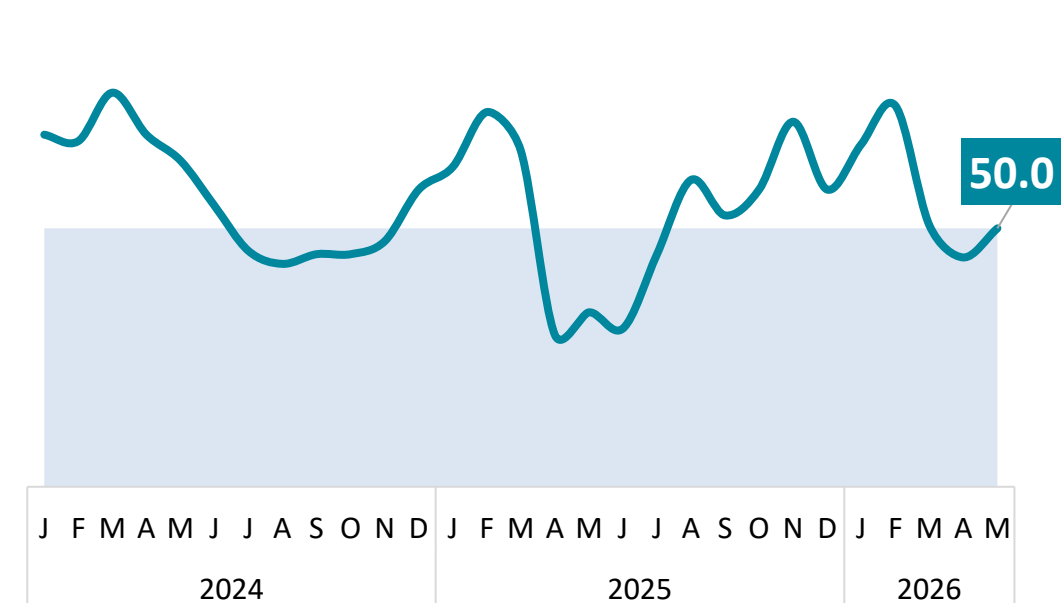
(April, % yoy)



Source: Gaikindo & AISI

Manufacturing performance shows improvement. Domestic demand is rising, partly driven by increased inventory amid higher prices

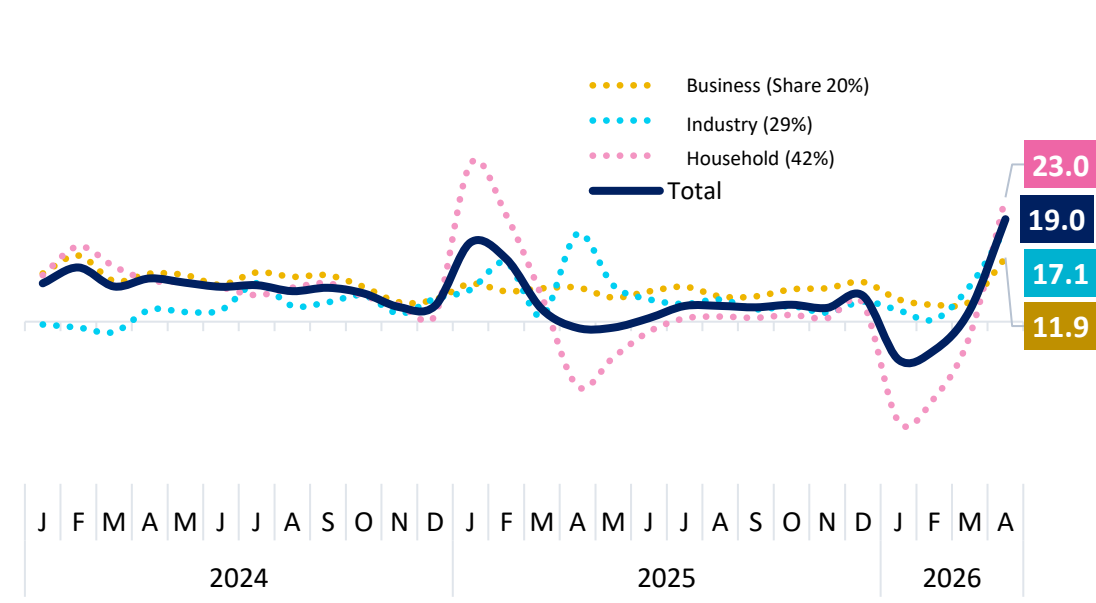
(May, % yoy)



Source: S&P Global

Total electricity sales grew strongly supported by rising household, business, and industrial consumption

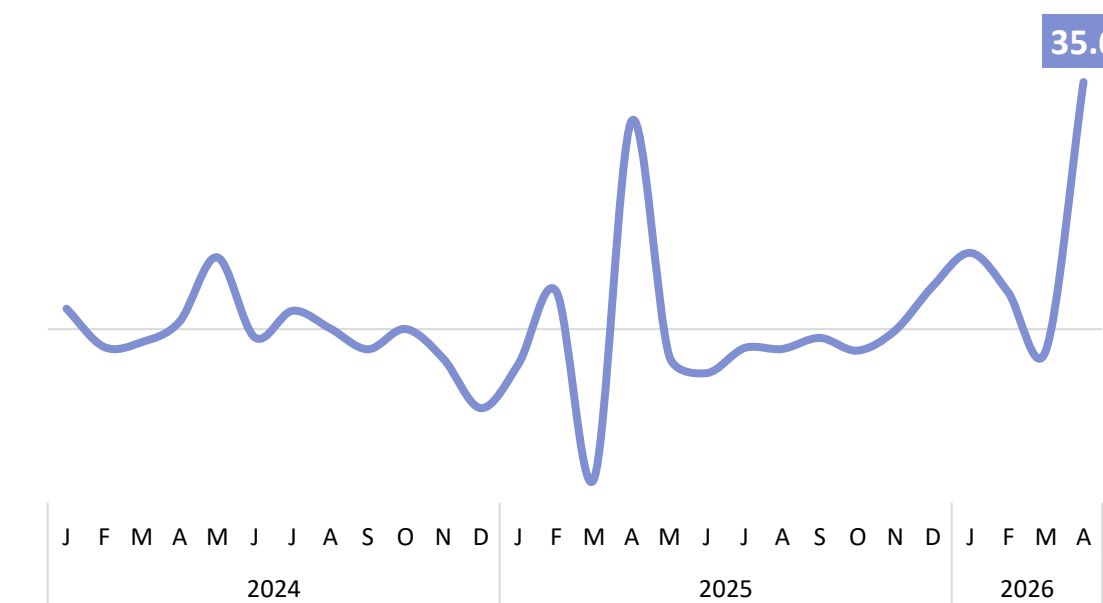
(April, % yoy)



Source: PLN

Domestic cement consumption rose significantly to support the implementation of Government programs

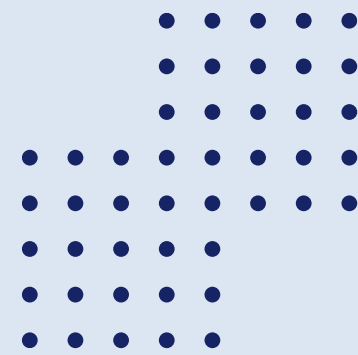
(April, % yoy)



Source: ASPERSSI



Fiscal & Strategic Policy





TOWARDS A NEW ENGINE OF GROWTH: INDUSTRIALIZATION, INVESTMENT, AND PRODUCTIVITY

SOURCES OF ECONOMIC GROWTH ACROSS PRESIDENTIAL ERAS

(%, Economic Growth & Share to Growth)



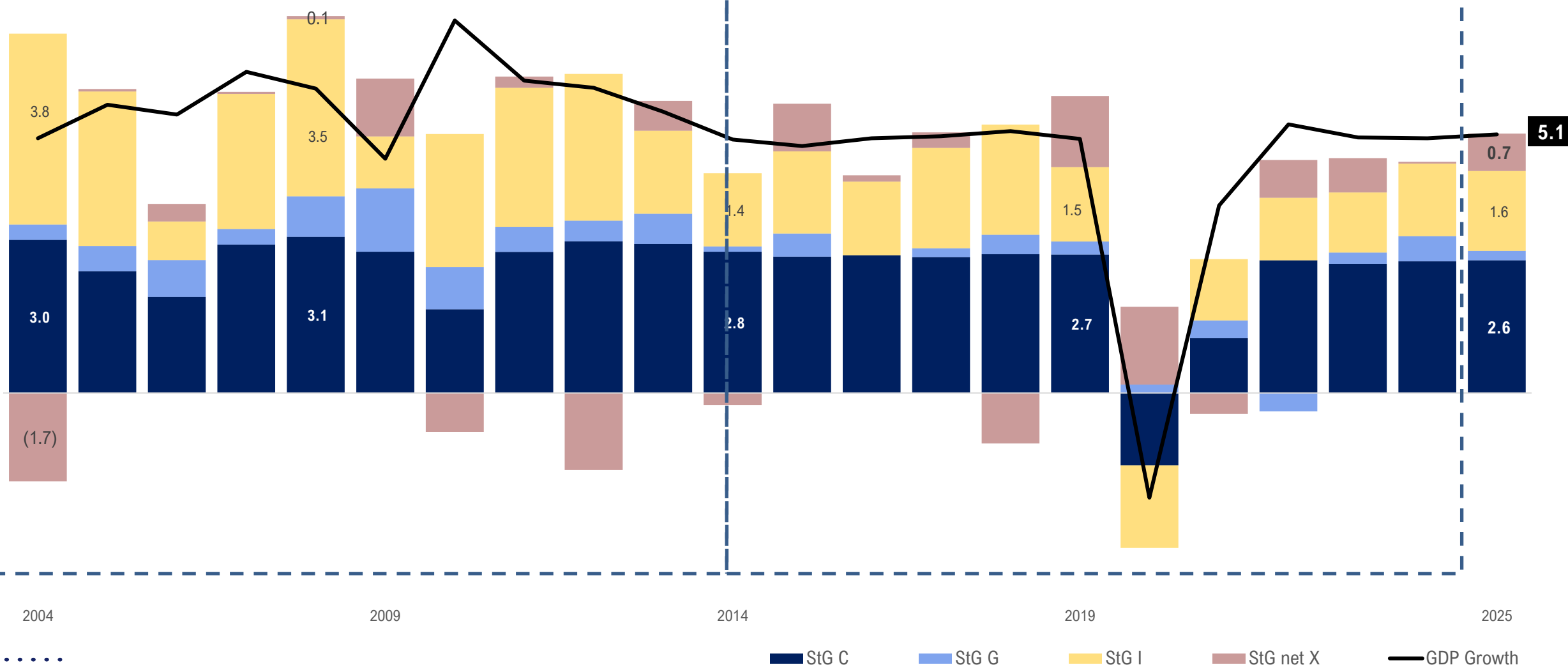
2004-2014 ENGINE OF GROWTH:

- Commodity exports (coal, CPO, minerals)
- Domestic consumption is starting to increase
- Foreign capital inflows



2014-2024 ENGINE OF GROWTH:

- Domestic consumption (remains dominant)
- Investment (especially infrastructure)
- The beginning of downstream for natural resources industry



PRABOWO ENGINE OF GROWTH

Consumption + Investment

- Maintain purchasing power and price stability
- Accelerate fixed investment as the main engine
- Leverage Danantara for private sector crowd-ins

Industrialization & Downstream

- Deepen upstream-downstream
- Strengthen strategic sectors (metals, petrochemicals, manufacturing)
- Integrate GVC & substitute import

Productivity & Added Value

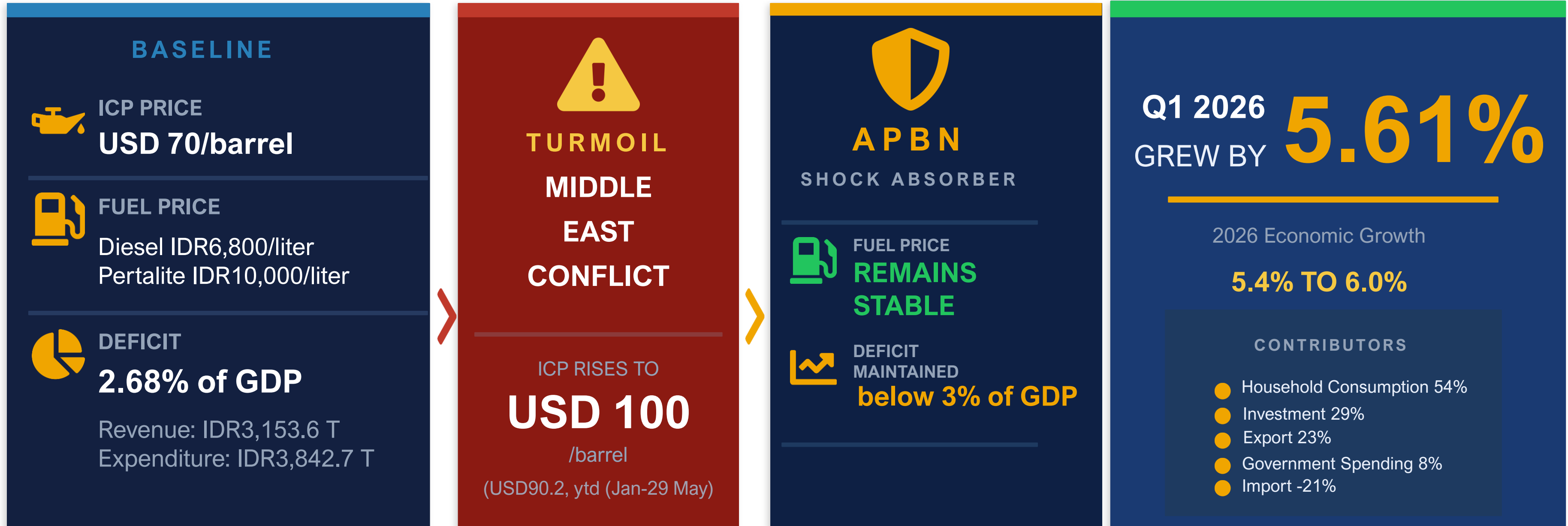
- Superior HR & Vocational Industry
- Investment efficiency (↓ICOR)
- Innovation and improvement of TKDN

Digital & Strategic Economy

- Digitalization (AI, data, semiconductors)
- Industries of the future (EV, green energy, biotech)
- Strengthening the ecosystem & connectivity



THE STATE BUDGET ACTS AS A SHOCK ABSORBER AMID GLOBAL VOLATILITY



Revenue

- Natural Hedge (higher commodity prices)
- CoreTax (better admin. & compliance)
- Non-Tax Revenue (higher commodity prices)

Spending

- Reallocation & refocusing (e.g. Free Meal Program IDR 335 → 268 T)
- Accelerating spending to maximize on supporting growth

Financing

- Adequate cash buffer to stabilize bond market
- Better cash management
- Source of financing diversification



8 CLUSTERS OF NATIONAL PRIORITY WORK PROGRAMS

1. FOOD SOVEREIGNTY



- 5,000 “Red-and-White Fishermen Villages” Program
- 4,582 Modern Fishing Vessels
- 40,000 Thematic Inland Aquaculture Sites
- Revitalization of 14,090 Ha of Brackish Water Tilapia Ponds along the Northern Coast of Java
- Modeling and Replication of 2,000 Ha of Integrated Shrimp Farming Areas
- Development of 2,000 Ha of National Salt Industry Centers
- Development of Integrated Food Estate Areas
- Development of Plantation Areas (Palm Oil, Sugarcane, Cocoa, Coconut, Coffee, Cashew, Spices)
- Increased Production of Meat, Milk, and Eggs

2. ENERGY AND WATER SELF-SUFFICIENCY



- Mandatory Biodiesel 50 (B50)
- Mandatory Bioetanol 20 (E20)
- 100 GW Solar Power Plant Program
- Implementation of Minimum Energy Performance Standards
- Conversion of 6 Million Fuel-Based Motorcycles to Electric Motorcycles
- Development of City Gas Network for 1 Million Household Connections
- Increase in Oil and Gas Lifting (Production)
- Development of 10 Small-Scale Green Modular Refineries and 6 Storage Facilities (Deployable Mass Model)
- Exploration of 10 New Oil and Gas Fields
- Rural Electrification Program
- Waste-to-Energy Power Generation
- Development of Large-Scale Integrated Hydropower Plants
- Electric Stove Program for 2–5 Million Households
- Optimization of 45,000 Community Oil Wells
- Optimization of 13,000 Mature (Old) Oil Wells
- Water Self-Sufficiency

3. EDUCATION



- Free Nutritious Meals for School Children
- Revitalization of School/Madrasah Facilities and Infrastructure
- School Supplies Assistance
- 500 Integrated National Schools
- Teacher Studio Program
- Education Digitalization (2 Million Interactive Digital Boards)
- 20 New Garuda Schools and Transformation of 80 Existing Garuda Schools
- 514 Community Schools (Sekolah Rakyat)
- Establishment of 10 New Universities: STEMM-Based Medical Universities
- Vocational High Schools (SMK) Go Global Program
- Improvement of Teacher Welfare through Direct Allowance Transfers

4. HEALTH



- Free Nutritious Meals for Pregnant Women, Breastfeeding Mothers, and Children under five
- Upgrading of 66 Hospitals
- Free Health Check-Ups
- Tuberculosis Eradication

5. DOWNSTREAMING AND INDUSTRIALIZATION



- Strategic Industrial Downstreaming
- National Car Program
- National Motorcycle Program
- Aerospace Industry Ecosystem
- Development of the Semiconductor Industry

6. INFRASTRUCTURE, HOUSING, AND DISASTER RESILIENCE



- Giant Sea Wall
- Post-Disaster Rehabilitation and Reconstruction in Sumatra
- ASRI Movement (Roof Upgrading, Waste Management, and Greening)
- 3 Million Housing Program: 1 Million New Homes and 2 Million Home Renovations
- Development of the National Railway Network

7. PEOPLE'S ECONOMY AND RURAL DEVELOPMENT



- 80,000 Red-and-White Village/Sub-district Cooperatives
- Acceleration of Development in Disadvantaged, Frontier, and Outer Regions

8. POVERTY REDUCTION



- PRO-KESRA Integrated Social Assistance Program
- PRO-KESRA Program for 10 Million People to Engage in Entrepreneurship and Employment

SUPPORTED BY: DEFENSE AND SECURITY, LAW ENFORCEMENT, GOVERNANCE, DIGITALIZATION, AND ECONOMIC DIPLOMACY



FINANCING STRATEGY FOR THE NATIONAL PRIORITY WORK PROGRAMS

PRUDENT FISCAL PRINCIPLES

- **Expansionary and Measured** Fiscal Policy
- Deficit capped at a maximum of 3% (Commitment to maintaining fiscal discipline)
- Debt-to-GDP ratio maintained below 60% in accordance with the law
- Fiscal buffer to anticipate and manage uncertainties

ASSET AND REVENUE OPTIMIZATION

- **More Return on Asset**
 - Optimization of State Assets (Asset Recovery)
 - Enhancement of State Wealth Value (government balance sheet)
- **Better Revenue Collection**
 - Exploration of Revenue Potential and Improved Natural Resource Management
 - Better performance of Coretax system
 - Strengthening Compliance and Law Enforcement



SPENDING EFFICIENCY AND EFFECTIVENESS








- Optimization of efficiency through a **Better Quality of Spending** approach
- **Frontloading spending** to support growth
- **Effectiveness of Priority Programs** (Pro-Growth and Pro-Welfare)











FINANCING SYNERGY AND INNOVATION

- Establishment of **Danantara as a Strategic Investment Manager**
- **Management of State-Owned Enterprises** to enhance investment and mobilize additional funding sources
- Attracting additional capital through **joint participation of investors alongside the government.**
- Expanding **private sector** involvement.



MACROECONOMICS ASSUMPTION AND DEVELOPMENT INDICATORS TARGET 2026

INDICATORS	TARGET
 Economic Growth (% , yoy)	5.4
 Inflation (% , yoy)	2.5
 Exchange Rate (IDR/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



COLLECTING MORE

- Maintaining tax buoyancy in line with economic growth
- **Effectiveness of the Coretax system** (e.g., collecting underpayments, improving compliance)
- **Increasing tax extensification**
- Managing tax refund
- Improve governance of natural resource revenues through SIMBARA and strengthen collection effectiveness via the Automatic Blocking System

01



SPENDING BETTER

- Improving **spending efficiency**
- **Encouraging the implementation of flagship programs** (e.g., MBG, KDMP, agriculture, etc.)
- **Countercyclical** to maintain economic stability and protect public purchasing power

02



INNOVATIVE FINANCING

- **Optimum Portfolio**
- **Domestically anchored** (financial deepening)
- Active **liability management**
- **Adequate** fiscal buffer & **Efficient** cash management\
- **Strengthening the investor base** and relationships
- Promoting infrastructure **through PPP**

03



BUDGET 2026 POSTURE

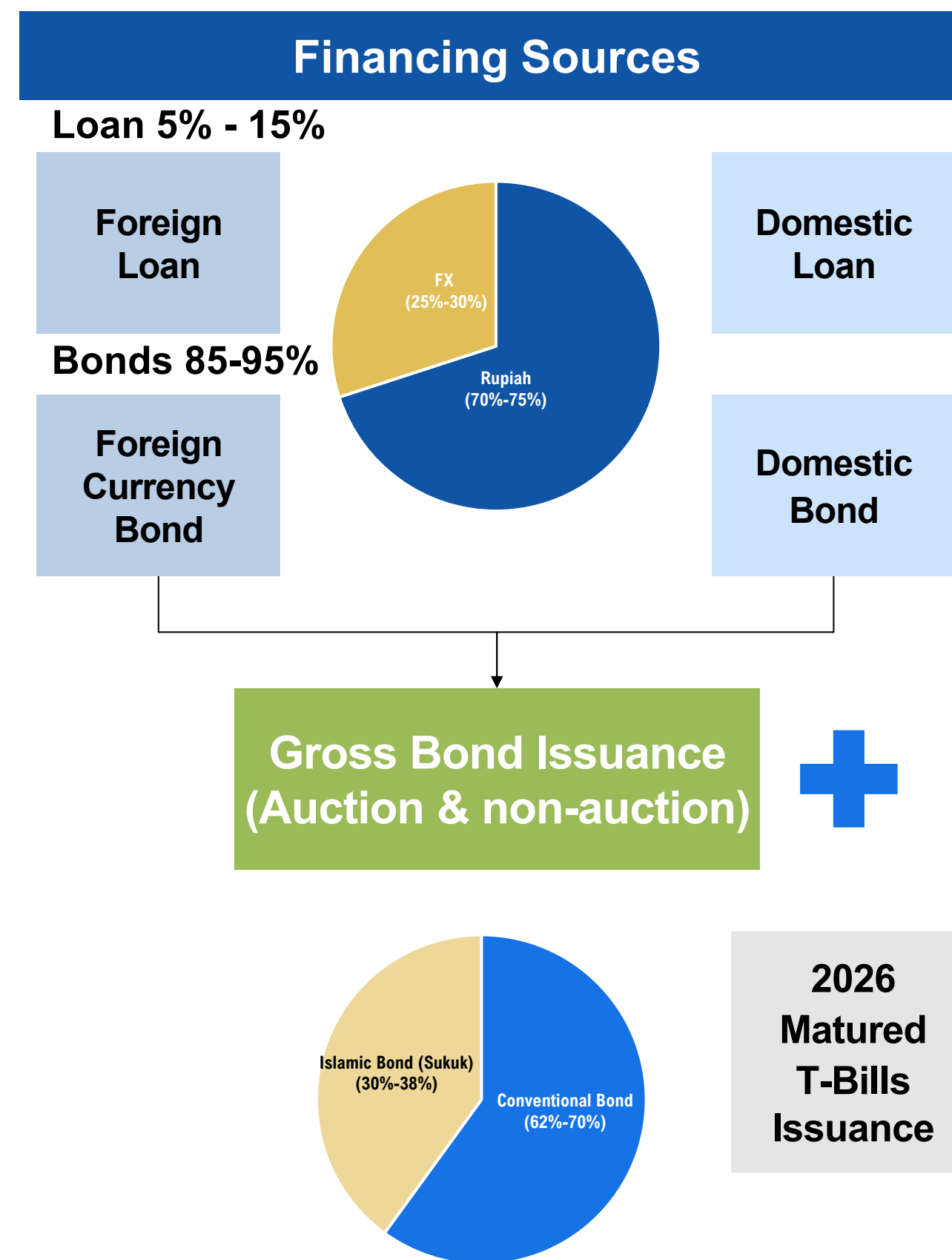
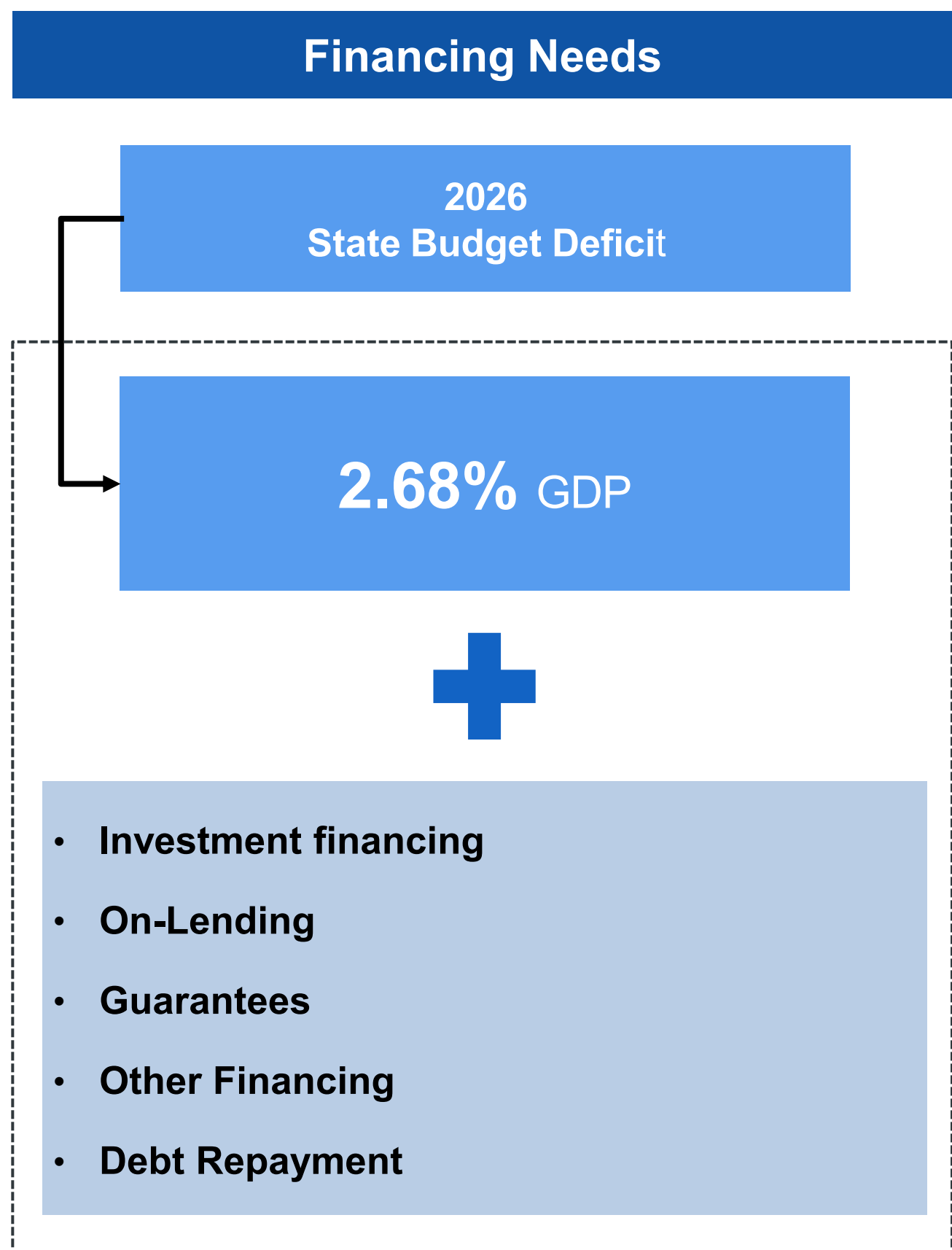
The government maintains commitment to the 3% deficit ceiling

DESCRIPTION (in trillion Rupiah)	2025		2026	
	Unaudited Realization	% GDP	Budget	% GDP
A. REVENUE	2,765.2	11.61	3,153.6	12.26
I. Taxation Revenue	2,218.2	9.31	2,693.7	10.48
1. Taxes	1,917.9	8.05	2,357.7	9.17
2. Customs & Excise	300.3	1.26	336.0	1.31
II. Non-Tax Revenue	541.4	2.27	459.2	1.79
III. Grant	5.6	0.02	0.7	0.003
B. Expenditure	3,434.7	14.42	3,842.7	14.94
I. Central Government Expenditure	2,585.6	10.85	3,149.7	12.25
II. Transfers to Region	849.0	3.56	693.0	2.69
C. Primary balance	(155.10)	(0.65)	(89.7)	(0.35)
D. Surplus/(Deficit)	(669.5)	(2.81)	(689.15)	(2.68)
Investment Financing	(86.3)	(0.36)	(203.06)	(0.79)

- **Growth is driven higher through:**
 - ✓ **Acceleration of spending** (monitored by the P2SP Task Force).
 - ✓ **Higher realization of MBG, estimated to reach 82.9 million beneficiaries** in May 2026.
 - ✓ **Support for rehabilitation and reconstruction of the Sumatra disaster**, estimated at Rp51 trillion.
 - ✓ **Physical development of KDMP.**
 - ✓ **Danantara support** for 18 downstreaming projects.
- **The 2026 State Budget remains expansionary** to support flagship programs with a controlled deficit.



2026 DEBT FINANCING NEEDS AND SOURCES





2026 MACROECONOMIC ASSUMPTION

	2025		2026	
	Budget	Realization	Budget	Realization / Outlook
Economic Growth (%, yoy)	5.2	5.11 yoy Q4: 5.39 yoy	5.4	Q1 '26: 5.61 ¹⁾
Inflation (%)	2.5	2.92	2.5	3.08 ²⁾
Exchange Rate (IDR/US\$)	16,000	16,475	16,500	17,863 (eop) ³⁾ 17,056 (ytd) ³⁾
10-Y Govt. Bond Yield (%)	7.0	6.01 eop 6.71 ytd	6.9	6.67 (eop) ⁴⁾ 6.47 (ytd) ⁴⁾
Indonesian Crude Oil Price (USD/barrel)	82	67.38	70	88.2 ²⁾
Oil Lifting (thousand barrels per day)	605	605.61*) 582.10**)	610	535.8 ⁵⁾
Gas Lifting (thousand barrels of oil equivalent per day)	1,005	943.65*) 970.72**)	984	957.9 ⁶⁾



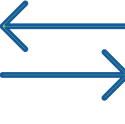




- **The economy grew strongly**, supported by accelerated Government spending, particularly through priority expenditures which also encouraged increased household consumption and investment
- **Inflation remained under control**, with volatile food and administered prices declining, supported by energy and food price policies to safeguard household purchasing power.
- **Rupiah depreciation** was influenced by geopolitical factors and the direction of global monetary policy, but remained moderate compared to peers
- **Movements in government bond (SBN) yields** were affected by global dynamics, yet their level and volatility remained manageable.
- **Oil price dynamics were influenced by supply chain disruptions** due to the Middle East conflict and developments in resolution with the US.
- **Oil and gas lifting** continues to be optimized amid still relatively volatile commodity market conditions.

Notes:

- 1) Q1 2026 Realization
- 2) Realization as of May 2026
- 3) BI middle rate as of 3 June 2026
- 4) Realization as of last auction (12 May '26)
- 5) Oil + NGL lifting ytd Feb 2026
- 6) Gas lifting (excluding NGL) ytd Feb 2026
- *) SKK Migas/ESDM data (NGL counted as oil)
- ** MoF Data (NGL counted as gas)



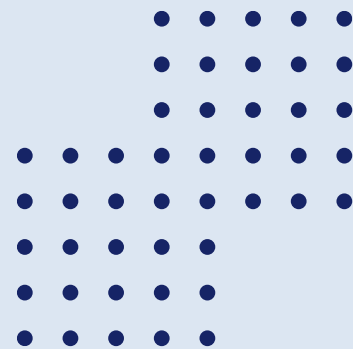
MEDIUM-TERM ECONOMIC GROWTH FORECAST AND ITS ASSUMPTIONS

	Indicator	Projection			
		2026	2027*	2028*	2029*
	Economic Growth (%)	5.4	5.8 – 6.5	5.9 – 7.5	6.0 – 8.0
	Inflation (%, yoy)	2.5	1.5 - 3.5	1.5 - 3.5	1.5 - 3.5
	Exchange rate (IDR/USD <i>average</i>)	16,500	16,800 – 17,500	16,800 – 17,500	16,800 – 17,500
	10Y T-Bonds Rate (%, <i>average</i>)	6.9	6.5 - 7.3	5.9 - 6.9	5.9 - 6.9
	ICP Indonesian (USD/barel, <i>average</i>)	70	70 - 95	70 - 90	70 - 90
	Oil Lifting (tbpd)	610	602 - 615	585 – 677	602 – 797
	Gas Lifting (tboepd)	984	934 – 977	956 – 1,102	1,076 – 1,372

Source: 2027 Macroeconomic Framework and Fiscal Policy Guidelines (KEM-PPKF 2027)

3

2026 Budget Overview





BUDGET REALIZATION AS OF MAY 31, 2026

Tax Revenue increased strongly; Central Govt Spending accelerated; Deficit remained under control

(in IDR trillion)

	2025				2026			
	Budget	Real as of May 31	% of Budget	Growth (%)	Budget	Real as of May 31	% of Budget	Growth (%)
A. REVENUE	3.005,1	995,4	33,1	(12,9)	3.153,6	1.185,0	37,6	19,1
I. Tax Revenue	2.490,9	806,2	32,4	(7,9)	2.693,7	958,2	35,6	18,9
1. Tax	2.189,3	683,3	31,2	(11,3)	2.357,7	834,4	35,4	22,1
2. Custom and Excise	301,6	122,9	40,7	11,2	336,0	123,8	36,8	0,7
II. Non-Tax Revenue	513,6	188,8	36,8	(33,2)	459,2	226,4	49,3	19,9
III. Grant	0,6	0,5	78,0	(506,1)	0,7	0,4	67,0	(1,6)
B. EXPENDITURE	3.621,3	1.016,3	28,1	(12,7)	3.842,7	1.365,4	35,5	34,4
I. Central Government Expenditure	2.701,4	694,2	25,7	(18,7)	3.149,7	1.059,3	33,6	52,6
1. Line Ministries Expenditure	1.160,1	325,7	28,1	(19,3)	1.510,5	517,7	34,3	58,9
2. Non-Line Ministries Expenditure	1.541,4	368,5	23,9	(18,2)	1.639,2	541,6	33,0	47,0
II. Transfer to Region	919,9	322,0	35,0	0,3	693,0	306,1	44,2	(4,9)
C. PRIMARY BALANCE	(63,3)	192,2	(303,5)	4,1	(89,7)	58,6	(65,3)	(69,5)
D. SURPLUS/ (DEFICIT)	(616,2)	(20,9)	3,4	(2,9)	(689,1)	(180,4)	26,2	763,2
<i>% SURPLUS/ (DEFICIT) to PDB</i>	<i>(2,53)</i>	<i>(0,09)</i>			<i>(2,68)</i>	<i>(0,70)</i>		
E. FINANCING	616,2	326,5	53,0	73,7	689,1	379,4	55,1	16,2

Revenue

Rp1.185,0 T
▲ 19,1% (yoy)

Expenditure

Rp1.365,4 T
▲ 34,4% (yoy)

Deficit

Rp180,4 T
0,70% PDB






Primary Balance

Rp58,6 T

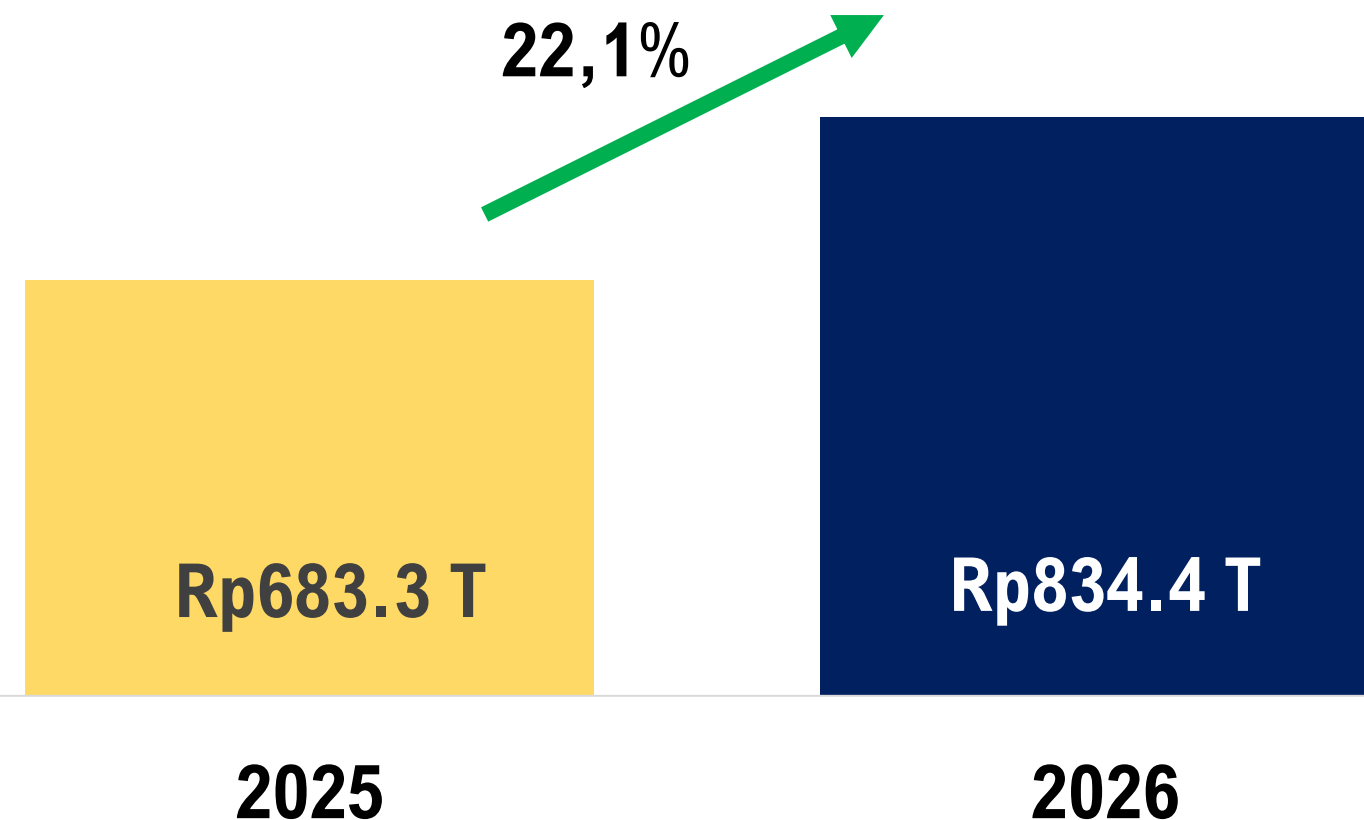


TAX REVENUE UP TO MAY 2026 GREW STRONGLY IN LINE WITH INCREASED ECONOMIC ACTIVITY

Tax Revenue Realization

	as of April 2026 27.4% of 2026 Budget	as of May 2026 35.4% of 2026 Budget
 Corporate Income Tax & Corporate Income Tax Deposits	Rp135,2 T ▲ 5,1%	IDR167.6 T ▲ 23.9%
 Personal Income Tax	Rp101,1 T ▲ 25,1%	IDR123.1 T ▲ 26.0%
 Final Income Tax, Income Tax 22, & Income Tax 26	Rp109,1 T ▲ 9,8%	IDR138.7 T ▲ 5.2%
 VAT & Luxury Tax	Rp221,2 T ▲ 40,2%	IDR315.7 T ▲ 41.3%
 Others	Rp79,7 T ▼ -12,0%	IDR89.3 T ▼ -6.0%

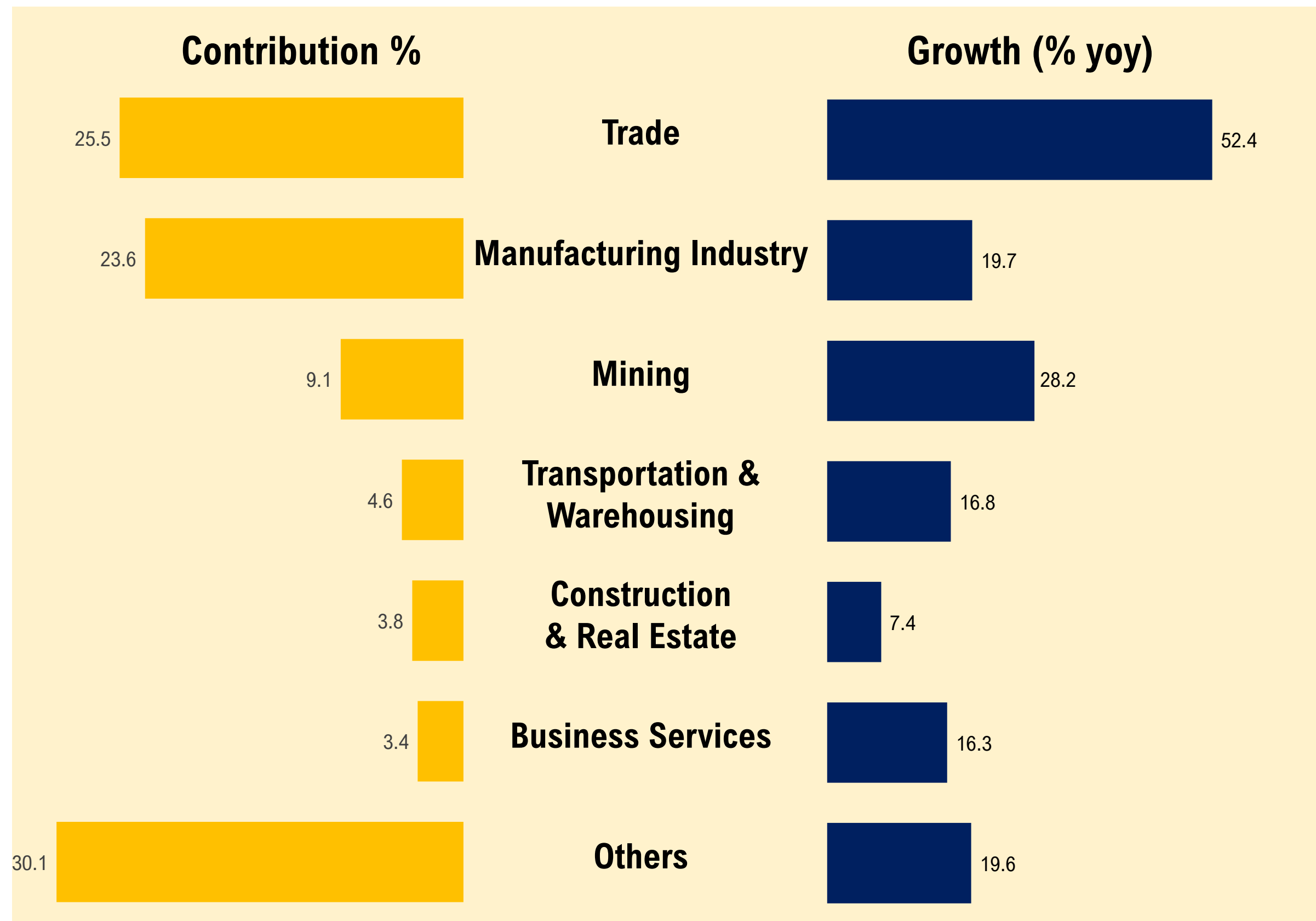
Net Realization Growth as of May 2026



- Tax revenue continues its positive growth trend in line with **expanding economic activity and the improved implementation of Coretax.**
- Tax growth up to May reached 22.1%, higher than the growth up to April at 16.1%
- Income tax on corporations and individuals grew significantly, reflecting rising incomes.
- VAT & Luxury Goods Sales Tax, as consumption taxes, increased sharply in line with strong domestic consumption and sustained purchasing power



KEY SECTORS WITH MAJOR CONTRIBUTION RECORD STRONG GROWTH



- Main sectors with significant contribution to tax revenue posted growth.
- **The trade sector grew** double digits, driven by wholesale fuel trade and online trade subsectors in line with the rising trend of online shopping.
- **The manufacturing sector grew** well, mainly supported by the palm oil industry subsector with improved profitability.
- **The mining sector grew**, supported by growth in the oil and gas mining sector.
- Other sectors also recorded solid growth in line with increased economic activity



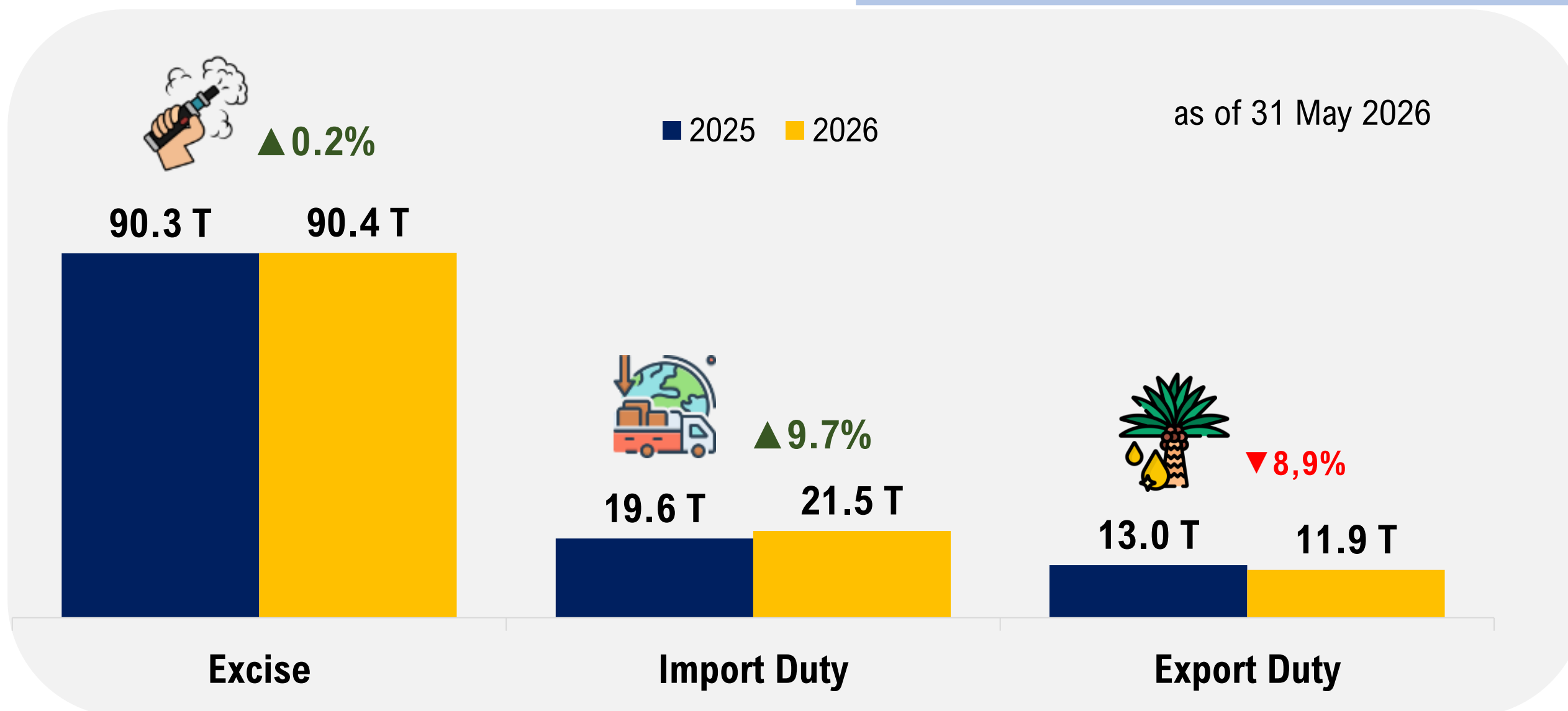
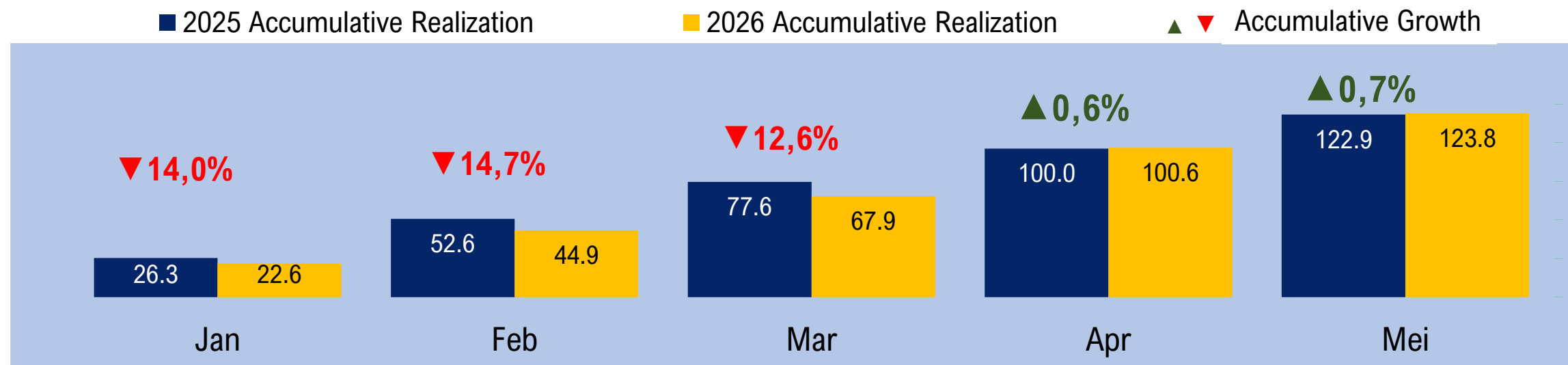
REALIZATION OF CUSTOMS AND EXCISE REVENUE CONTINUES TO RISE

Revenue realization signals recovery, cumulatively growing 0.7%



Total IDR123.8T

36.8% Budget | ▲ 0.7%



- **Excise** revenue grew, driven by **increased tobacco production** in Q1.
- **Import duties** maintained growth, supported by higher import duties from **raw materials and auxiliary inputs**, which rose **10.67%**.
- **Export duties**, although still contracting, began to improve in line with **strengthening CPO prices** from March to May

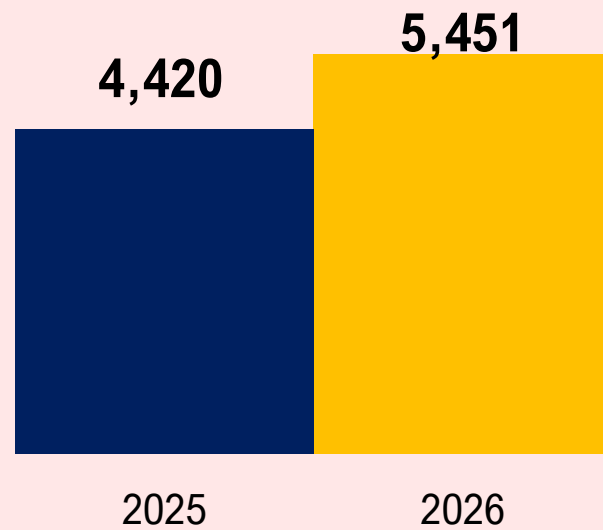


SUCCESS IN CUSTOMS AND EXCISE SUPERVISION CONTINUES TO IMPROVE

ILLEGAL CIGARETTES

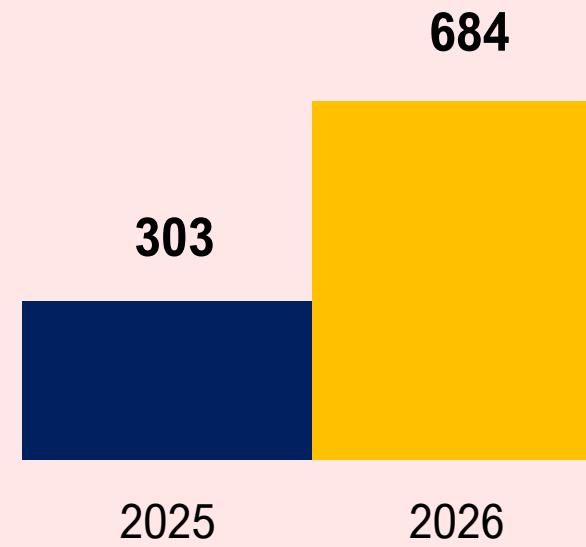
Number of Enforcements

▲ 23,3%



Number of Sticks (Million)

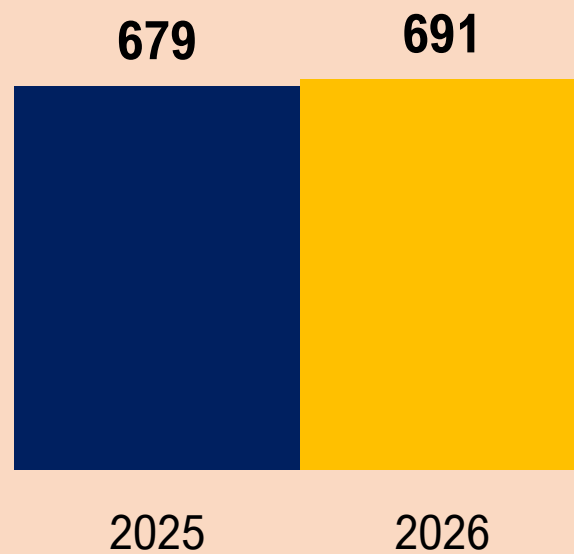
▲ 125,8%



NARCOTICS

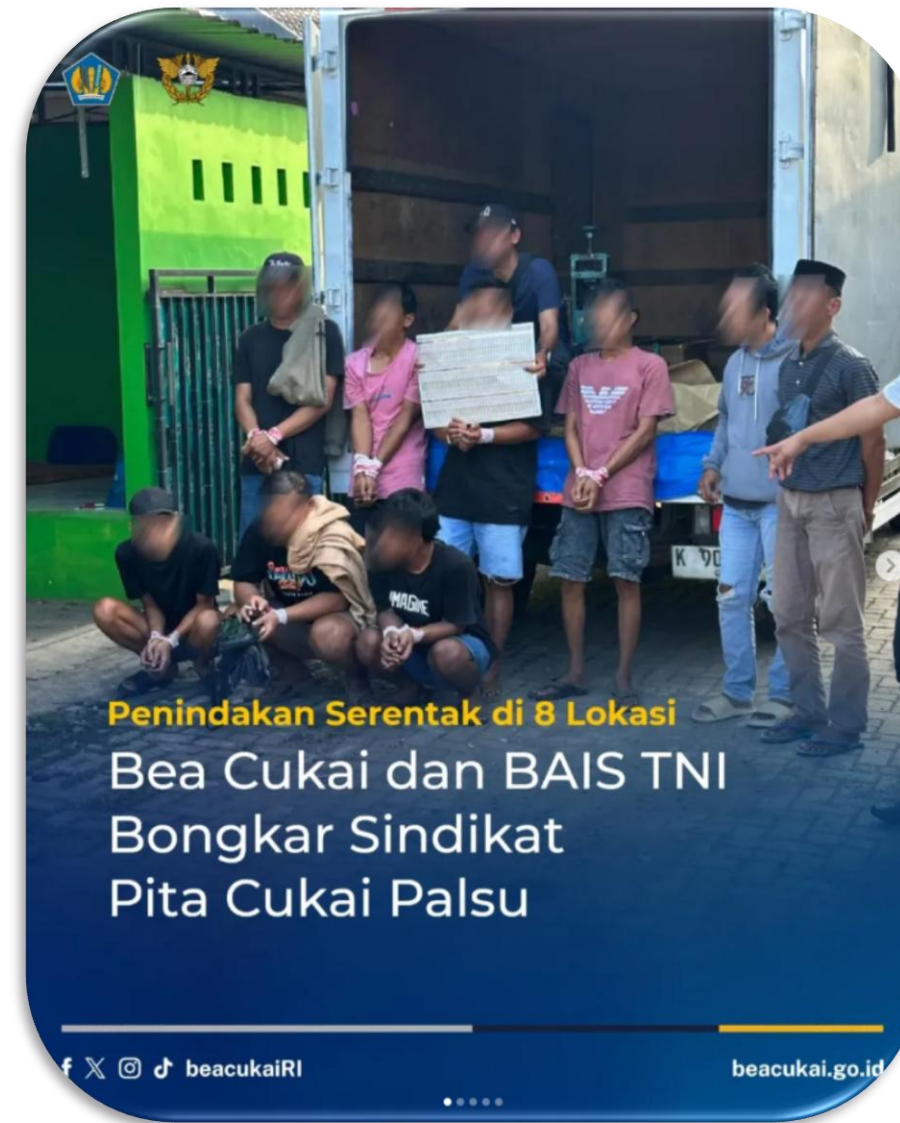
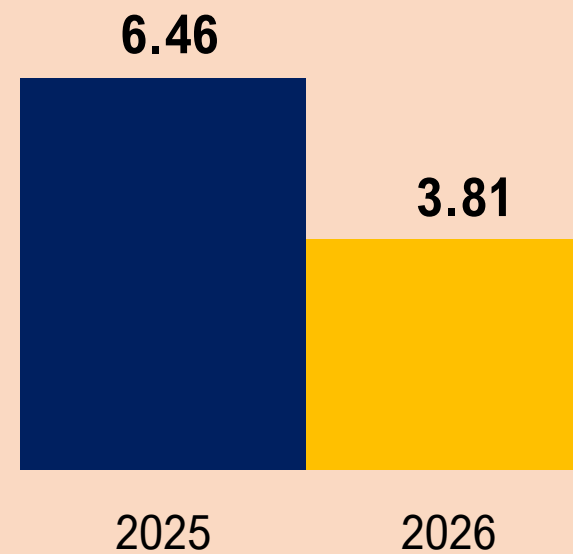
Number of Enforcements

▲ 1,8%



Evidence (Ton)

▼ 41,1%



- As of May 2026, enforcement against **illegal cigarettes** was carried out **6,880** times (up **▲ 12.2% yoy**), securing **865 million sticks** of illegal cigarettes (up **▲ 128.2% yoy**), with **Ultimum Remedium** reaching **Rp61.6 billion**.
- Narcotics** enforcement was conducted **691** times with evidence amounting to **3.81 tons**. One of the enforcement outcomes was the success of a joint team of the National Police and Customs in thwarting an attempt to smuggle narcotics at the Indonesia–Papua New Guinea border.



Non-Tax State Revenue (PNBP) Realization Records Positive Growth [26.4% (yoy) – excluding KND (SOE dividends)]

As of May 31, 2026

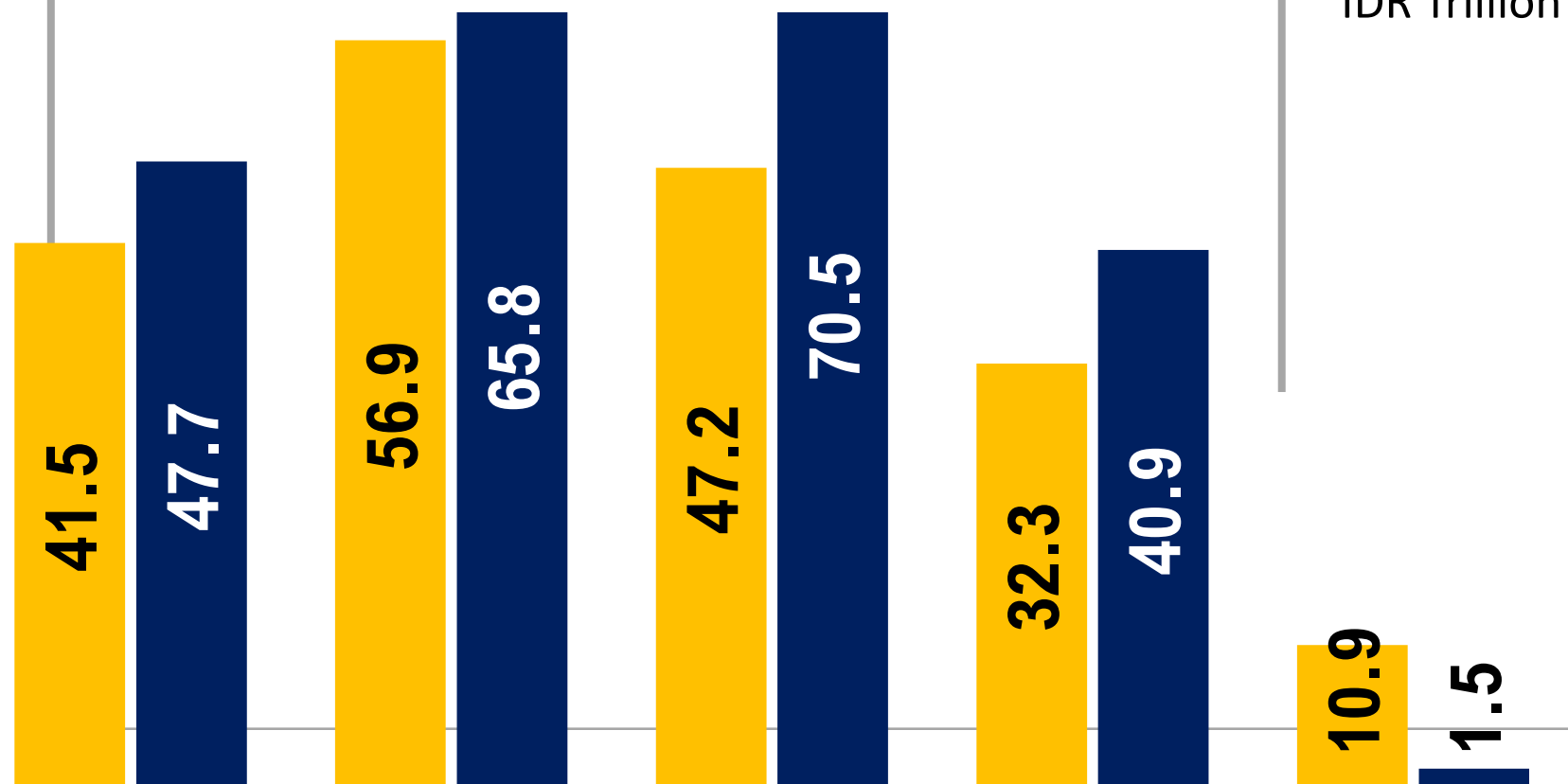
Exclude KND :

Jan-May 2025 : IDR177,9T

Jan-May 2026 : IDR224,9T

▲ 26,4%

IDR Trillion



SDA Migas

SDA Nonmigas

PNBP KL

BLU

KND

■ Jan-Mei 2025 ■ Jan-Mei 2026

Include KND :

Jan-May 2025 : IDR188,8T

Jan-May 2026 : IDR226,4 T

▲ 19,9%

1. PNBK realization up to May 31, 2026 reached **49.3% of the State Budget**.
2. Natural resource PNBK **grew 15.3%** (yoy), mainly driven by oil & gas resources up 14.9% (yoy) due to rising ICP, and non-oil & gas resources up **15.6%** (yoy) from higher mineral prices (nickel, copper, gold, and silver).
3. PNBK from Ministries/Agencies **grew 49.4%** (yoy), primarily from communication and information service revenues and administrative fines in forestry, supported by the PKH task force.
4. Public Service Agency (BLU) revenue **grew 26.7%** (yoy), mainly from higher health service revenues at the Ministry of Health and increased export levy rates on palm oil (CPO) and derivatives



CENTRAL GOVERNMENT EXPENDITURE BECOMING MORE PRODUCTIVE

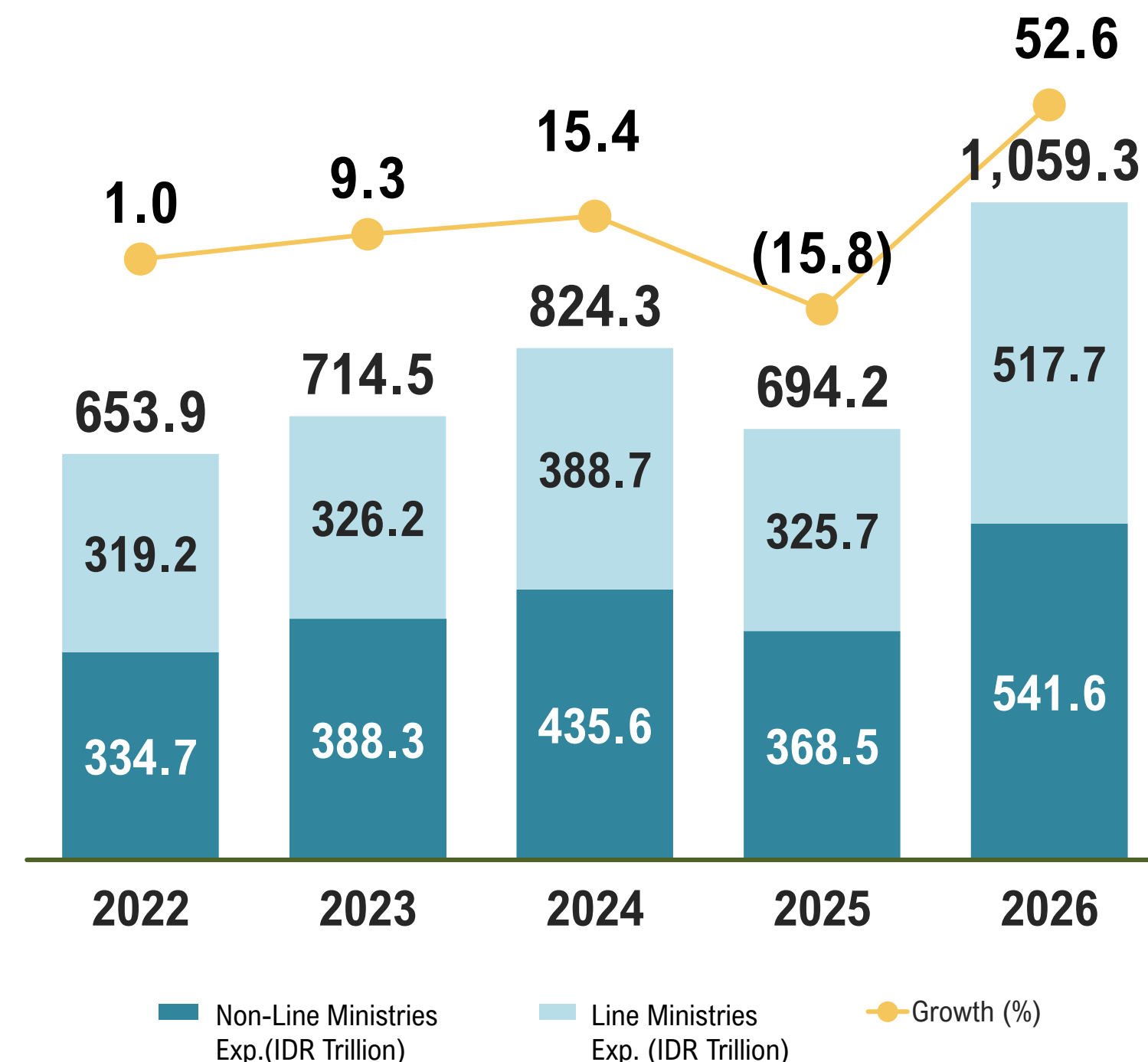
Realization as of 31 May 2026 IDR1.059,3 trillion (33.6% of State Budget), ▲ 52.6% (yoy)

(IDR Trillion)

Central Government Expenditure	Realization as of May 2025	Budget 2026	Realization as of May 2026
Line Ministries Exp.	325,7	1.510,5	517,7
<i>a.o Social Spending</i>	48,8	162,5	71,7
Non-Line Ministries Exp.	368,5	1.639,2	541,6
<i>a.o Subsidy</i>	66,1	318,9	94,8
TOTAL	694,2	3.149,7	1.059,3

Central Govt Expenditure Realization as of May 31, 2022 – 2026

(IDR trillion)



Central Government Expenditure was influenced by:

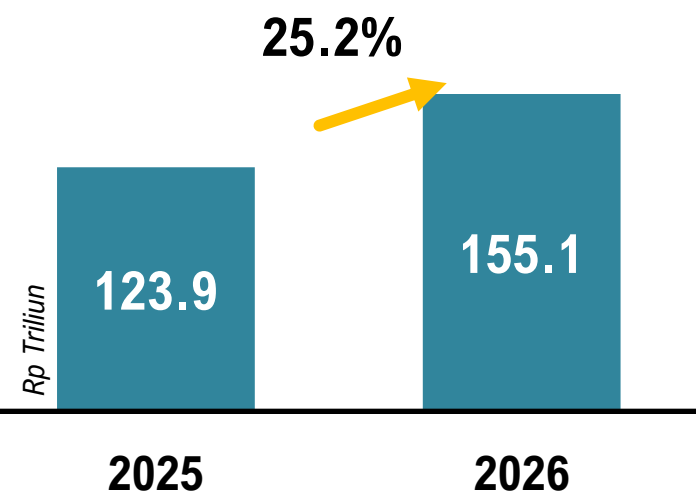
- **Ministries/Agencies (K/L) Expenditure IDR517.7T** (34.3% of State Budget), mainly driven by MBG implementation, distribution of social assistance (PBI JKN, Staple Food Card, PKH, and KIP College), and disbursement of holiday allowances (THR).
- **Non-Ministries/Agencies Expenditure IDR541.6T** (33.0% of State Budget), mainly driven by pension benefit payments, subsidies, and fuel and electricity compensation.



as of 31 May 2026

Personnel Expenditure

IDR155.1 T
(43.3% of budget)

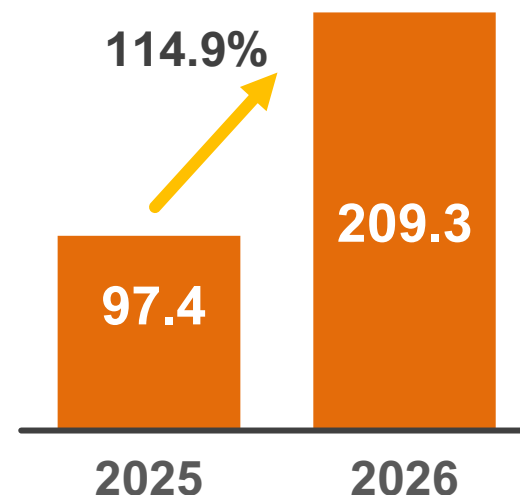


Increase in Personnel Expenditure mainly for:

- ❑ Recruitment of 355 thousand new civil servants (ASN).
- ❑ Accelerated payment of allowances for non-civil servant educators.

Goods Expenditure

IDR209.3 T
(29.7% of budget)



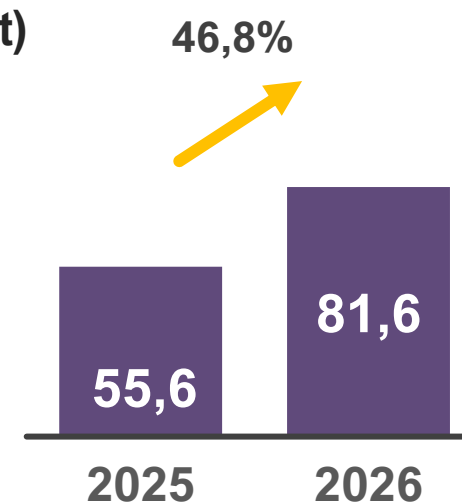
Increase in Goods Expenditure mainly for MBG implementation

- ❑ MBG disbursement IDR86.6 T*
- ❑ BOS Fund disbursement IDR4.8 T
- ❑ Biodiesel Incentive IDR13.7 T
- ❑ Health services at UPT IDR6.1 T
- ❑ Food stabilization IDR0.9 T

* from total realization of IDR88.15T

Capital Expenditure

IDR81.6 T
(28.7% of budget)



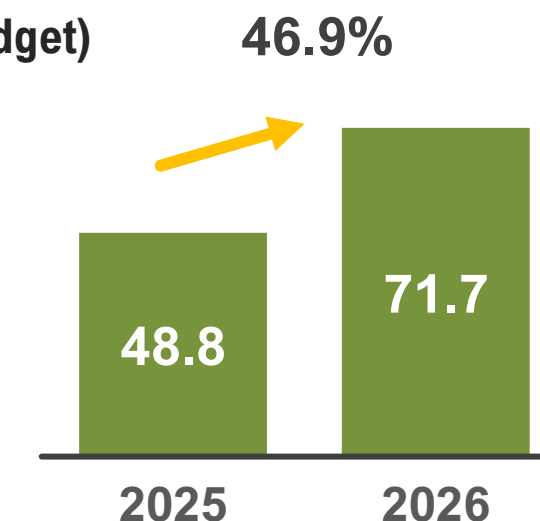
Increase in Capital Expenditure mainly to support connectivity and food security (network and irrigation development)

a.o. through:

- ❑ Ministry of Public Works : IDR20.7 T
- ❑ Polri: IDR24.3 T
- ❑ Ministry of Defense : IDR21.2 T
- ❑ Attorney General's Office : IDR5.6 T

Social Expenditure

IDR71.7 T
(44.1% of budget)



Increase in Social Assistance Expenditure Realization (yoy) mainly influenced by the disbursement of PKH and Staple Food Card in Q2, as well as PIP in Semester I of 2026

Realization includes:

- ❑ **PKH: IDR14.0T** for 9.7 million beneficiary families (KPM).
- ❑ **Staple Food Card: IDR19.0T** for 17.5 million KPM.
- ❑ **PBI JKN: IDR19.3T** for 96.7 million participants.
- ❑ **PIP: IDR8.6T** for 13.4 million students.
- ❑ **KIP College: IDR8.2T** for 953.2 thousand students
- ❑ Implementation of Social Assistance and Rehabilitation as well as Disaster Management **IDR2.6T**

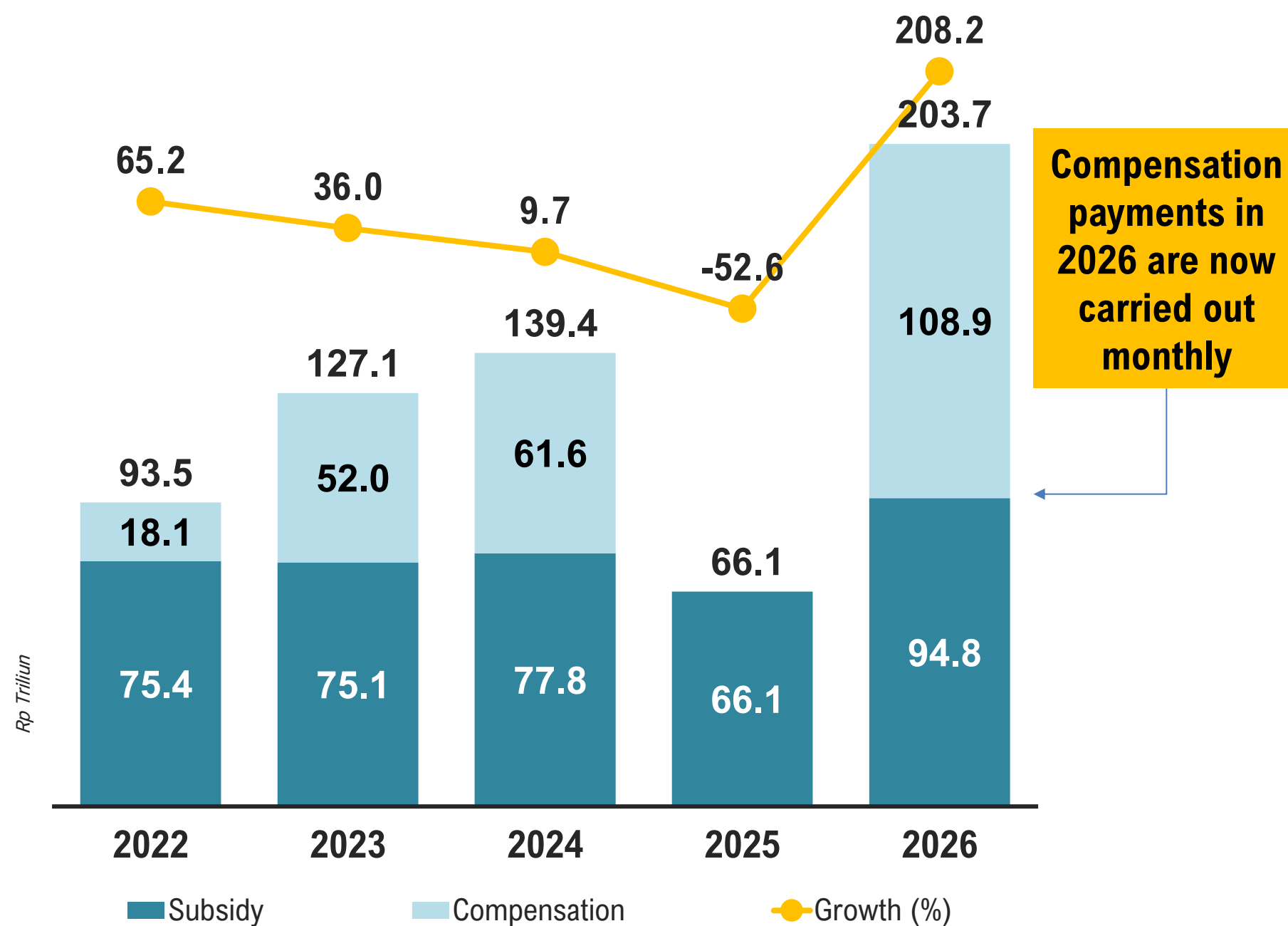


GOVERNMENT SUBSIDY AND COMPENSATION EXPENDITURE SAFEGUARDS HOUSEHOLD PURCHASING POWER

The State Budget (APBN) acts as a shock absorber amid global energy price volatility.

as of 31 May 2026

Subsidy & Compensation **IDR203.7 T (45.6% of budget)**



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

The Government ensures the availability of goods at subsidized prices.

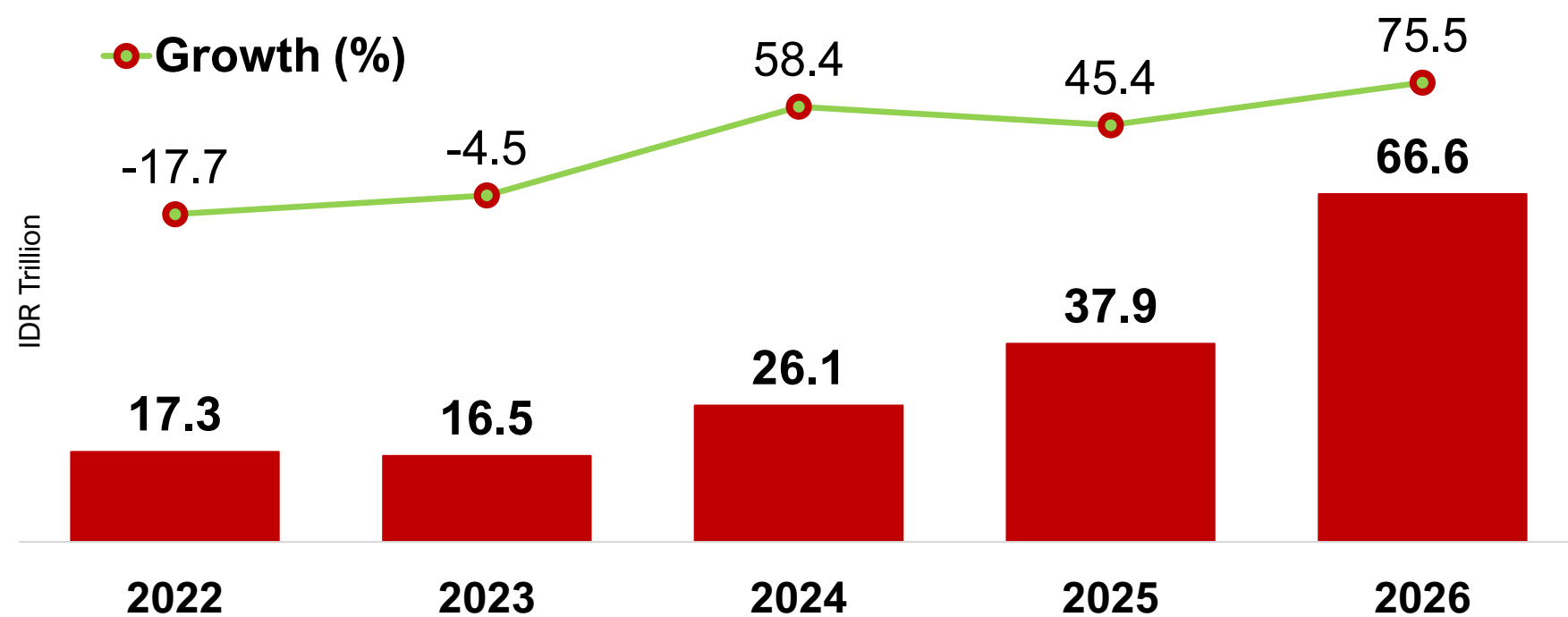
Types of subsidized goods	2025	2026	
	Realization	Realization	Growth (%)
Fuel (thousand kiloliters)	5.807,9	6.310,0	▲ 8,6%
3 Kg LPG (million kg)	2.782,2	2.858,3	▲ 2,7%
Subsidized Electricity (million customers)	42,1	43,0	▲ 2,1%
Fertilizer (million tons)	3,1	3,7	▲ 20,7%
KUR Debtors (million debtors)	1,92	1,93	▲ 0,52%



Food Security Budget Realization Records an Increase

IDR66.6 T (31.6% APBN IDR210.4 T)

31 May 2022-2026 Realization



- Ministries/Agencies (K/L) expenditure IDR13.2 T
- Fertilizer subsidy IDR28.8 T
- Bulog IDR22.7 T

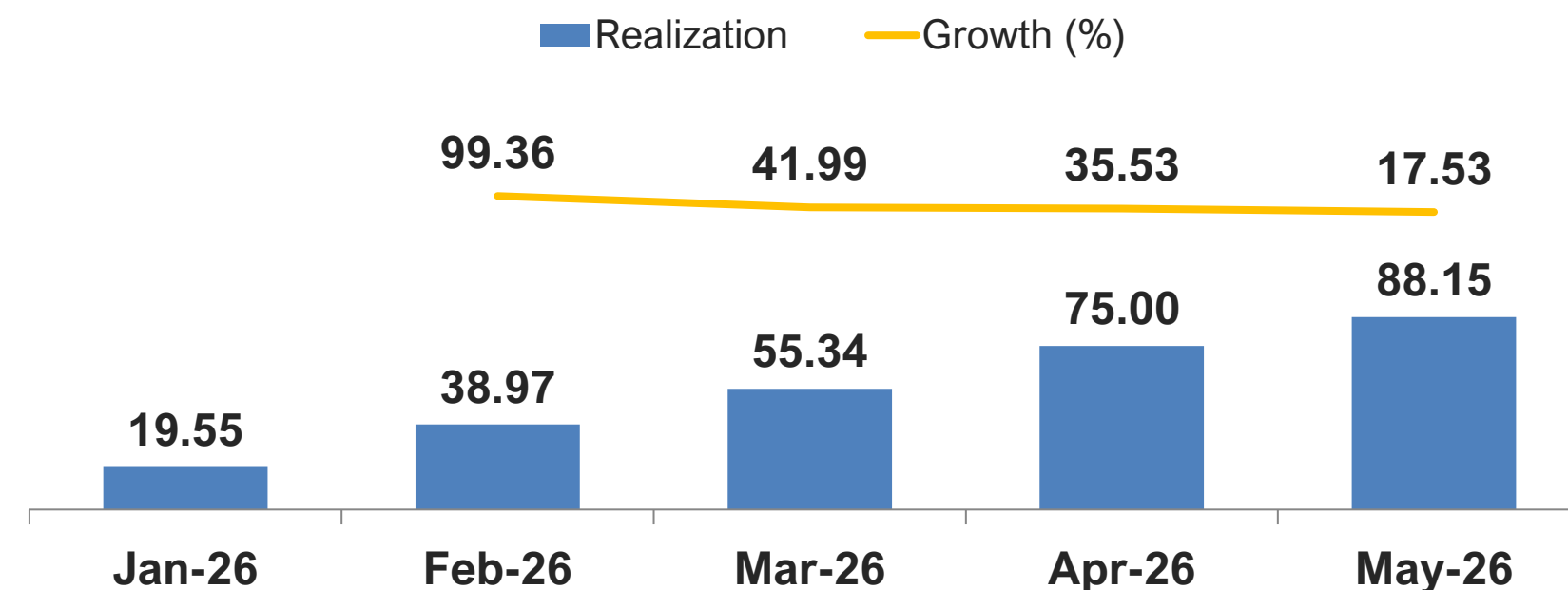


- Investment to BULOG supports purchases of rice, unhusked rice, and corn from farmers.
- As of 31 May 2026, absorption has been used for 13.9 thousand tons of rice, 3.5 million tons of unhusked rice, and 17.2 thousand tons of corn from farmers.

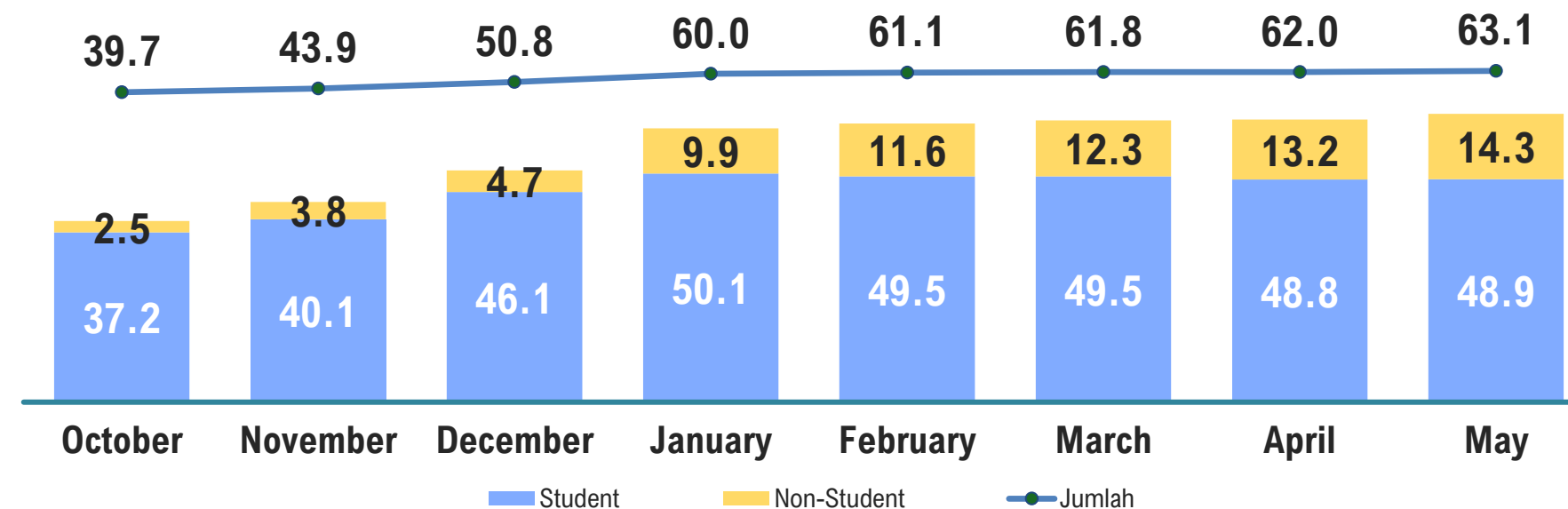
Free Nutritious Meals Become More Equitable with Quality Improvements

Realization as of 31 May

IDR88,15



63.13 million beneficiaries, 29,670 SPPG *



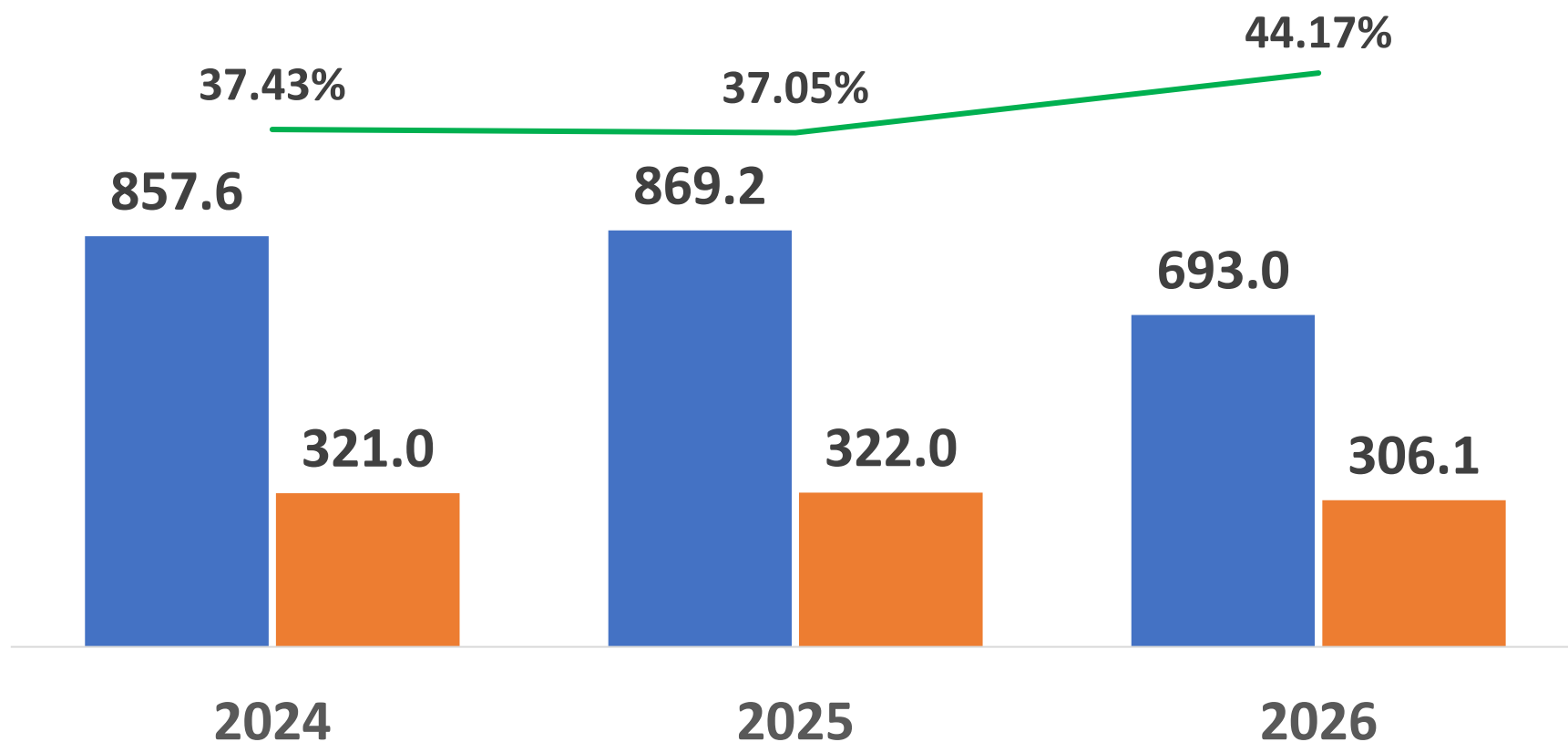
*) Each SPPG serves between 500-3,000 beneficiaries to achieve the target number of beneficiaries



EFFECTIVE TKD DISBURSEMENT: RP306.1 TRILLION (44.2% OF STATE BUDGET)

In line with accelerated state spending, TKD disbursement also increased in percentage terms.

Development of 2024-2026 TKD Realization (IDR trillion)



Highlight of TKD Realization up to May 2025

- Improvement in **Effectiveness and Efficiency of TKD Policy**
- TKD realization performance as of May 31** reached **44.2%**, better than the previous year (37.0% of ceiling).
- May disbursement was driven by **Revenue Sharing Fund (DBH), General Allocation Fund (DAU), Non-physical Special Allocation Fund (DAK), and Special Autonomy Fund**, including **relaxed disbursement requirements and additional TKD allocation for disaster-affected regions in Sumatra**.
- Additional TKD allocation in 2026 amounted to Rp10.65 trillion for Aceh, North Sumatra, and West Sumatra, of which 99.8% has been disbursed

Utilization Outputs of TKD Budget FY 2026 include:



4,3 million Regional Civil Servants supported through salary payments



992 thousand students in equality programs



42,3 million students receiving BOS (School Operational Assistance)



616 thousand teachers receiving allowances



5,8 million early childhood students receiving BOP (Operational Assistance for Early Childhood Education)



Budget Financing On-Track, Supporting State Budget Management as a Policy Instrument to Drive Growth Acceleration

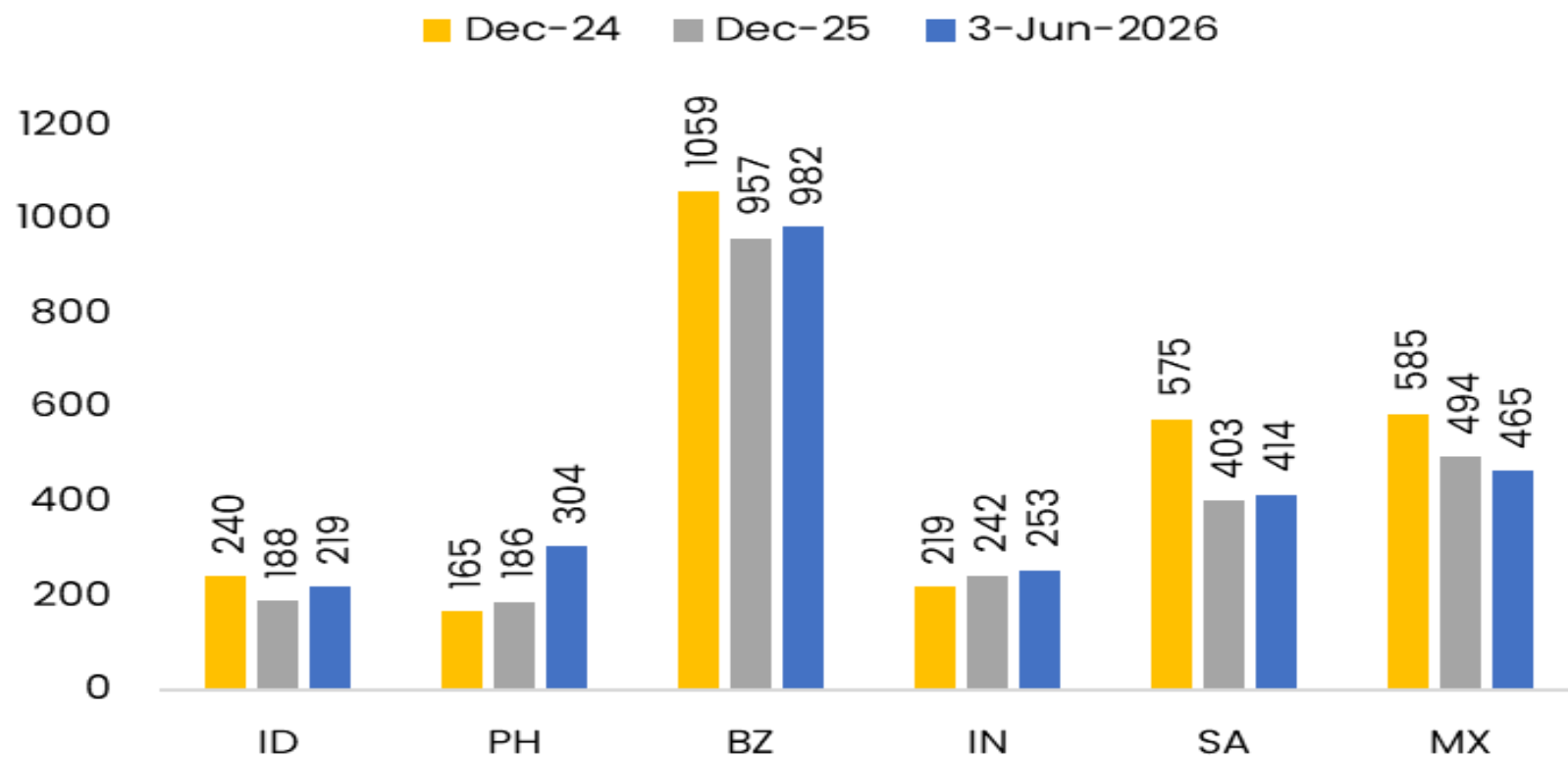
BUDGET FINANCING (IDR Trillion)	2025			2026		
	APBN	Real as of 31 May	% of APBN	APBN	Real as of 31 May	% of APBN
1. Debt Financing	775,9	351,0	45,2	832,2	386,0	46,4
2. Non-debt Financing	(159,7)	(24,5)	15,3	(143,1)	(6,5)	4,4
TOTAL	616,2	326,4	53,0	689,2	379,4	55,1

APBN 2026 financing is managed prudently and in a measured manner, taking into account government liquidity, optimal cash conditions, and financial market dynamics



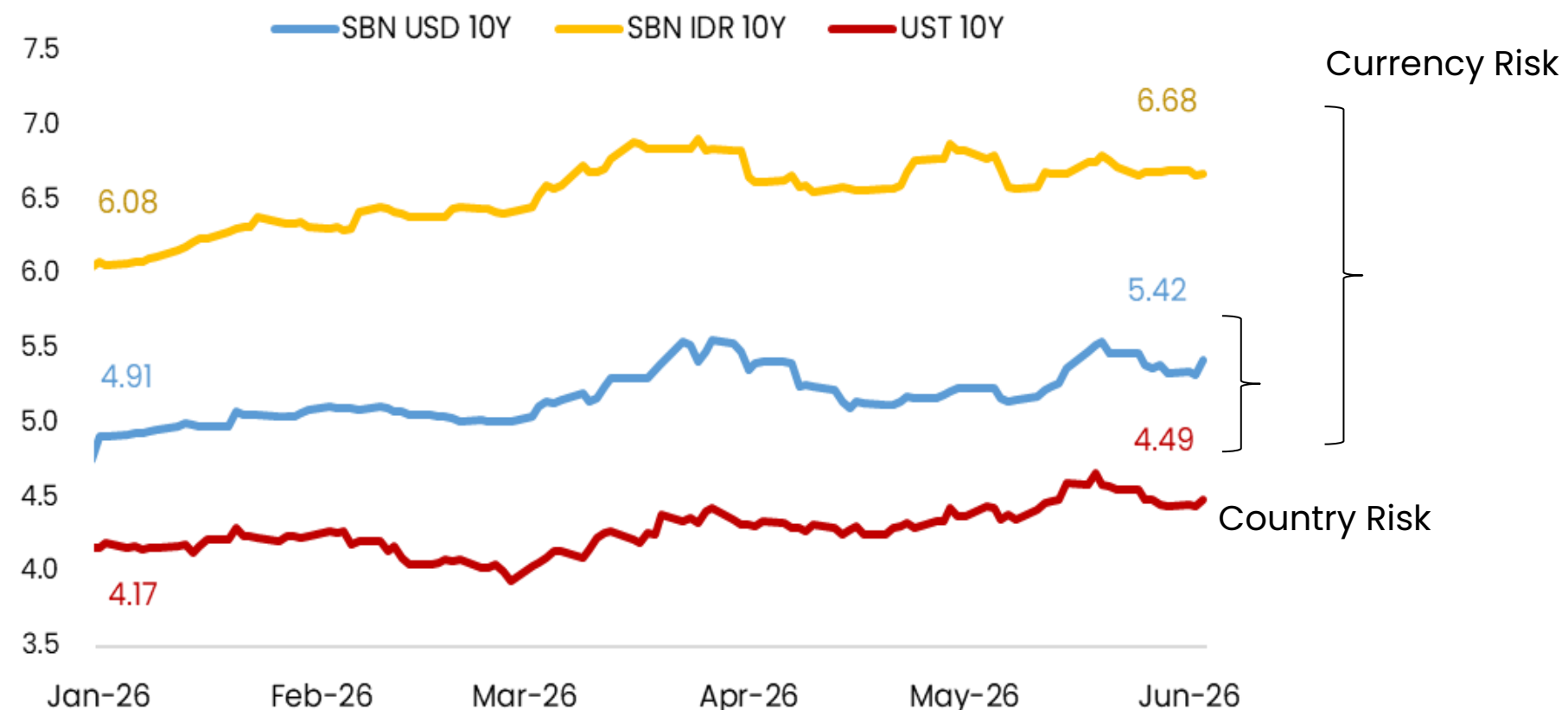
Government Bond Market Remains Solid Amid Global Uncertainty

Spread LCY vs US Treasury 10Y (YTD, bps)

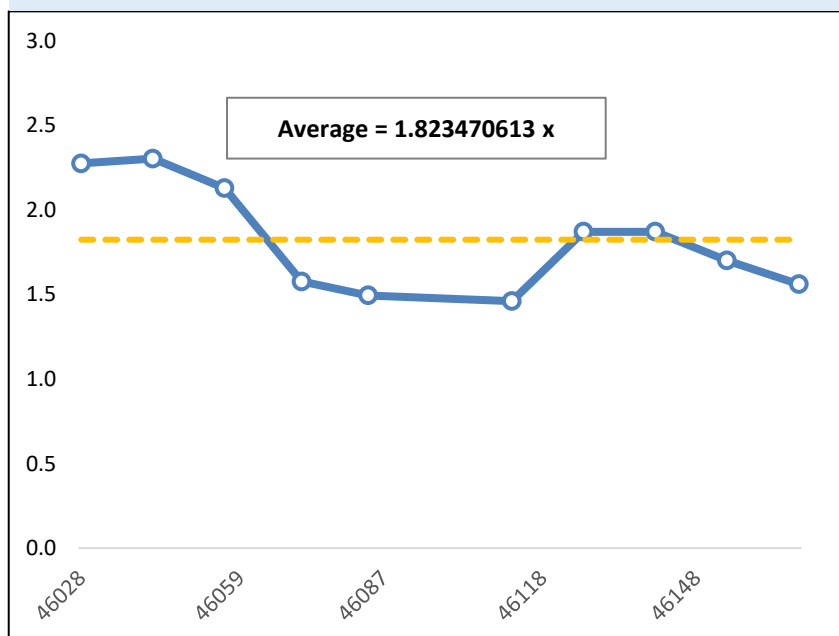


Source: Bloomberg 3 Jun 2026

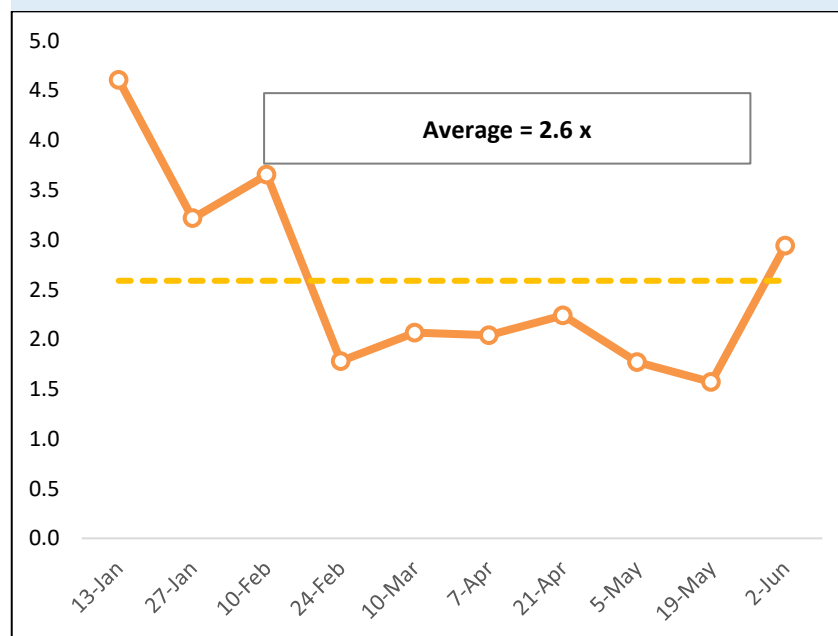
UST, SBN USD & SBN IDR



Bid to cover ratio SUN



Bid to cover ratio SBSN



- ✓ SBN s stay stable despite global financial market volatility, with 10Y maintained at 6.68% (eop).
- ✓ spread of SBN against U.S. Treasuries remains relatively low compared to several EM countries, reflecting Indonesia's relatively low country risk.
- ✓ Incoming bids in SBN auctions throughout 2026 remain resilient amid global investor risk-off sentiment. Bid-to-cover ratios stay strong, averaging 1.8x (SUN auctions) and 2.6x (SBSN auctions)

Thank You!

Investor Relations Unit | Ministry of Finance Indonesia

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