INVESTOR RELATIONS UNIT
Directorate General of Economic and Fiscal Strategy
Ministry of Finance, Republic of Indonesia

Recent Economic Developments

November 2026

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EXECUTIVE SUMMARY

GLOBAL ECONOMY

Manufacturing expands amid persistent global risks.

- **Key global risks:** Middle East conflict, persistent inflation, higher interest rates, stronger US dollar and volatile capital flows and commodity prices.
- **Global manufacturing continues to expand**, supported by demand and production.

DOMESTIC ECONOMY

Domestic demand supports growth, with external buffers intact.

5.47%
Q3 2026 **GDP growth**, YoY

54.0
October **manufacturing PMI**

3.23%
October **inflation**, YoY

September credit growth: **investment 23.2% YoY**, **working capital 11.9%**.
Growth supported employment and poverty reduction.

Trade surplus continued through September. **Inflows** reached **IDR126tn** through 5 November, with **October FX reserves** at **USD146.8bn**.

FISCAL PERFORMANCE

Revenue growth supports priority spending and a contained deficit.

January–October 2026

IDR2,618.0tn
Revenue | +25.5% YoY

IDR2,997.2tn
Expenditure | +19.0% YoY

1.47% of GDP
Budget Deficit

2027 POLICY DIRECTION

Advance economic transformation while maintaining fiscal prudence.

Economic transformation

- Strengthen **fiscal, monetary, financial sector and investment** coordination.
- Advance strategic investment, downstream industries and investment facilitation, including collaboration with Danantara.

Fiscal prudence

Optimize revenue, spending quality and innovative financing.

Eight national priority clusters

1. Food sovereignty
2. Energy and water self-sufficiency
3. Education
4. Health
5. Downstream industries and industrialization
6. Infrastructure, housing and disaster resilience
7. Community and village economies
8. Poverty reduction

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Overview

01 Macroeconomic Performance

02 2026 Fiscal Development

03 2027 Budget



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01

Macroeconomic Performance

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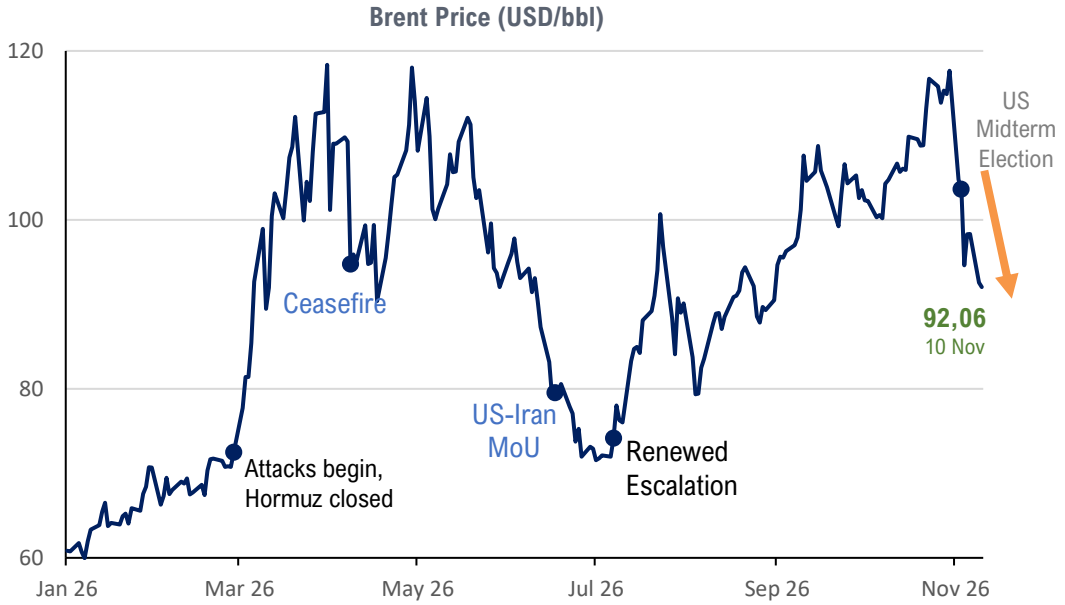
ENERGY PRESSURE BEGINS TO EASE, VIGILANCE MAINTAINED

Oil prices decreased 22% from late-October peak; volatility remains a concern



Implications for Indonesia

- Lower oil prices ease pressure on energy subsidies and the oil & gas trade balance.
- The positive momentum must be maintained amid risks from interest rates, capital flows, and asset valuations.

Global risks remain under watch

Higher-for-longer interest rates

- Global inflation remains high and persistent.
- Major central banks are inclined to keep interest rates high for longer.

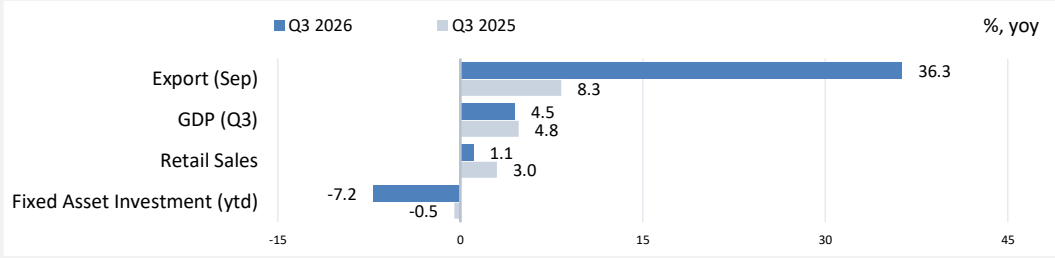
Capital outflows from emerging markets

–US$26,3 billion (Sept 2026)

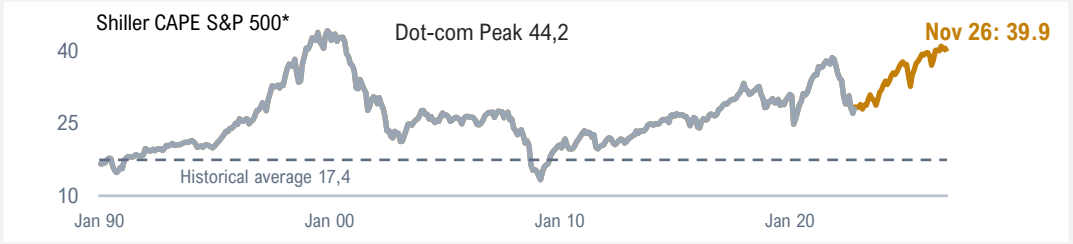
Global uncertainty is increasing capital flow volatility

China's economic slowdown

China's growth is moderate, exports still surging



Technology/AI companies valuation bubble



*The Shiller Cyclically Adjusted Price-to-Earnings (CAPE) ratio is the S&P 500 price divided by average earnings over the past 10 years, adjusted for inflation to smooth out business-cycle effects. Unit: times. A higher value means more expensive market valuations.

Source: Bloomberg, EIA, IIF, NBS, Shiller/Multpl; processed. Data as of 10 November 2026.

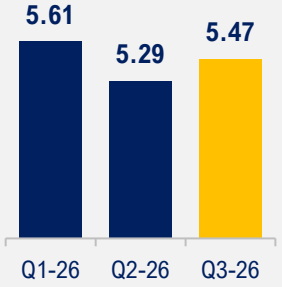
INDONESIA'S GROWTH OUTPACES EXPECTATIONS

Indonesia's Economic Growth

Q3 2026

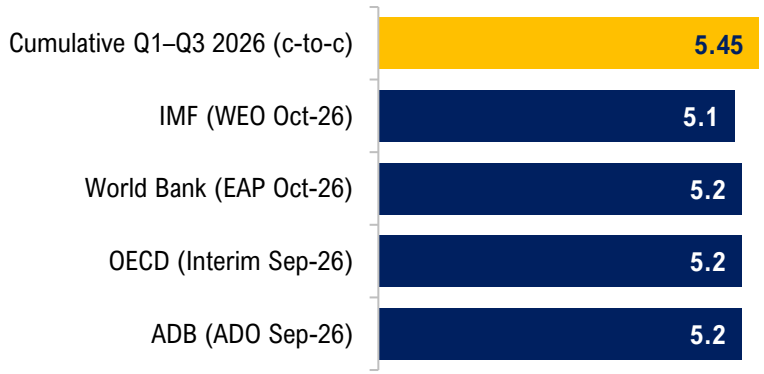
5.47 % yoy

▲ Increased from 5.29% in Q2 2026

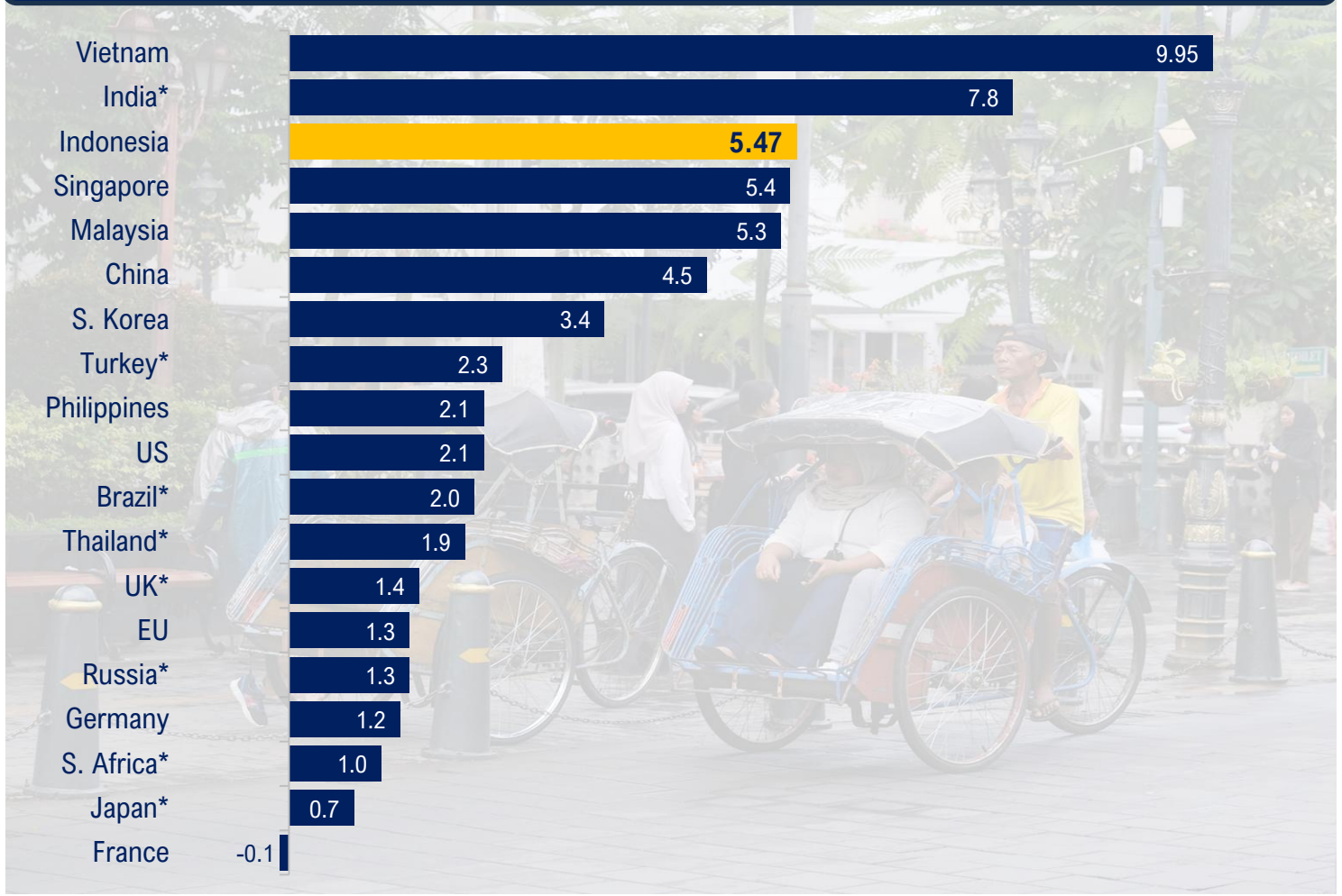


Indonesia 2026 Growth Projections (%yoy)

Growth through Q3 exceeds all institutions' projections



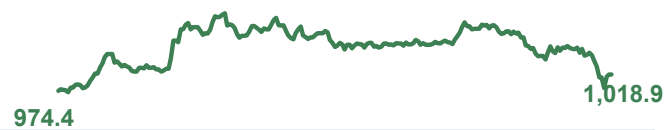
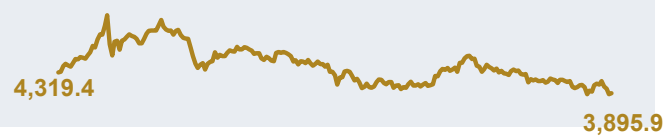
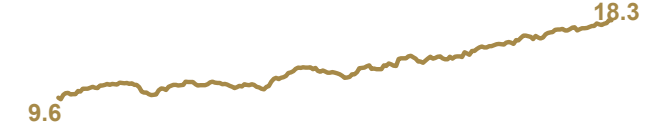
Indonesia posted solid growth in Q3 2026, ranking among the top of its peer group



*) Q2 2026 data (Q3 2026 figures not yet released as of 10 November 2026). US: yoy growth calculated from real GDP levels (BEA). Q1–Q3 actual: cumulative c-to-c growth (BPS).
Source: BPS, BEA, Trading Economics, IMF WEO (Oct 2026), World Bank EAP Economic Update (Oct 2026), OECD Interim Economic Outlook (Sep 2026), ADB ADO (Sep 2026), processed

COMMODITY PRICES VARIED

Easing fears of renewed fighting weigh on oil; expectations of higher US rates pressure gold.

COMMODITY	LATEST PRICE	MoM	YTD	YoY	WEEKLY MOVEMENT	2026 PRICE TREND
Brent	96.0 USD/bbl	-9.1%	+57.8%	+31.8%	**Down 2.3%;** Fears of renewed fighting eased.	
Coal	145.3 USD/ton	-3.4%	+35.1%	+25.9%	**Up 3.1%;** Prices rebounded after a seven-day slide.	
CPO	1,018.9 USD/ton	-5.4%	+4.6%	+8.7%	**Up 0.8%;** Prices recovered after recent losses.	
Gold	3,895.9 USD/troy oz	-6.4%	-9.8%	+34.7%	**Down 4.3%;** Higher US rate expectations weighed.	
Rice	18.3 USD/cwt	+6.3%	+90.6%	+3.5%	**Up 2.5%;** US rough rice extended its gains.	
Nickel	16,226 USD/ton	+4.1%	-2.5%	+11.9%	**Down 0.8%;** Prices slipped after the prior rally.	

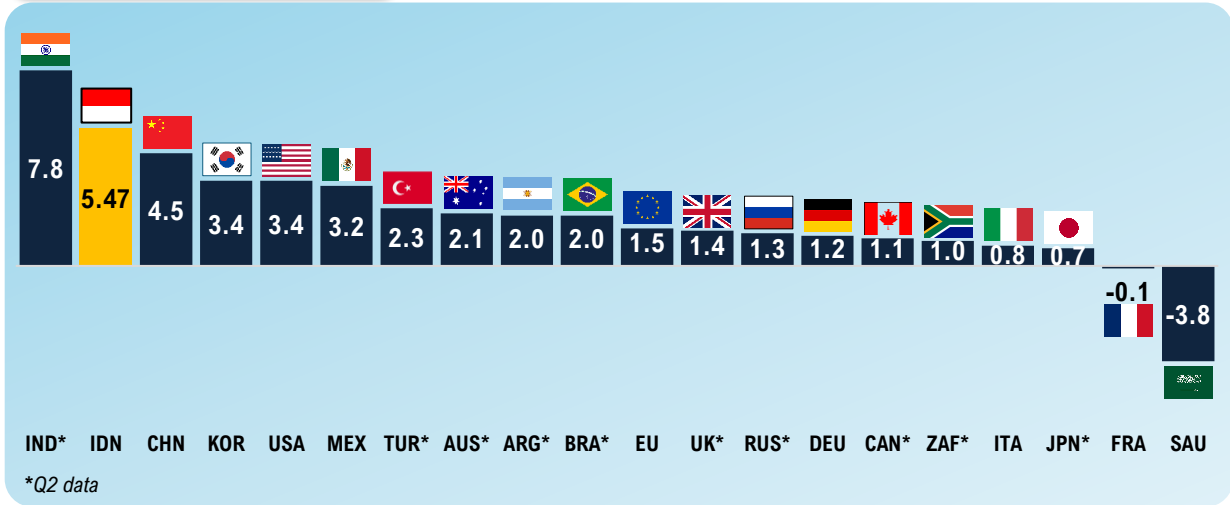
Jan 2026 — 13 Nov 2026

Source: Bloomberg,. Data as of 13 November 2026.

MoM: vs same date last month. YTD: vs end-2025. YoY: YTD average vs the same period of the previous year (% change).

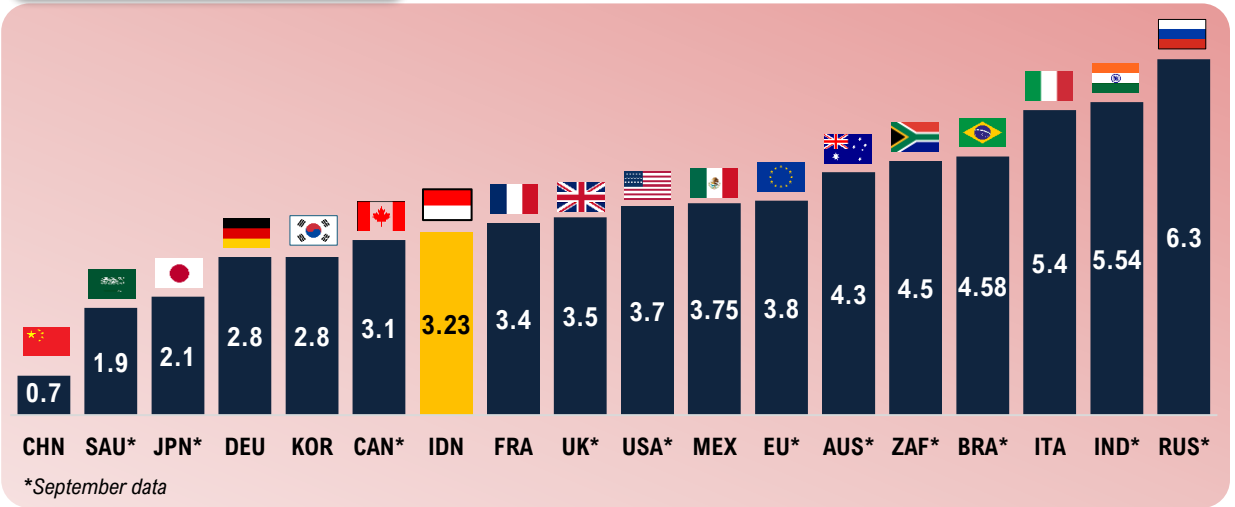
INDONESIA'S ECONOMIC AND FISCAL PERFORMANCE RELATIVELY STRONG AMONG PEERS

Real GDP Growth (% YoY)
(Q3 2026)



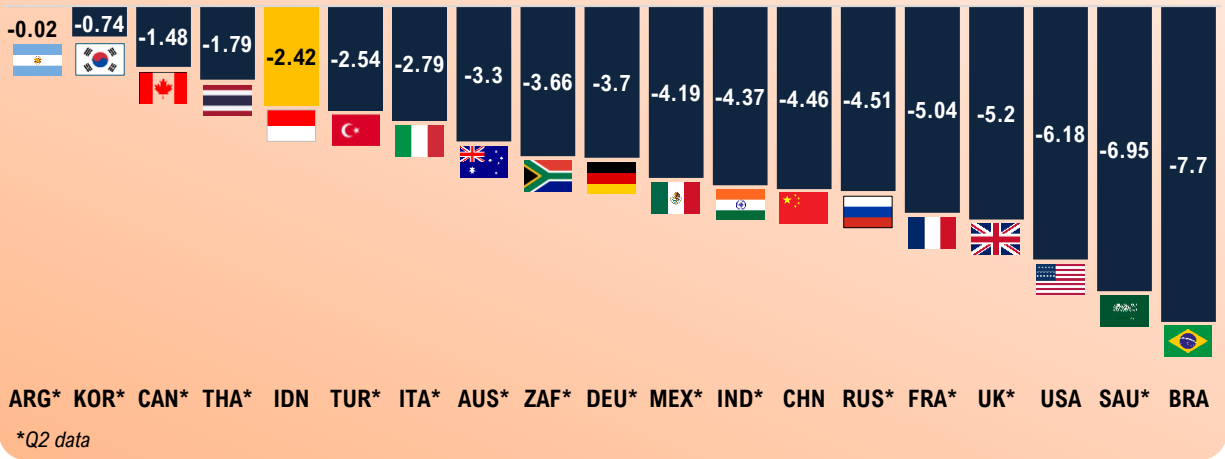
*Q2 data

Inflation (% YoY)
(October 2026)



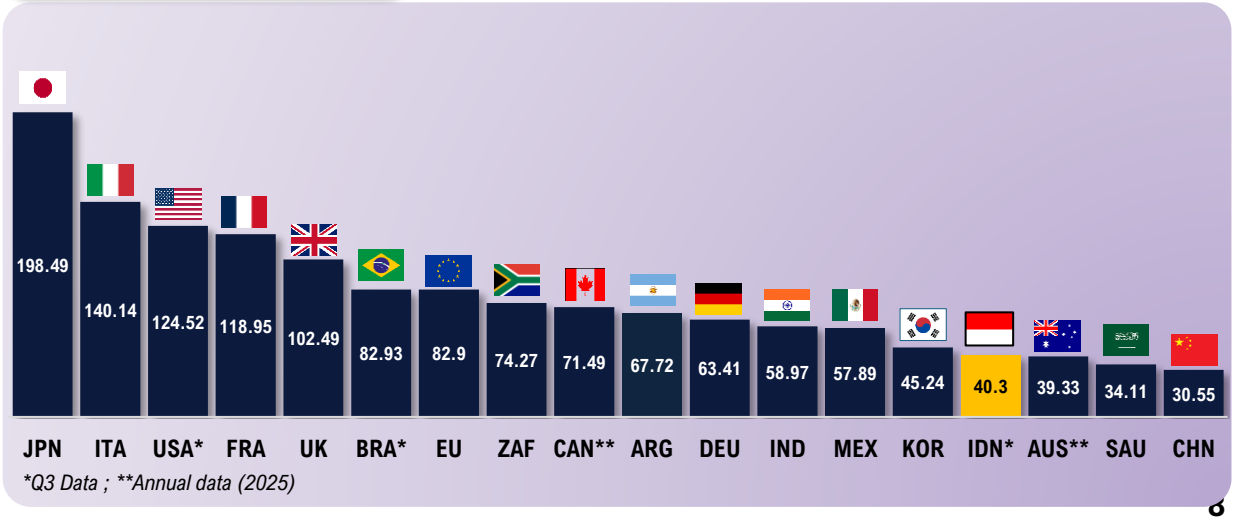
*September data

Fiscal Balance (% of GDP)
(Q3 2026)



*Q2 data

Debt to GDP Ratio (%)
(Q2 2026)



*Q3 Data ; **Annual data (2025)

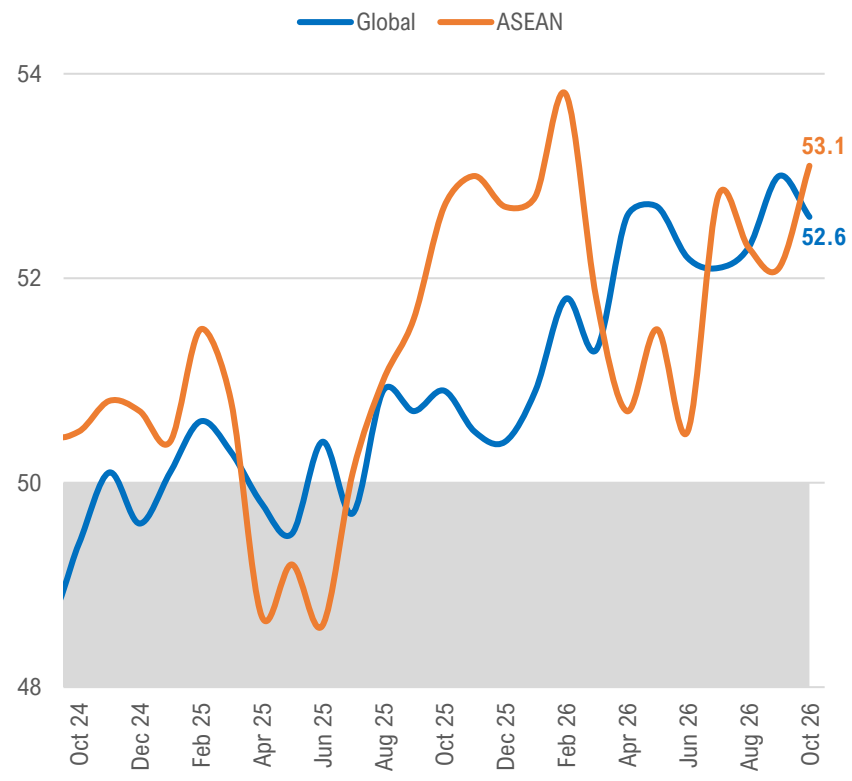
Source: CEIC, latest available data, processed

GLOBAL MANUFACTURING REMAINS IN EXPANSION ZONE

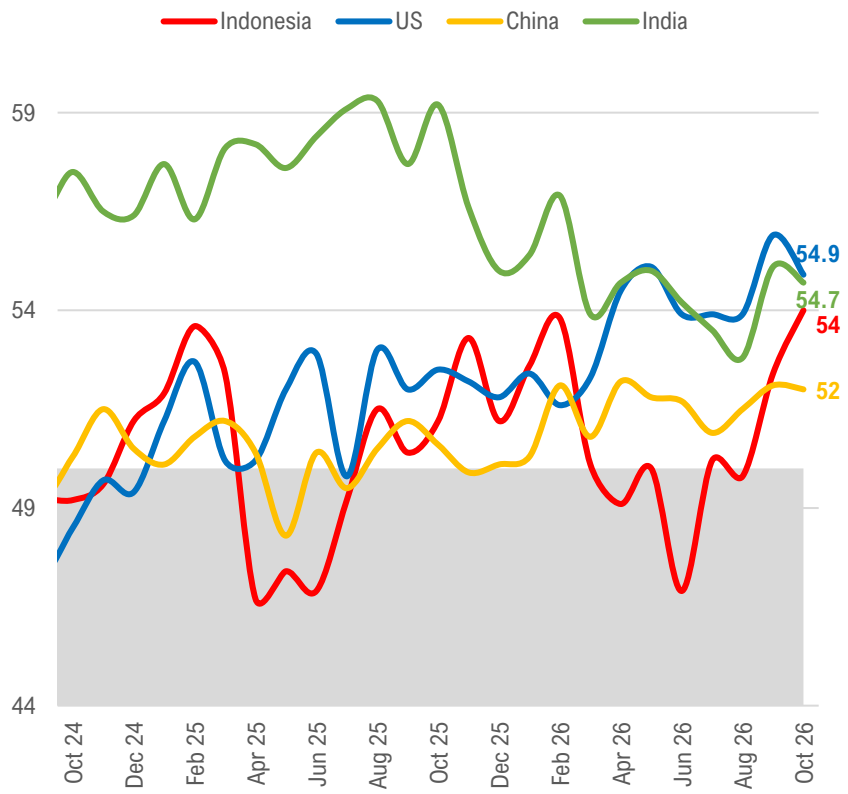
Global manufacturing PMI eased but stayed in expansion for the 15th straight month, while input cost inflation accelerated amid material shortages and supply delays

PMI MANUFACTURING OCTOBER 2026

Global & ASEAN Manufacturing PMI



Manufacturing PMI - Indonesia & Several Countries

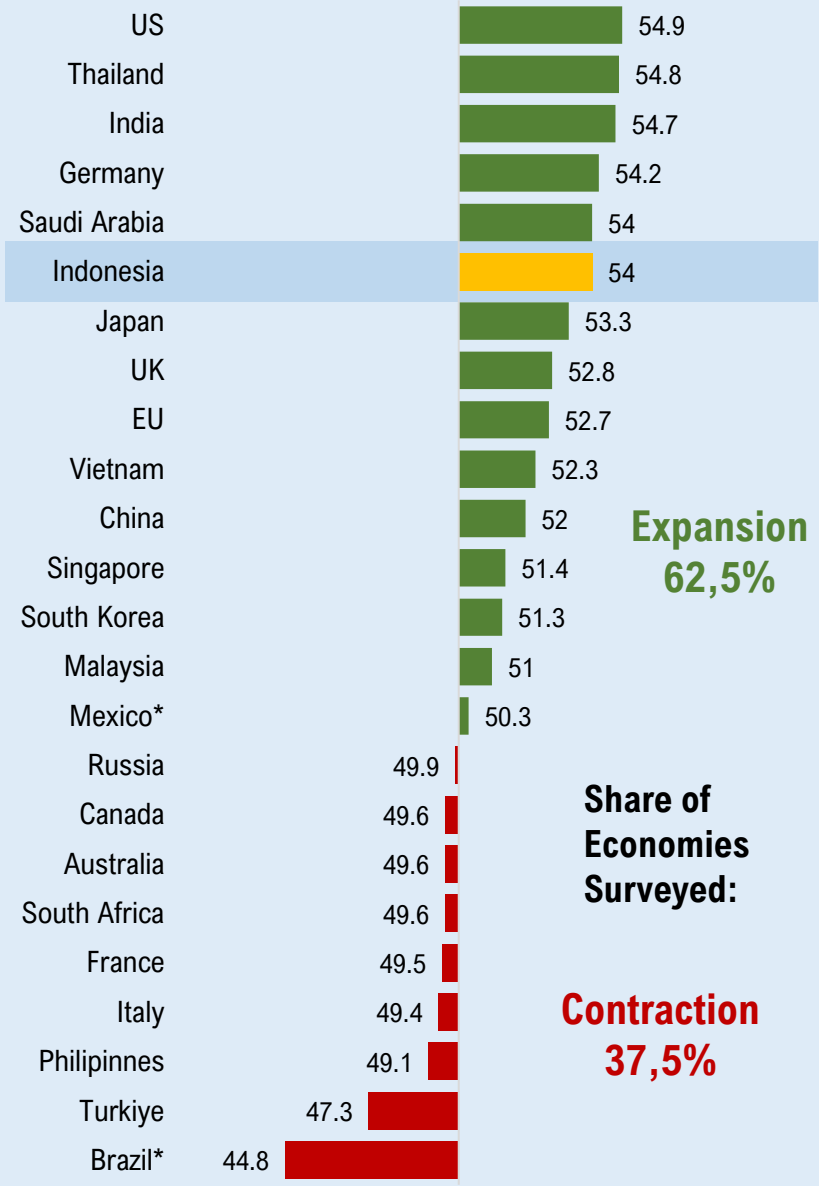


Key Drivers

- Sustained new orders and export demand
- Supply constraints pushing up costs
- Inventory built-up for anticipating supply chain disruption

Source: Bloomberg, S&P Global

Manufacturing PMI Distribution of G20 and ASEAN-6 Countries



**September Data*

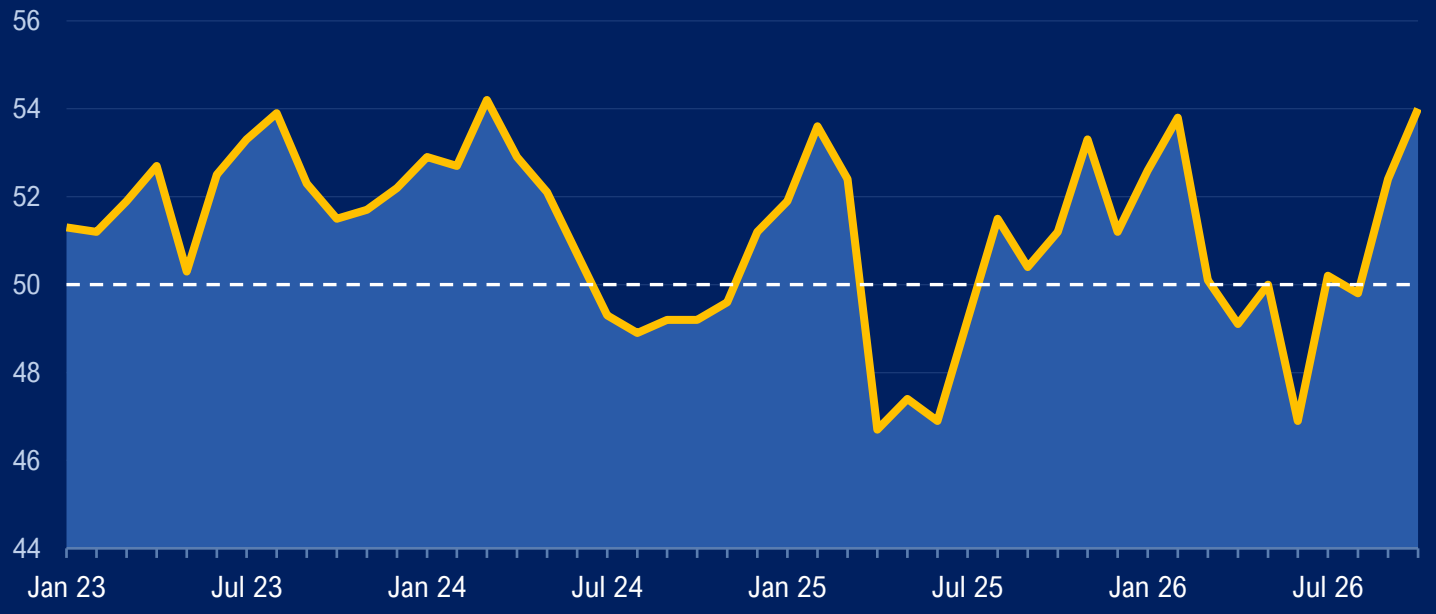
MANUFACTURING PMI ROSE TO 54.0 IN OCTOBER 2026

Highest since March 2024 (September: 52.4), driven by new and export orders

Indonesia Manufacturing PMI

January 2023–October 2026; above 50 = expansion

54.0 **October 2026** highest since March 2024



Source: S&P Global, processed by DJSEF

NEW ORDERS AND EXPORTS SURGED

New orders rose to 57.0 from 53.1, the highest since October 2021; export orders at 55.3, the highest since the survey began in 2011. Output rose to 56.6 from 52.8.

57.0 new orders

EMPLOYMENT SLOWED

Employment fell to 50.2 from 51.5, still marginally expansionary. Backlogs at 52.2 (September 52.4): unfinished orders are still accumulating.

50.2 employment

FINISHED GOODS STOCKS DEPLETED

Stocks of finished goods fell to 46.1 from 47.6; input purchases rose to 54.8 from 51.8. Orders far exceed finished stocks: a signal that production will keep rising.

+10.9 orders – finished stocks

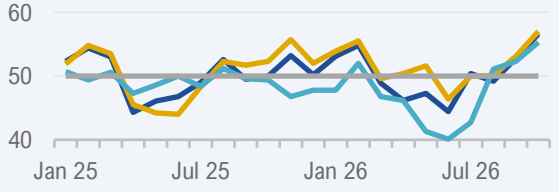
COST PRESSURES REMAINED HIGH

Input prices rose to 63.9 from 63.5, output prices rose to 55.5 from 55.2. Costs are rising faster than selling prices; producer margins are squeezed.

63.9 input prices

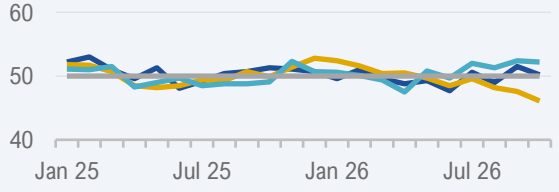
OUTPUT AND DEMAND

Output **56.6** New orders **57.0** Exports **55.3**



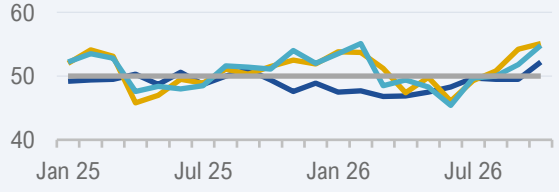
EMPLOYMENT AND FINISHED STOCKS

Employment **50.2** Finished stocks **46.1** Backlogs **52.2**



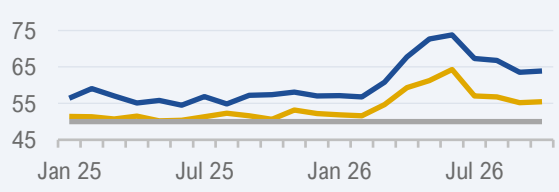
SUPPLY AND PURCHASING

Delivery times **52.2** Input stocks **55.1** Purchasing **54.8**



PRICES

Input prices **63.9** Output prices **55.5**

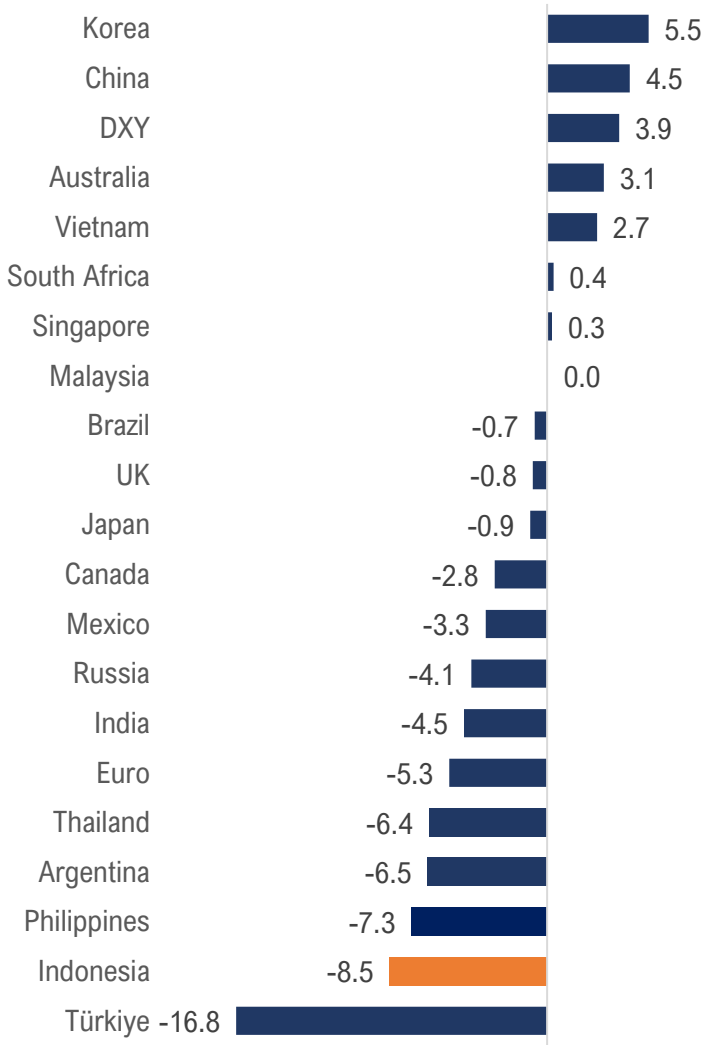


Source: S&P Global (Indonesia Manufacturing PMI); processed by DJSEF. Index above 50 = increase; delivery times above 50 = suppliers faster; prices above 50 = prices rising. Latest data: October 2026.

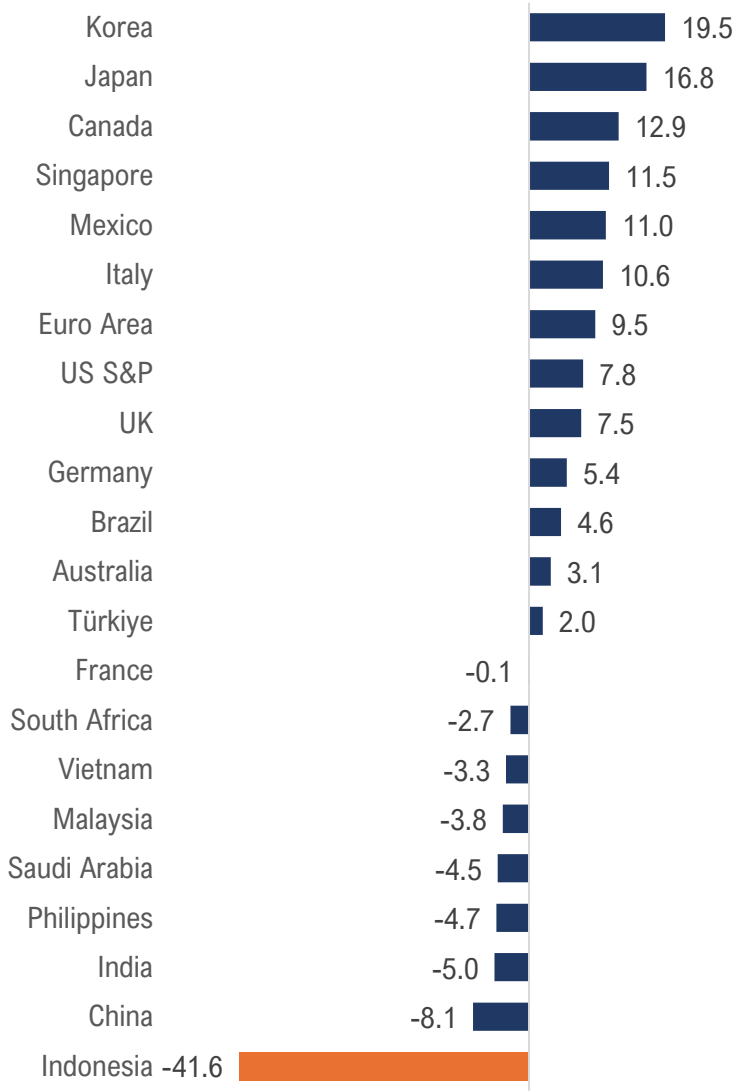
GLOBAL FINANCIAL MARKETS REMAIN CLOUDED BY GEOPOLITICAL UNCERTAINTY

Fiscal–monetary coordination must be strengthened to safegurad exchange rate stability, liquidity, and cost of funds

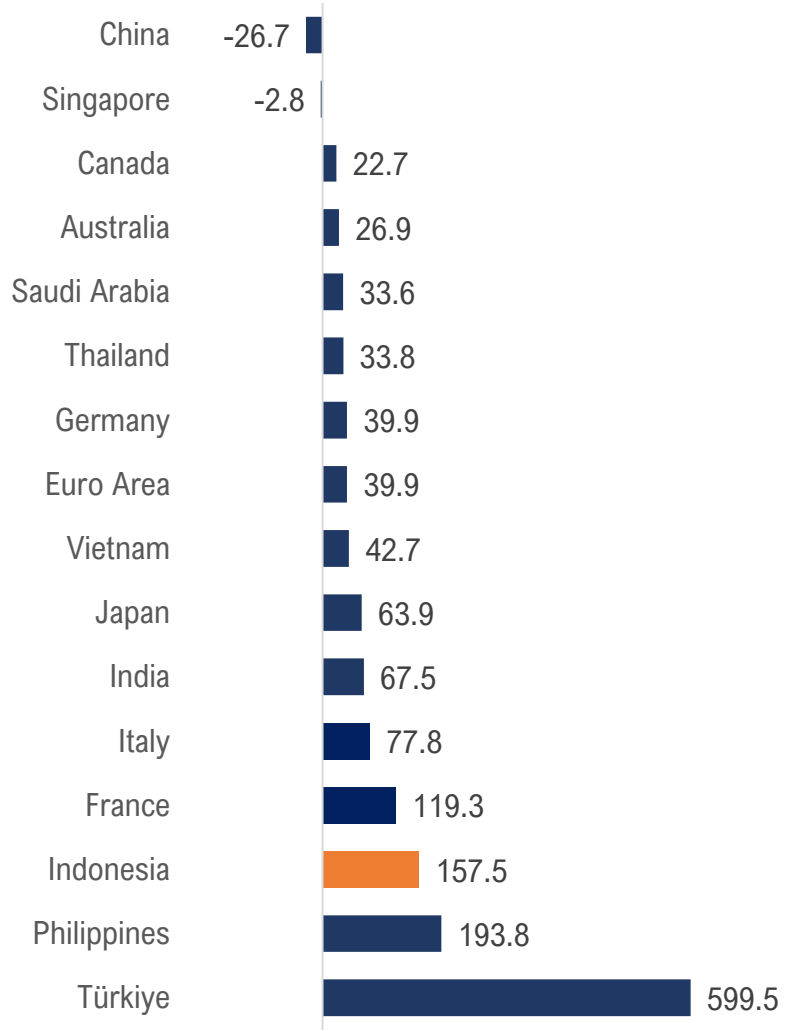
Exchange Rate (%, *ytd*)



Stock Price Index (%, *ytd*)



Government Bond Yield (*bps*, *ytd*)



Source: Bloomberg, processed (9 November 2026)

INDONESIA'S FUNDAMENTALS REMAIN SOUND AMID GLOBAL RISKS

GLOBAL CONDITIONS CONTINUE TO EVOLVE

- **Geopolitical & Trade Tensions**
- **Disaster Risks** (including El Niño)
- **Commodity Price Volatility**
- **Inflation & Market Pressures** (Equities, FX)
- **High Global Interest Rates** *(Higher for Longer)*

FUNDAMENTALS REMAIN SOUND

Economic Growth
Q3 2026: **5.47%** YoY ; **5.45%** ctc

Stable Inflation
October 2026: **3.23%** ***YoY***

Trade Surplus
Jan–Sept 2026: **+USD10.6bn**
(September surplus: USD3.36bn)

Adequate FX Reserves
October 2026: **USD146.8bn**

Investment Loans
September 2026: **23.2% YoY**

Working Capital Loans
September 2026: **11.9% YoY**

GLOBAL CONFIDENCE IN INDONESIA REMAINS FIRM

S&P Global Ratings

S&P Global Rating
Rating: **BBB/Stable**

联合资信 LianheRatings

Lianhe Credit Ratings
Rating: **AAA/Stable**

Financial Market *Volatility* | 10 Nov
(Source: Bloomberg Spot)

- Rupiah: **IDR18,082/USD**
- Equity Market: **JCI 5,096.8**
- 10Y Bond *Yield*: **7.61%**

Capital Inflows Continue
As of 6 Nov: **IDR121,93 tn**

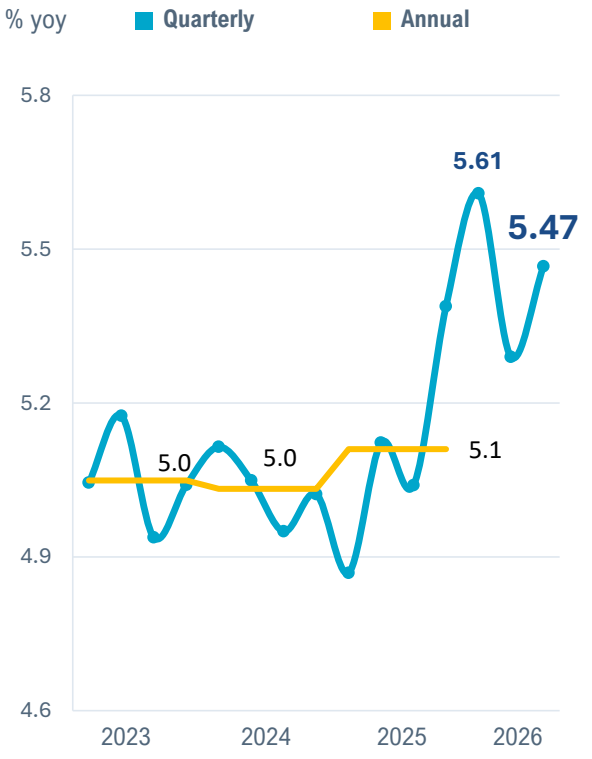
ECONOMY STRENGTHENS TO 5.47% IN Q3 2026

Growth is supported by sound domestic demand and accelerating manufacturing

5.29% Q2 2026

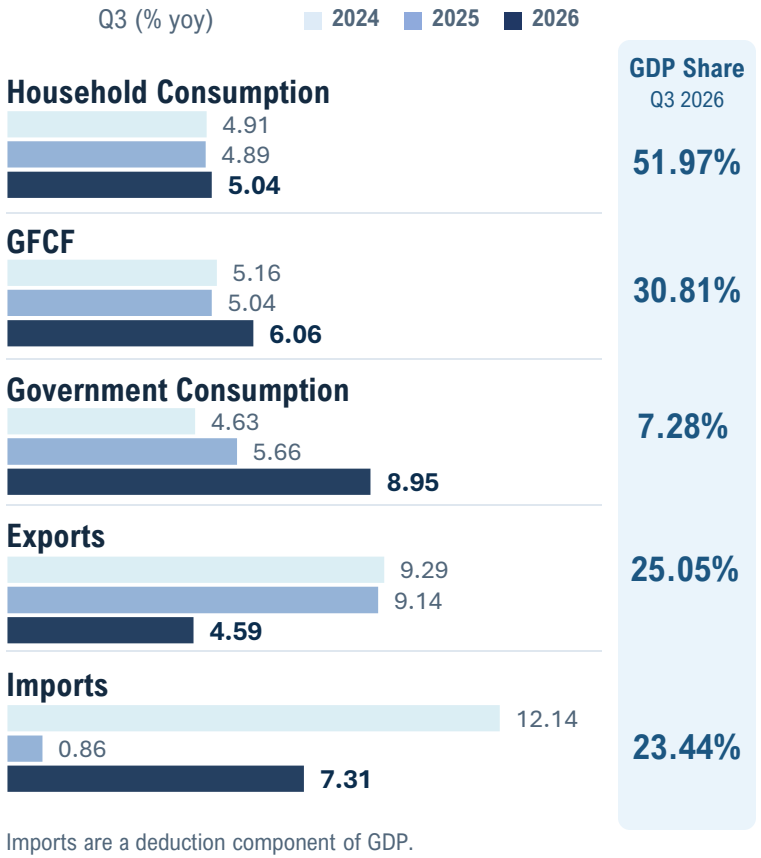
5.47% Q3 2026

Economic Growth



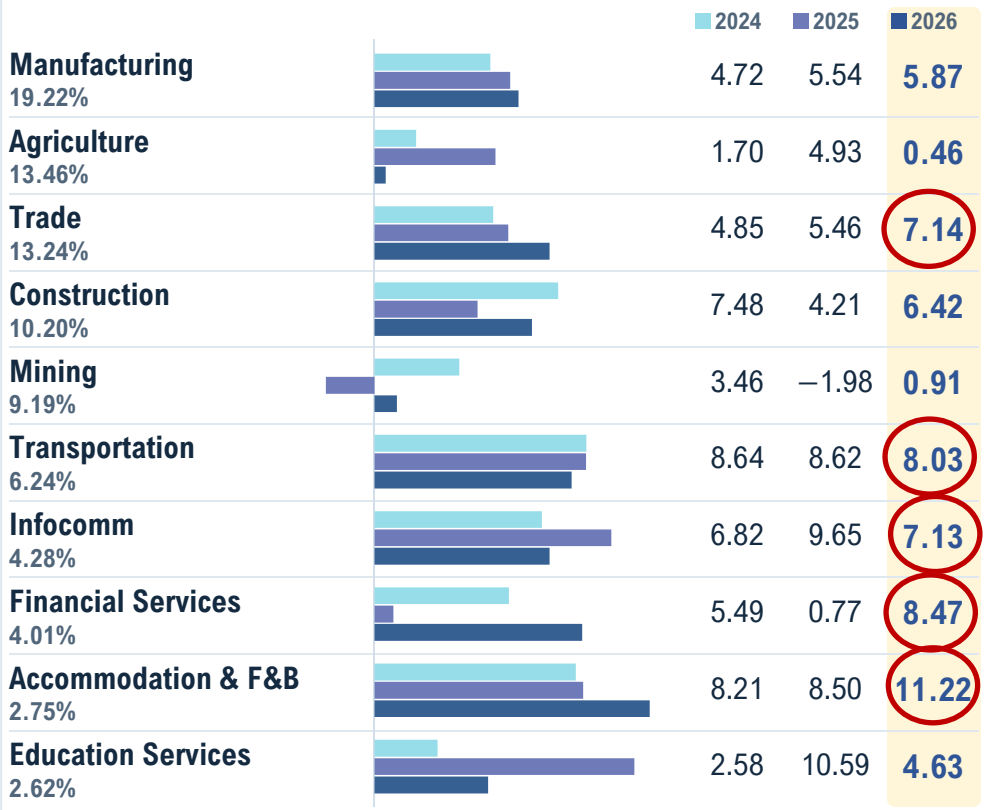
2023: 5.05% **2024: 5.03%** **2025: 5.11%**

Growth by Expenditure Component



Imports are a deduction component of GDP.

Growth by Production Component



GROWTH ENGINES

Investment and government consumption accelerated. Exports kept growing.

DEMAND

Household consumption (5.04%), GFCF (6.06%), and government consumption (8.95%) supported domestic demand.

SUPPLY, KEY SECTORS

Manufacturing (5.87%) was the largest source of growth, along with stronger trade (7.14%) and construction (6.42%).

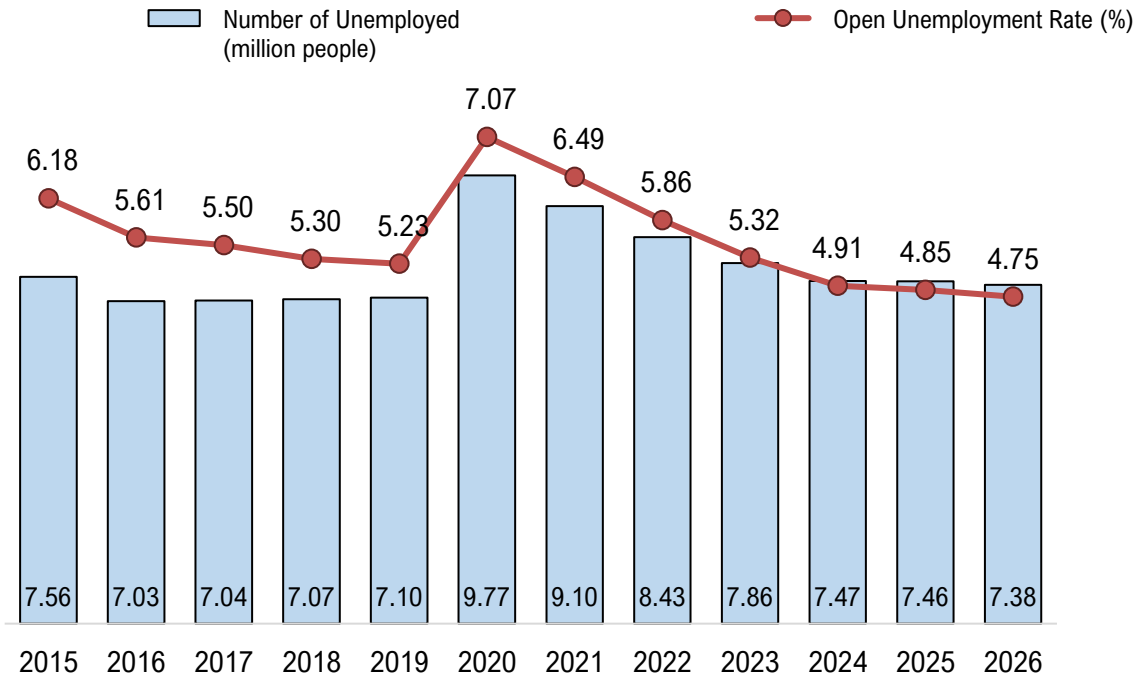
Source: Statistics Indonesia. Share of Q3 2026 GDP.

STRONG ECONOMIC GROWTH SUPPORTS PUBLIC WELFARE

Unemployment and poverty rates continue to decline consistently.

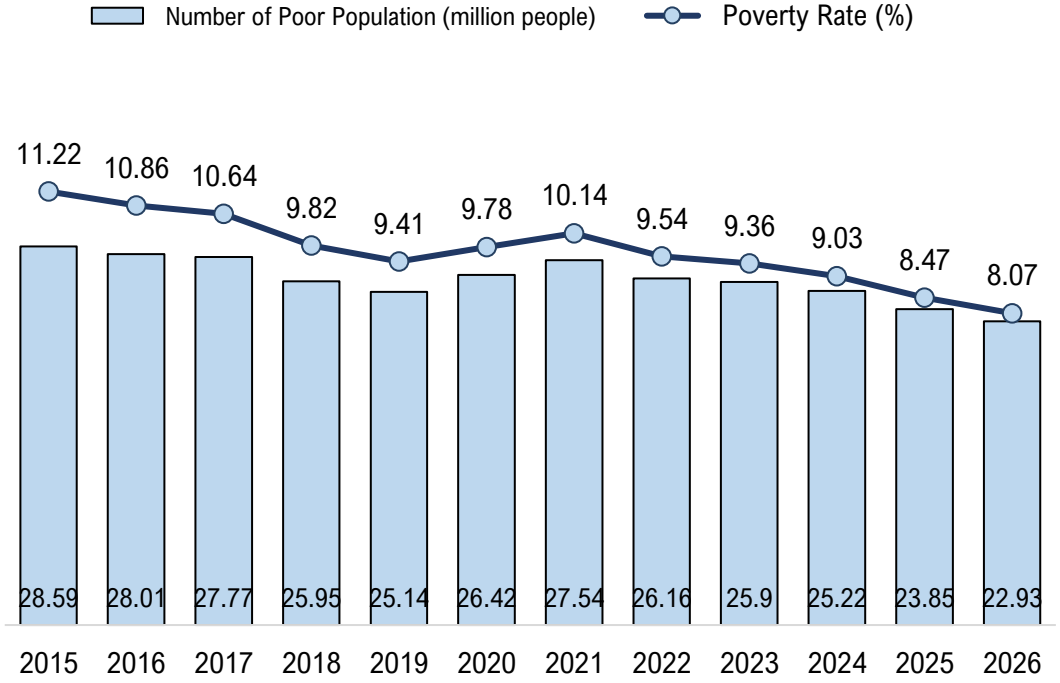
- The unemployment rate continued to decline to 4.75%, accompanied by the creation of 1.4 million jobs.
- Strengthening economic activity, along with various Social Protection Programs, has contributed to a reduction in the poverty rate from 8.47% to 8.07% in 2026.

Open Unemployment Rate



Source: Statistics Indonesia, August data, processed

Poverty Rate



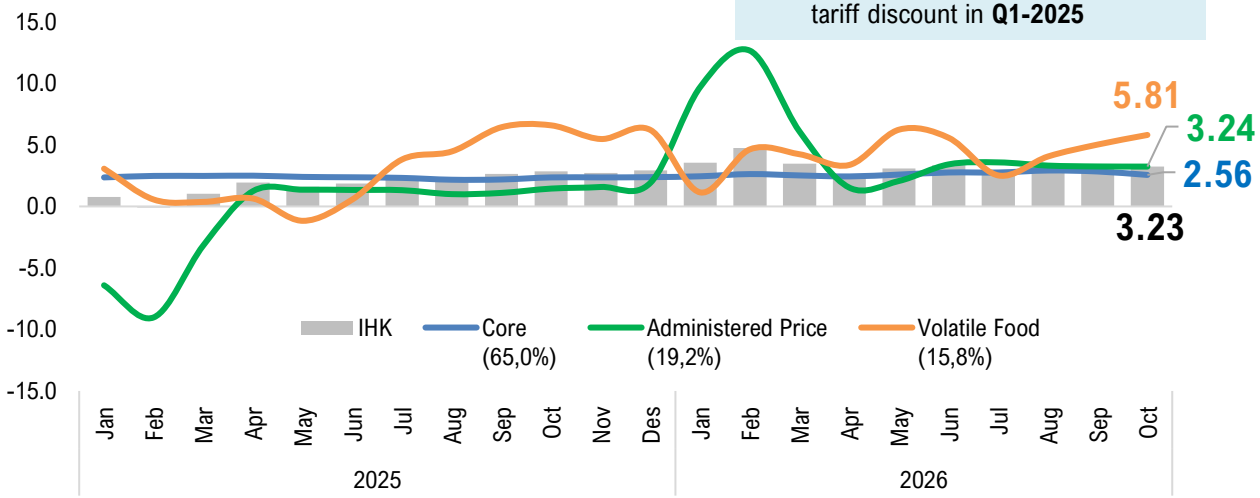
Source: Statistics Indonesia, March data, processed

OCTOBER INFLATION REMAINS WELL-ANCHORED WITHIN THE TARGET RANGE

Inflation moderated slightly, although volatile food inflation pressures warrant continued vigilance.

INFLATION TRENDS BY COMPONENT

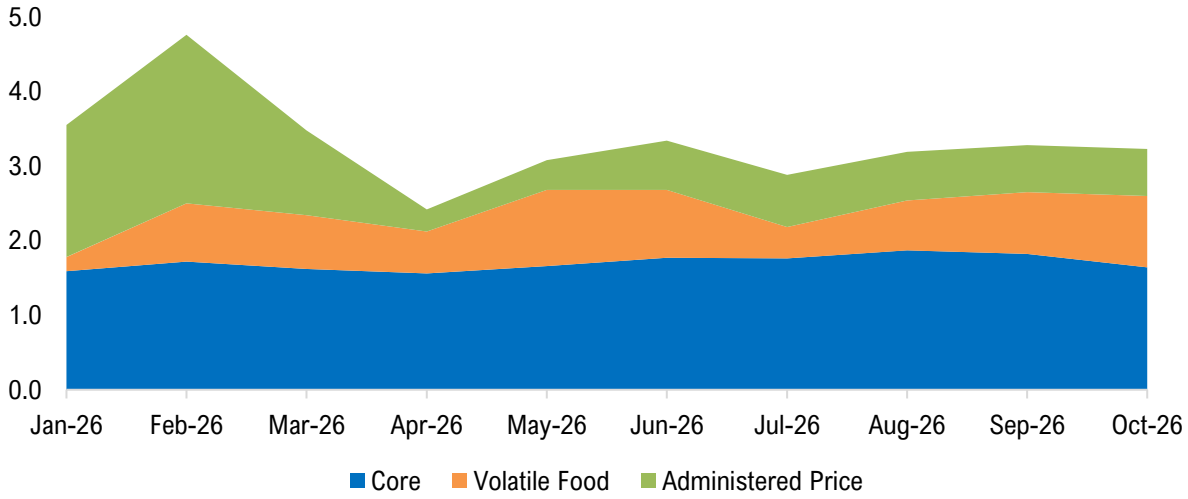
(%, yoy)



Q1-2026 **Administered Price Inflation** was high due to a low baseline arising from electricity tariff discount in **Q1-2025**

INFLATION CONTRIBUTION BY COMPONENT

(%, yoy)



INFLATION DRIVING FACTORS BY COMPONENT

CORE

- Core inflation was recorded at 0.12% (mtm), driven primarily by higher tuition and academic fees.
- Imported inflation pressures moderated but remain a challenge, contributing to price increases in several products, including mobile phones, laptops, and lubricants/engine oils.

VOLATILE FOOD (VF)

- Prices of horticultural commodities, such as various chili peppers and tomatoes, increased both on a monthly and annual basis. This was mainly due to lower horticultural production in several key producing regions.
- On an annual basis, price increases were also observed in rice, chicken meat, and beef.

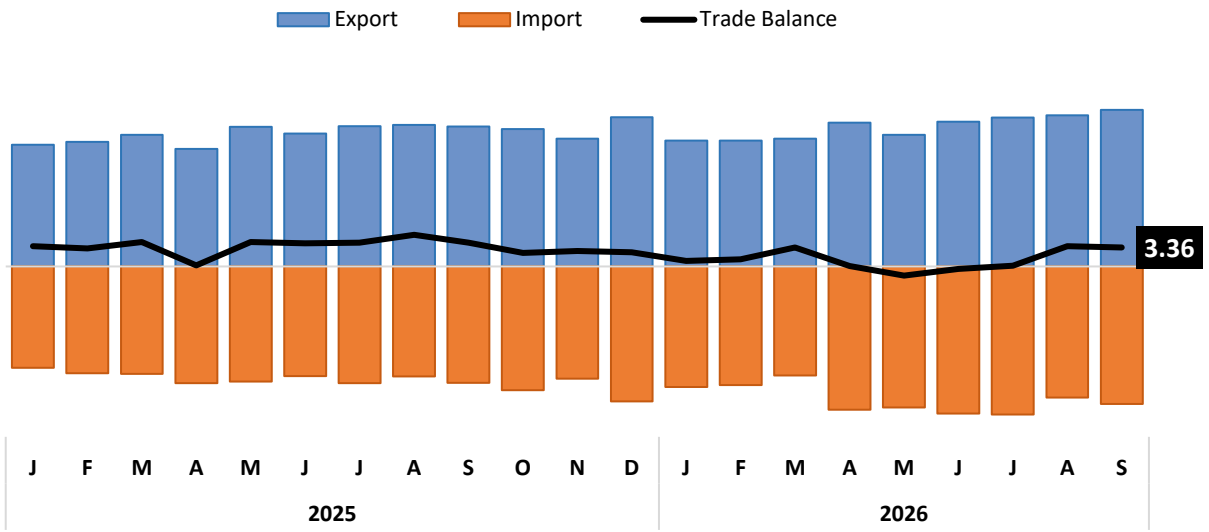
ADMINISTERED PRICE (AP)

- The Administered Prices (AP) component recorded inflation of 0.09% (mtm), driven by higher airfares following the implementation of a maximum fuel surcharge of 40% for domestic economy-class flights effective 1 October 2026.
- National energy pricing policies helped keep the AP component stable. Subsidized fuel prices are being maintained at affordable levels through the end of the year.

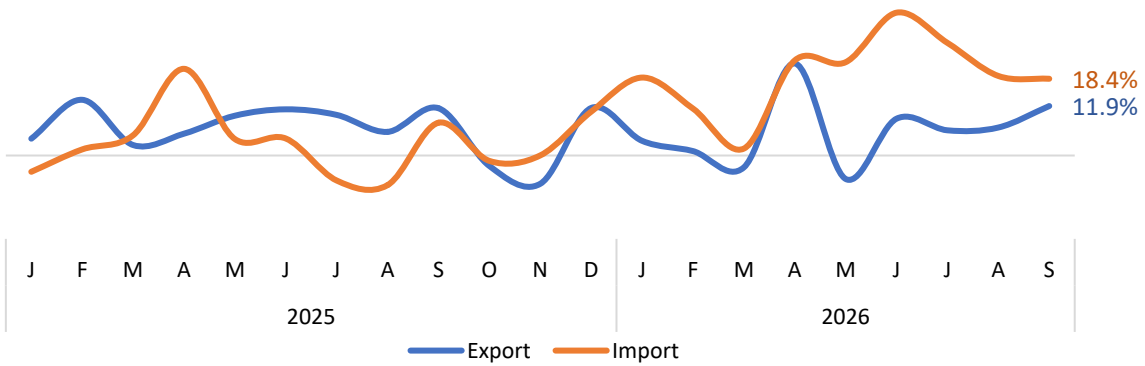
IN SEPTEMBER, THE TRADE BALANCE CONTINUEED TO RECORD A SURPLUS

Export growth continued to strengthen, while import growth began to moderate.

Indonesia Trade Balance, Monthly (US$ Billion)



Export & Import Growth (%, yoy)

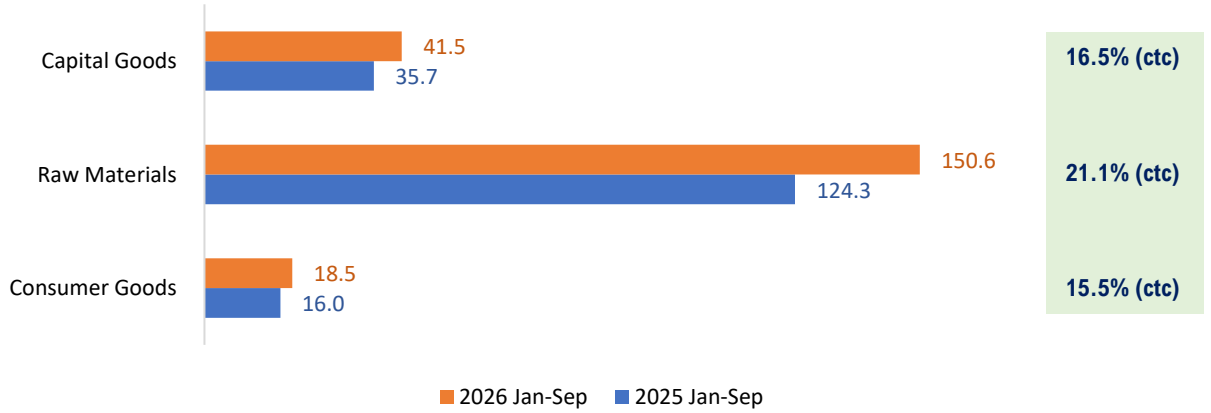


Trade Balance, Cumulative (US$ Billion)



Export (Jan – Sep '26)	USD221.2 miliar	**(5.6% ctc)**
Import (Jan – Sep '26)	USD210.6 miliar	**(19.7% ctc)**

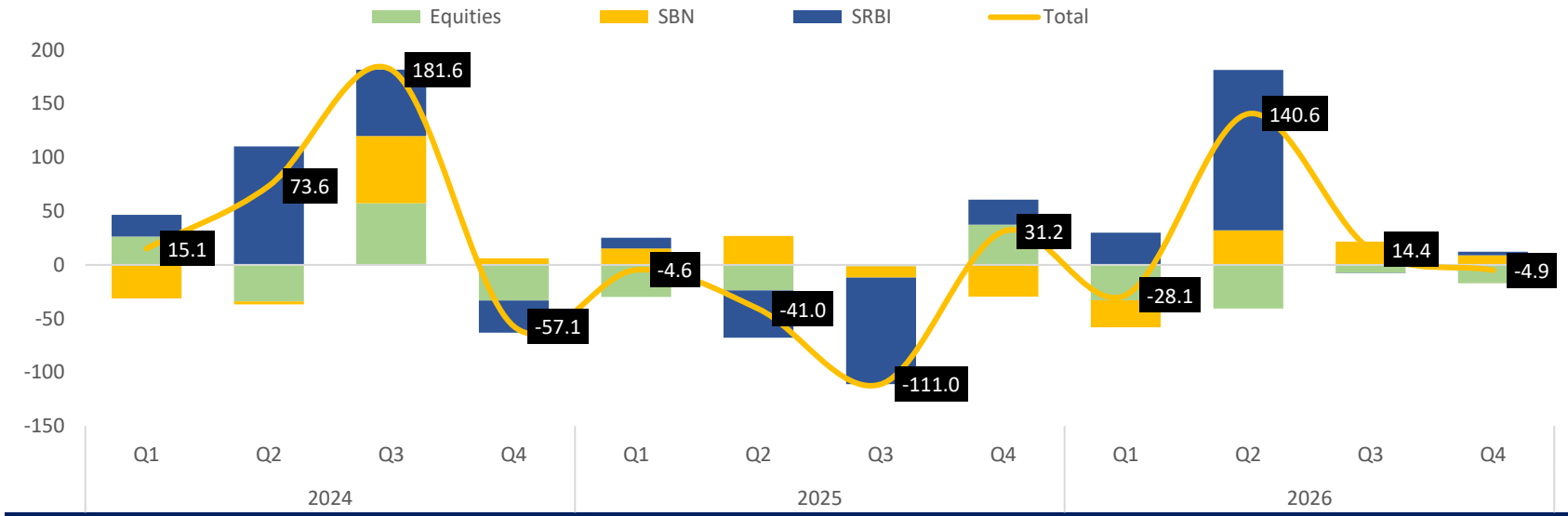
Imports by Type of Goods Used



- **The increase in exports was driven by** animal and vegetable fats and oils (16.1%, ctc), coal (4.9%, ctc), and iron and steel (4.1%, ctc).
- **The increase in imports was dominated by raw materials (USD 150.6 billion) and capital goods (USD 41.5 billion)**, indicating rising demand for production inputs and domestic investment.
- **Import controls need to be applied selectively**, distinguishing productive imports that support exports from imports intended for domestic absorption (C+I), which increase GDP leakages.

CAPITAL INFLOW REMAINS RESILIENT, INVESTOR CONFIDENCE CONTINUES TO STRENGTHEN

Capital inflows continue into Q4



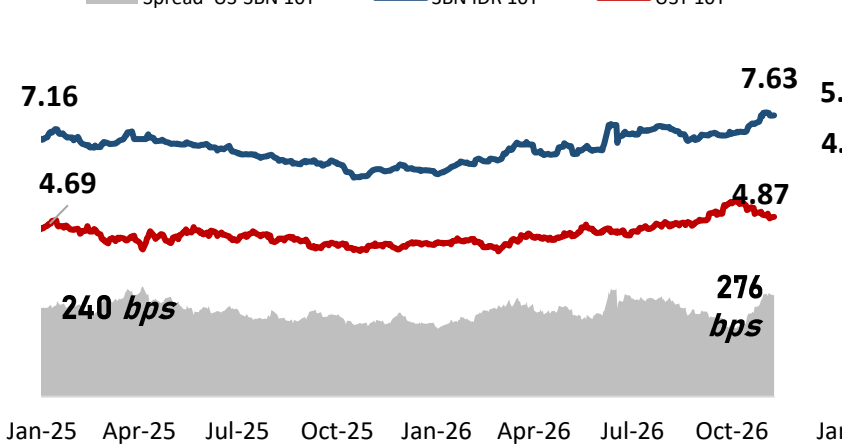
2026 cumulative: *inflow* Rp121.93T
(Q4 to 6 Nov: *outflow* Rp4.93T)

- **SBN** *inflow* Rp37.63T
  (Q4 to 6 Nov: *inflow* Rp8.8T)
- **SRBI** *inflow* Rp182.4T
  (Q4 to 5 Nov: ***inflow*** Rp3.3T)
- **Equities** *outflow* Rp98.1T
  (Q4 to 6 Nov: *outflow* Rp17.05T)

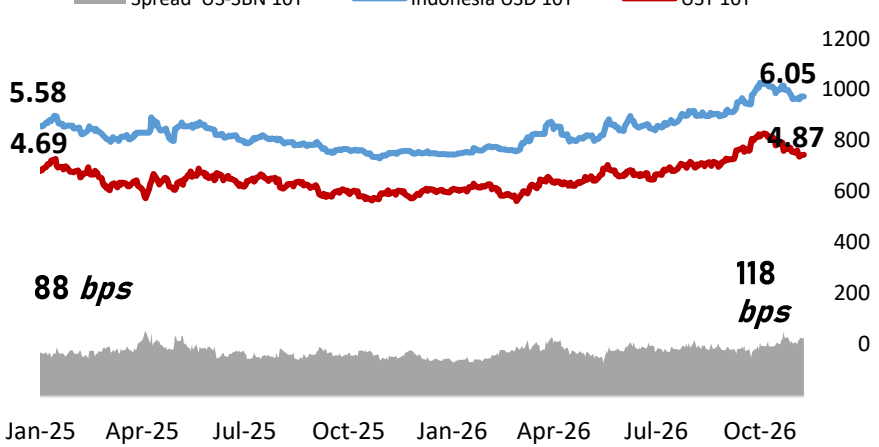
Note: SBN & equities as of 6 Nov; SRBI as of 5 Nov.
Source: Bloomberg, DJPPR, Bank Indonesia, processed 9 Nov 26

Yield spreads strengthen the appeal for inflows, with SBN spreads remaining competitive among emerging markets

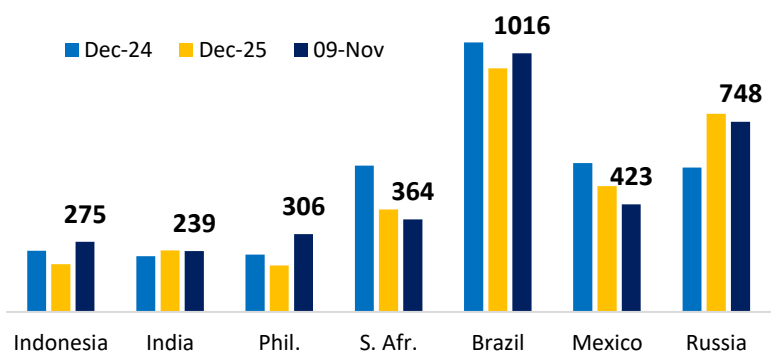
Currency Risk



Country Risk



***Spread* Govt Bond Yield (*local currency*) vs. UST 10 Y**



Source: Bloomberg, processed 9 Nov 2026

INDONESIA IS COMMITTED TO ACCELERATING REFORMS TO STRENGTHEN MARKET INTEGRITY

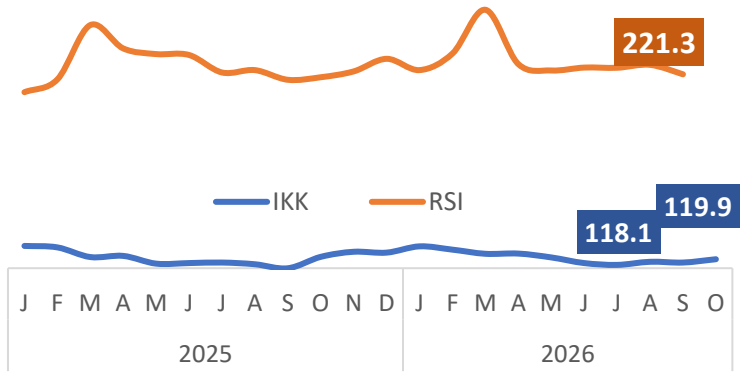
MSCI CONCERN	ACTIONS TAKEN BY THE AUTHORITIES
Ownership transparency	• Monthly publication of shareholder data above 1% (since March) • 39 investor classifications, including domestic/foreign breakdown • Stronger High Shareholding Concentration (HSC) transparency; price-impact ratio coverage extended to market capitalization above IDR5tn
Consistent reforms, backed by material evidence	• Four transparency agendas since April • Phased roadmap to a minimum 15% free float • Refinement of the HSC framework since October 2026
Consistent enforcement of the HSC and >1% disclosure framework	• Periodic publication of HSC (since 2 April) and of shareholders above 1% (since March 2026)
Coordinated trading	• Fines on parties related to DSSA transactions: IDR1.5tn in total, incl. BREN IDR500bn and CUAN IDR100bn • Sanctions on 835 parties, with fines of IDR390bn
Reliable free float	• Phased increase of the minimum free float to 15% (with a special notation for issuers not yet compliant) • Publication of >1% ownership structure, more granular investor classification, and stronger HSC to support free float verification
Comprehensive surveillance	• IDX trading surveillance and OJK examinations • Stronger HSC screening methods and law enforcement against trading violations

Notes: HSC = High Shareholding Concentration; IDX = Indonesia Stock Exchange; OJK = Financial Services Authority

Source: OJK

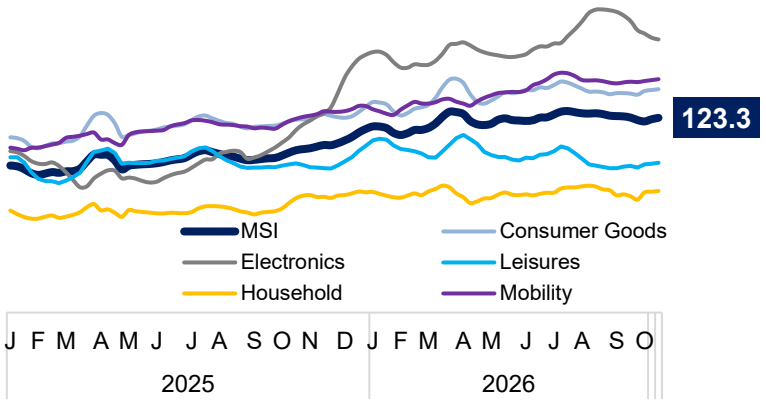
OVERALL ECONOMIC ACTIVITY CONTINUES TO MAINTAIN POSITIVE PERFORMANCE

Consumer confidence increased, reflecting stronger consumer sentiment and sustained prospects for household consumption, while real sales remained solid. (October, Index)



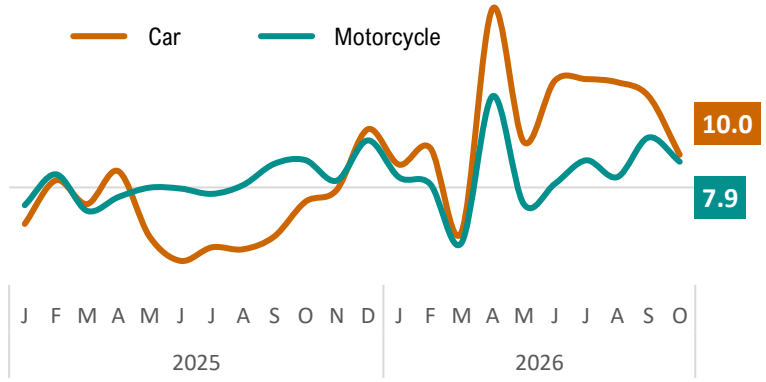
Source: Bank Indonesia, October RSI released on 12 November

The public consumption index increased modestly through mid-October; however, annual growth slowed amid more selective spending (with consumers focusing on essential goods) (October 18, Index).



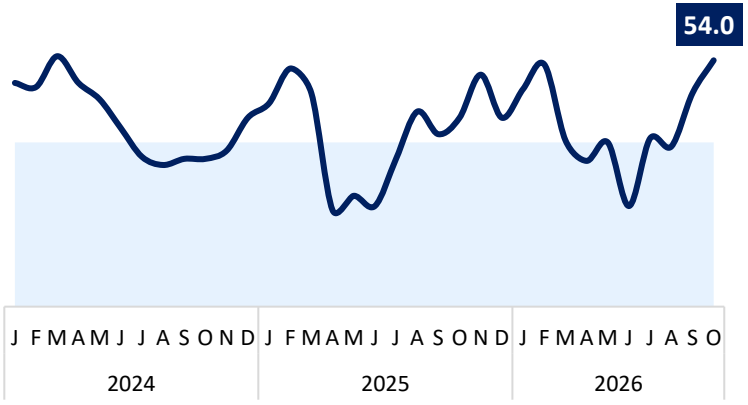
Source: Bank Mandiri

Car and motorcycle sales continued to grow, reflecting sustained consumer spending activity, particularly for motor vehicles. (October, % yoy)



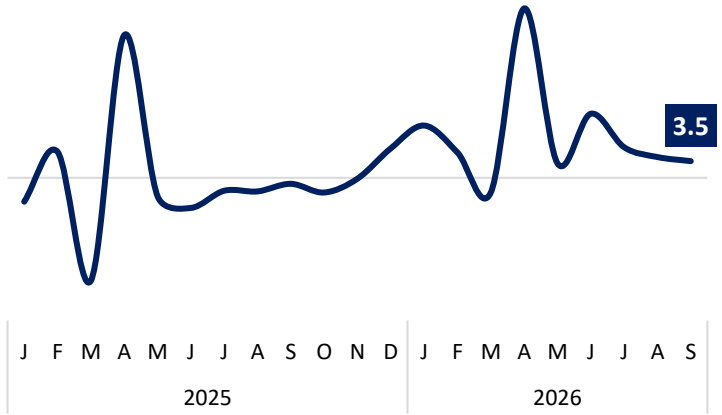
Source: Gaikindo & AISI

Indonesia's Manufacturing PMI expanded to 54.0, its highest level since March 2024, driven by stronger domestic and export demand, increased production, and higher purchases of raw materials (October, % yoy).



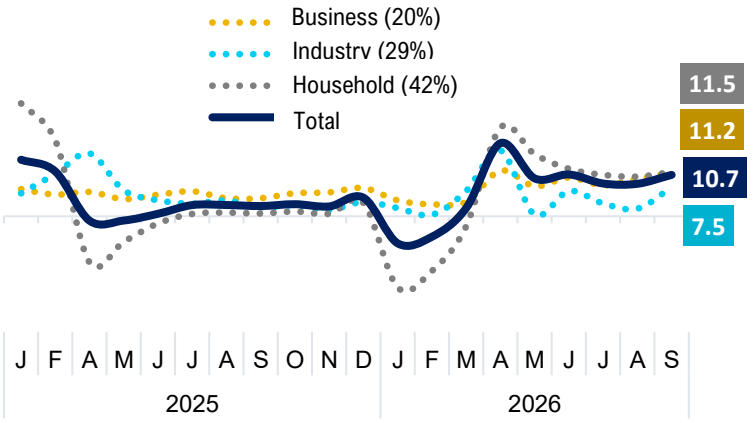
Source: S&P Global

Domestic cement sales grew for 6 consecutive months, reflecting continued construction activities (September, % yoy)



Source: ASPERSSI

Consistent growth in electricity sales reflect strong economic activity across various segments *(September, % yoy)*



Source: PLN

INVESTOR RELATIONS UNIT
Directorate General of Economic and Fiscal Strategy
Ministry of Finance, Republic of Indonesia

02

2026 Fiscal Development



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SYNERGY BETWEEN FISCAL, MONETARY, AND DANANTARA

Maintaining economic stability and supporting economic growth



Governor of BI and Minister of Finance at the Press Conference on Monetary & Fiscal Policy Synergy at Bank Indonesia, Thursday (24/9/2026).

5 Pillars of Fiscal-Monetary Coordination

1. **Maintaining economic growth momentum** through the optimal use of fiscal and monetary policy instruments.
2. **Strengthening external sector resilience**, including international trade performance and foreign capital inflows.
3. **Maintaining adequate liquidity** across money markets, the banking sector, and the broader economy.
4. **Containing inflation** through central and regional inflation control teams (TPIP/TPID) and the Inflation Control and Food Security Movement.
5. **Deepening financial markets** to improve policy transmission and broaden sources of financing



CEO of Danantara and the Minister of Finance in a meeting between Danantara and the Ministry of Finance, Wednesday (23/9/2026).

Points of Fiscal-Danantara Coordination

1. **Supporting stronger and more sustainable economic growth.**
2. **Aligning fiscal and investment strategies** to advance the national development agenda.
3. **Strengthening investment**, optimizing the management of state assets and resources, and enhancing financing capacity.
4. **Generating greater economic value added** through productive investment.

2026 MACROECONOMIC ASSUMPTIONS REMAIN MANAGEABLE

Indicator	2026		
	Budget	Realization	*Outlook*
Economic Growth (%)	5.4	5.47 [1)]	5.6
Inflation (%, *yoy*)	2.5	3.23[2)]	2.7
10-Year SBN Yield (%)	6.9	7.59 (eop) [3)] 6.89 (ytd) [3)]	6.9
Exchange Rate (IDR/USD)	16,500	18,154 (eop) [4)] 17,529 (ytd) [4)]	17,500
Indonesian Crude Oil Price *(US$/barrel, average)*	70	94.4[2)]	83
***Oil* Lifting** *(thousand bopd)*	610	578.9 [5)]	606
***Gas* Lifting** *(thousand boepd)*	984	919.9 [6)]	931

The economy grew strongly supported by robust investment, domestic demand, and Government policy support.

Inflation remains contained within the target range, although *volatile food* pressures increased. The Government continues to safeguard food and energy price stability.

SBN *yield* movements are influenced by global dynamics. Their level and volatility remain manageable.

Rupiah depreciation was driven by geopolitical factors and the direction of global monetary policy.

Oil price **dynamics were affected by supply chain disruptions** from the Middle East conflict and progress toward a resolution with the US.

***Oil and gas* lifting** continues to be optimized amid commodity market conditions that remain fairly *volatile.*

[1)] Q3 2026 yoy actual
[2)] Actual through October 2026
[3)] Actual through the latest SUN auction on 10 Nov '26 (YTD); SUN secondary market yield 11 Nov '26 (EOP)
[4)] BI middle rate through 12 Nov 2026
[5)] *lifting* crude oil + NGL ytd Sep 2026
[6)] *lifting* gas (exc. NGL) ytd Sep 2026
[*)] SKK Migas/MEMR data (NGL counted under oil)
[**)] MoF data (NGL counted under gas)

STATE BUDGET REALIZATION AS OF 31 OCTOBER 2026

Revenue **grew strongly** (23.9% yoy). Spending continued to **rise** (up 15.6% yoy). **The deficit is kept within safe and controlled limits.** The State Budget continues to drive economic growth.

Item (IDR trillion)	2025 Budget	2025 Realization 31 Oct	2025 % of Budget	2025 Growth (%)	2026 Budget	2026 Realization 31 Oct	2026 % of Budget	2026 Growth (%)
A. STATE REVENUE	**3,005.1**	**2,113.5**	**70.3**	**(6.0)**	**3,153.6**	**2,618.0**	**83.0**	**23.9**
I. Taxation Revenue	2,490.9	1,708.3	68.6	(2.3)	2,693.7	2,064.0	76.6	20.8
1. Tax Revenue	2,189.3	1,459.0	66.6	(3.9)	2,357.7	1,796.8	76.2	23.2
2. Customs & Excise	301.6	249.3	82.7	7.6	336.0	267.2	79.5	7.2
II. Non-Tax Revenue (PNBP)	513.6	402.7	78.4	(15.7)	459.2	551.8	120.2	37.0
III. Grants	0.6	2.5	438.3	(87.7)	0.7	2.1	318.8	(16.6)
B. STATE EXPENDITURE	**3,621.3**	**2,593.0**	**71.6**	**1.4**	**3,842.7**	**2,997.2**	**78.0**	**15.6**
I. Central Government Expenditure	2,701.4	1,879.6	69.6	2.5	3,149.7	2,343.6	74.4	24.7
1. Line Ministries	1,160.1	961.2	82.9	3.0	1,510.5	1,239.1	82.0	28.9
2. Non-Line Ministries	1,541.4	918.4	59.6	1.9	1,639.2	1,104.5	67.4	20.3
II. Transfers to Regions	919.9	713.4	77.6	(1.2)	693.0	653.6	94.3	(8.4)
C. PRIMARY BALANCE	**(63.3)**	**(44.8)**	**70.7**	**(146.0)**	**(89.7)**	**114.8**	**(127.9)**	**(356.3)**
D. SURPLUS/(DEFICIT)	**(616.2)**	**(479.5)**	**77.8**	**55.1**	**(689.1)**	**(379.3)**	**55.0**	**(20.9)**
% of GDP	*(2.53)*	*(2.01)*			*(2.68)*	*(1.47)*		
E. BUDGET FINANCING	**616.2**	**533.7**	**86.6**	**37.7**	**689.1**	**595.2**	**86.4**	**11.5**

State Revenue
Nov-Dec 2026

IDR590.1 T (2025: IDR651.6 T)

Including taxes of IDR514 T

Revenue performance through October Supports achievement of the year-end target.

State Expenditure
Nov-Dec 2026

IDR945.2 T (2025: IDR842.4 T)

Priority spending accelerated so that benefits are felt promptly, while maintaining efficiency.

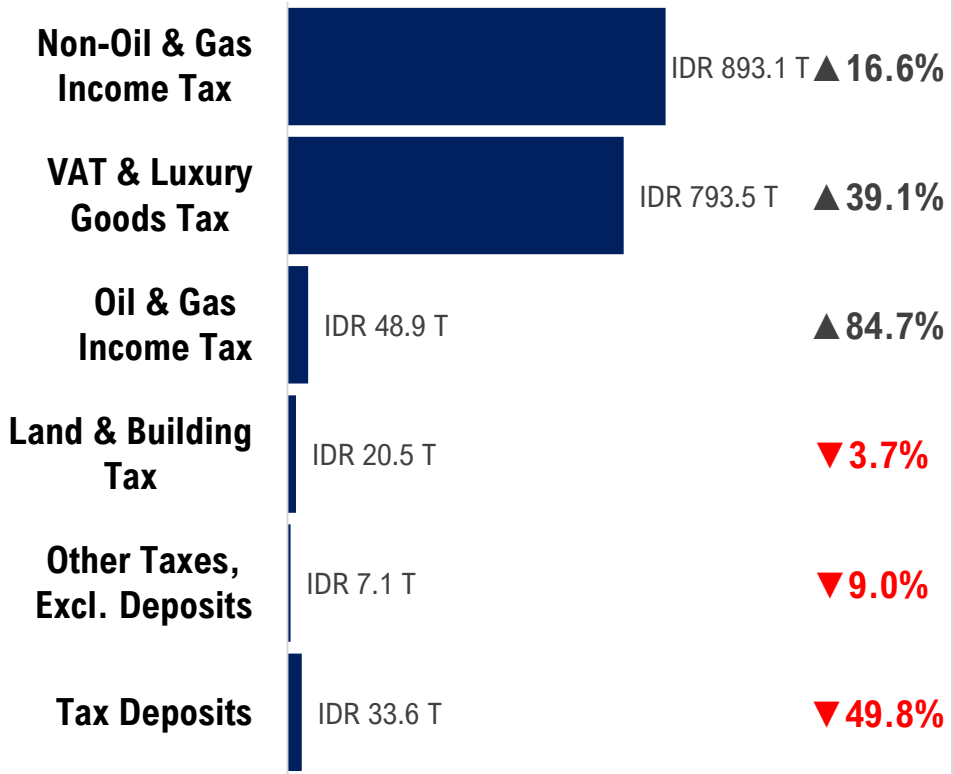
Deficit kept below 3% of GDP

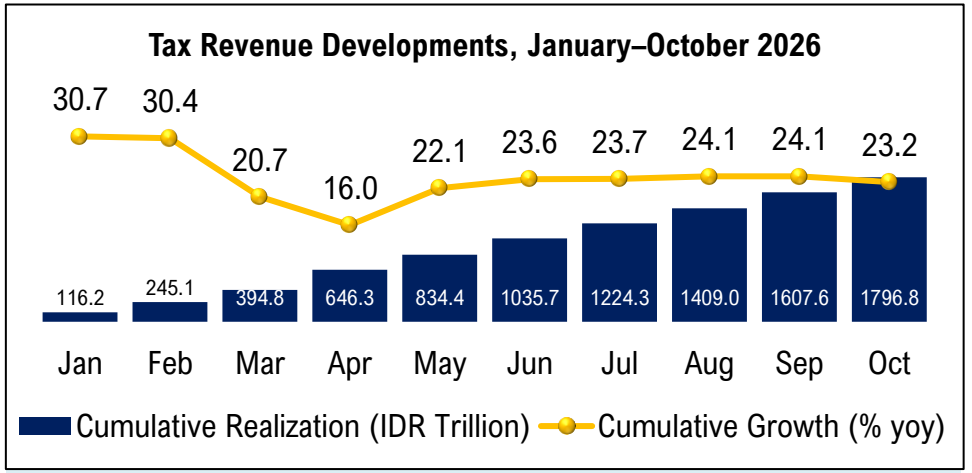
TAX REVENUE GROWS STRONGLY WITH RISING ECONOMIC ACTIVITY AND INCOME

as of 31 October 2026

Tax Revenue
as of 31 Oct 2026

IDR 1,796.8 tn
76.2% of target
▲ 23.2%





- Tax revenue continues to rise alongside **economic activity and improved Coretax implementation.**
- Non-oil and gas income tax **rose on stronger economic activity and tax administration.**
- Oil and gas income tax increased with higher oil prices.
- VAT and luxury goods sales tax grew strongly, **supported by domestic consumption and purchasing power.**
- Land and building tax declined slightly **as some taxpayers shifted payments to year-end.**
- Other taxes fell partly as more tax deposits were **reallocated to the appropriate tax categories.**
- **Income tax and VAT from e-commerce and other digital** activities reached **IDR14.1 tn**.



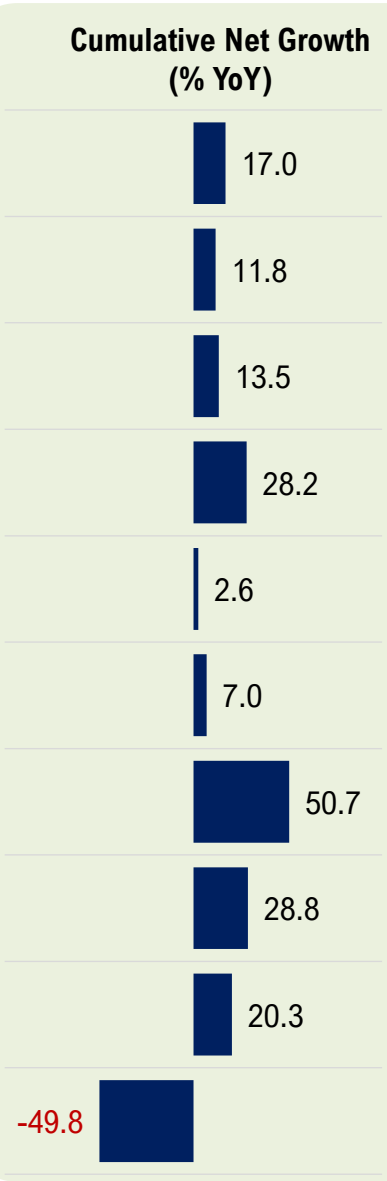
Photo: Ministry of Finance – DGT

TAX REVENUE, BY TAX TYPE

Corporate income tax, domestic VAT, and import taxes supported revenue growth

as of 31 October 2026

Net Collections (IDR Tn)	
Art. 21 Income Tax	207.5
Art. 22 Import Tax	71.4
Personal Income Tax	20.3
Corporate Income Tax	303.5
Art. 26 Income Tax	77.6
Final Income Tax	117.1
Domestic VAT	437.4
Import VAT	333.2
Oil & Gas Income Tax, Property Tax, Stamp Duty, Luxury Sales Tax	195.3
Tax Deposits	33.6



- **Article 21 income tax** rose as Coretax administration improved and employee earnings increased.
- **Personal income tax** rose as improved *pre-filled* Coretax returns increased reporting of tax due.
- **Corporate income tax** rose as palm oil industry profits increased and refunds fell.
- **Article 26 income tax** rose as manufacturers paid more interest and dividends abroad.
- **Final income tax** rose on transfers of *participating interests* in oil and gas.
- **Domestic VAT** grew strongly, supported by economic activity and lower refunds in fuel trading.
- **Import VAT** rose as oil prices increased.
- **Tax deposits** fell as amounts were transferred to the relevant tax accounts.



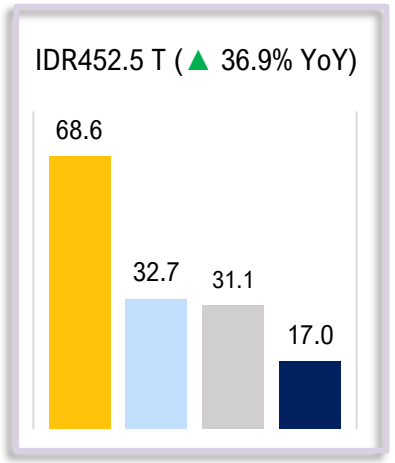
Photo: DGT

TAX REVENUE BY BUSINESS SECTOR

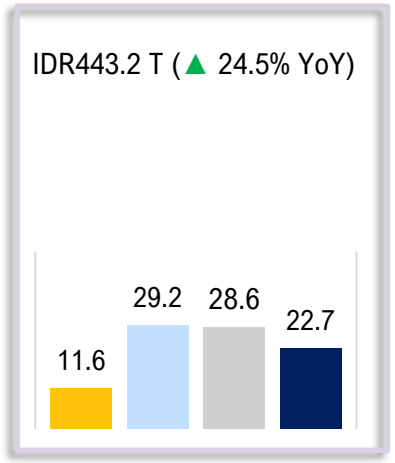
Revenue rose in most major sectors as Coretax implementation improved

as of 31 October 2026

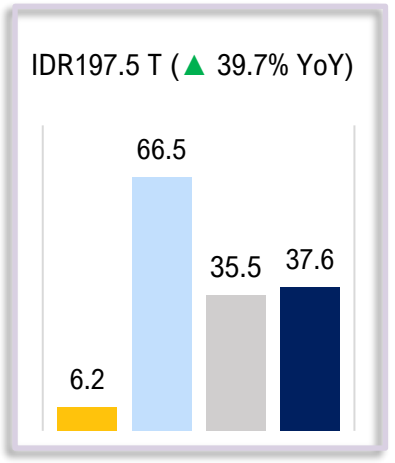
Trade



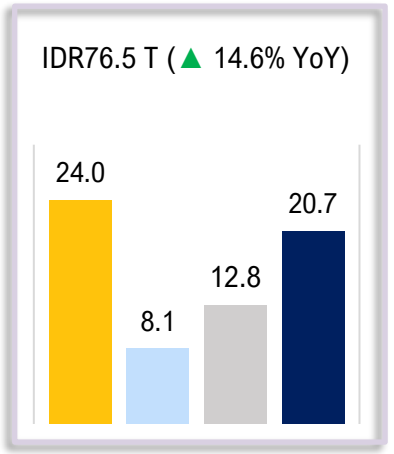
Manufacturing



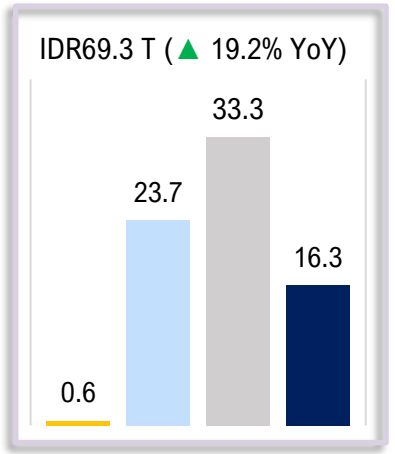
Mining



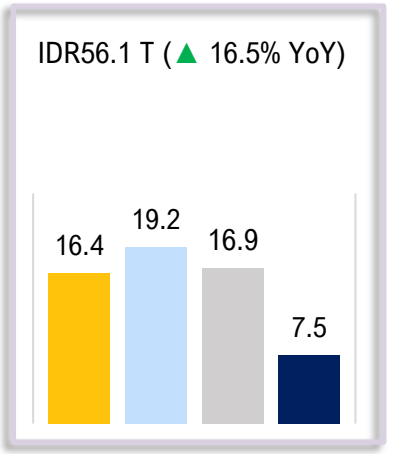
Transport & Warehousing



Construction & Real Estate



Business Services



Q1 Q2 Q3 Oct

- **Trade sector** grew, supported mainly by the other specialized wholesale trade subsector (fuel) and the online trade subsector.
- **Manufacturing sector** grew, with the largest growth contributors being the basic precious and other non-ferrous metals subsector and the palm oil industry subsector.
- **Mining sector** grew, supported by oil and gas mining.
- **Transportation & warehousing sector** grew in line with increased mobility of goods and passengers.
- **Construction & real estate sector** grew, mainly in the electrical system installation subsector.
- **Business services sector** grew, with the largest growth in management consulting activities..

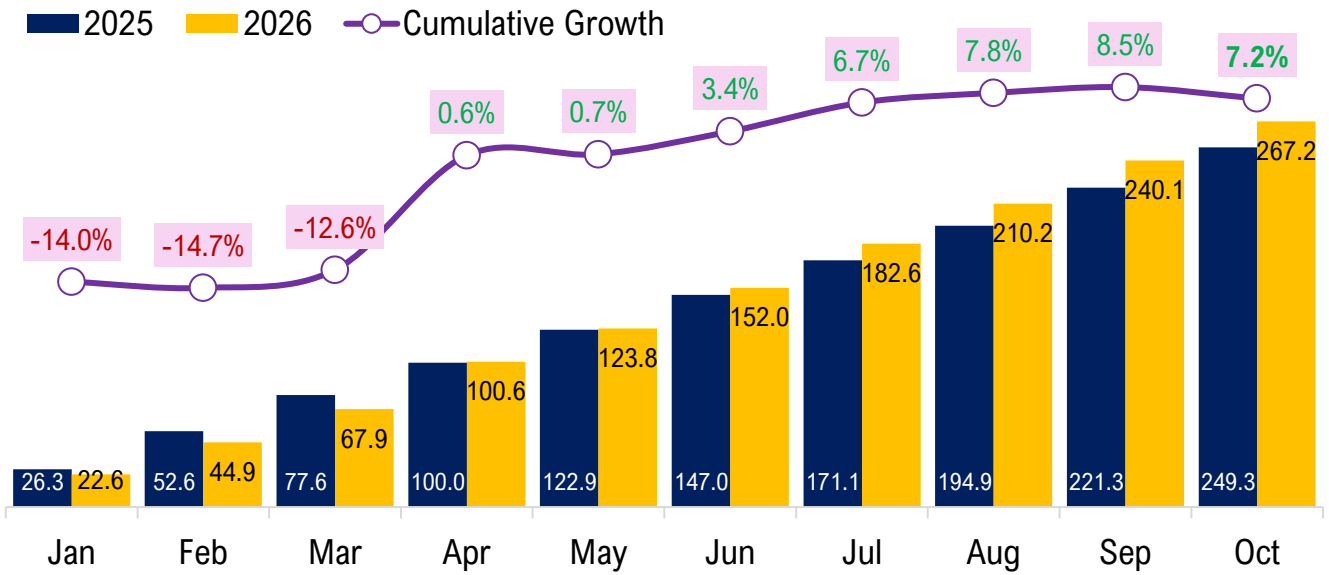


CUSTOMS AND EXCISE REVENUE RECORDS POSITIVE GROWTH

Revenue realization as of October grew 7.2%, driven by stronger collections across all revenue types.

Revenue Trend RisesIn Line with Improved Performance Across Sectors

(Cumulative, IDR trillion)

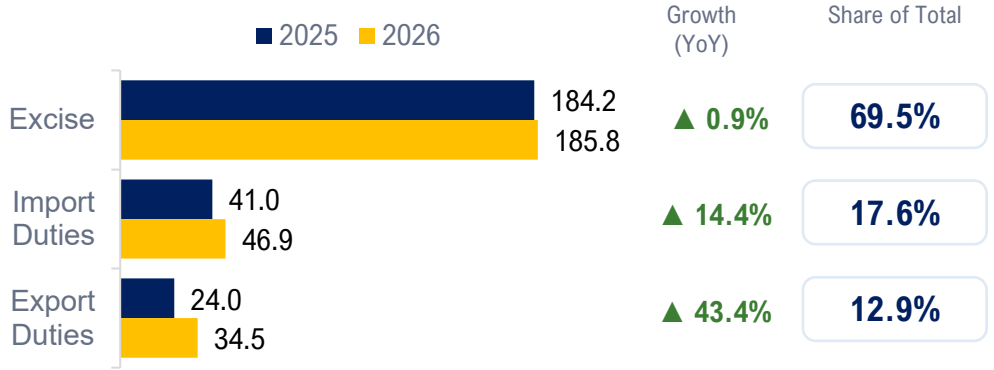


Source: Ministry of Finance, processed

Realization by Component

(IDR trillion)





Performance Drivers



Excise ▲0.9%

Driven by higher legal cigarette production resulting from enforcement, and by higher production MMEA (domestic 27.2% and imports 38.5%), in line with increased tourism activity.



Import Duties ▲14.4%

Driven by higher imports of raw materials, capital goods, and consumer goods in line with stronger domestic demand.



Export Duties ▲43.4%

Driven by higher prices and export volumes of CPO and its derivatives, supported by downstreaming and global demand.

Photo: Ministry of Finance, DGCE

STRONGER ENFORCEMENT SUPPORTS INDUSTRIAL GROWTH & PROTECTS THE PUBLIC



Press conference and seized evidence, 26 October 2026
Photo: DGCE documentation

Coordinated enforcement in October 2026

25.9 kg of gold valued at **IDR61.9 billion**

Seized at five international airports.

2026 ENFORCEMENT RESULTS

ILLEGAL CIGARETTES

1.7 billion sticks

+79.8% versus 2025

17,108 enforcement actions (+6.1%)

Protecting competition for legal producers

Enforcement and last-resort criminal sanctions (Ultimum Remedium: IDR120.4 bn) protect legal producers, **reflected in 11.6% output growth among Group II cigarette manufacturers.**

ILLEGAL GOLD EXPORTS

405.1 kg

+2,159.2% versus 2025

131 enforcement actions (+3,175.0%)

Supporting domestic gold processing

Enforcement against illegal exports helps secure raw material supplies for the domestic gold processing industry.

NARCOTICS

13.28 tonnes

+14.3% versus 2025

1,417 enforcement actions (–9.1%)

Protecting the public

Customs and law enforcement agencies work together to curb narcotics trafficking and protect the public.

NON-TAX REVENUE EXCEEDS THE BUDGET TARGET

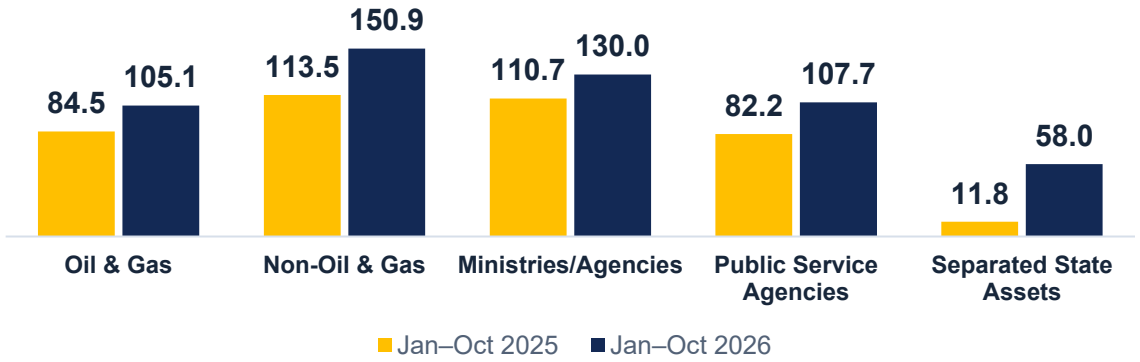
as of 31 October 2026

IDR551.8 tn
Jan–Oct 2025: IDR402.7 tn

120.2%
of Budget target

+37.0%
growth (yoy)

Non-Tax Revenue by Component (IDR trillion)



NON-TAX REVENUE (IDR trillion)	Budget	Mid-Year Outlook	Realization 31 Oct	Remaining vs. Outlook
Total Non-Tax Revenue	**459.2**	**575.1**	**551.8**	**23.3**
A. Natural Resources	**261.2**	**279.4**	**256.1**	**23.3**
1. Oil & Gas	117.4	138.1	105.1	33.0
2. Non-Oil & Gas	143.8	141.3	150.9	(9.7)
B. Separated State Assets	**1.8**	**56.4**	**58.0**	**(1.6)**
C. Ministries/Agencies	**97.9**	**124.0**	**130.0**	**(6.1)**
D. Public Service Agencies	**98.3**	**115.4**	**107.7**	**7.7**

Growth Drivers



Photo: Pertamina

Oil & Gas

+24.5% yoy

Indonesian Crude Price (ICP) increased.



Photo: ANTARA/HO-PTBA

Non-Oil & Gas

+32.9% yoy

Mineral and coal prices rose. The Mineral Reference Price (HPM) formula also changed.



Photo: CNBC

Public Service Agency Revenue

+31.0% yoy

Export levy rates on CPO and its derivatives.

CENTRAL GOVERNMENT EXPENDITURE OVERVIEW

Realization IDR2,343.6 T (74.4% of Budget), ▲24.7% (yoy)

as of 31 October 2026

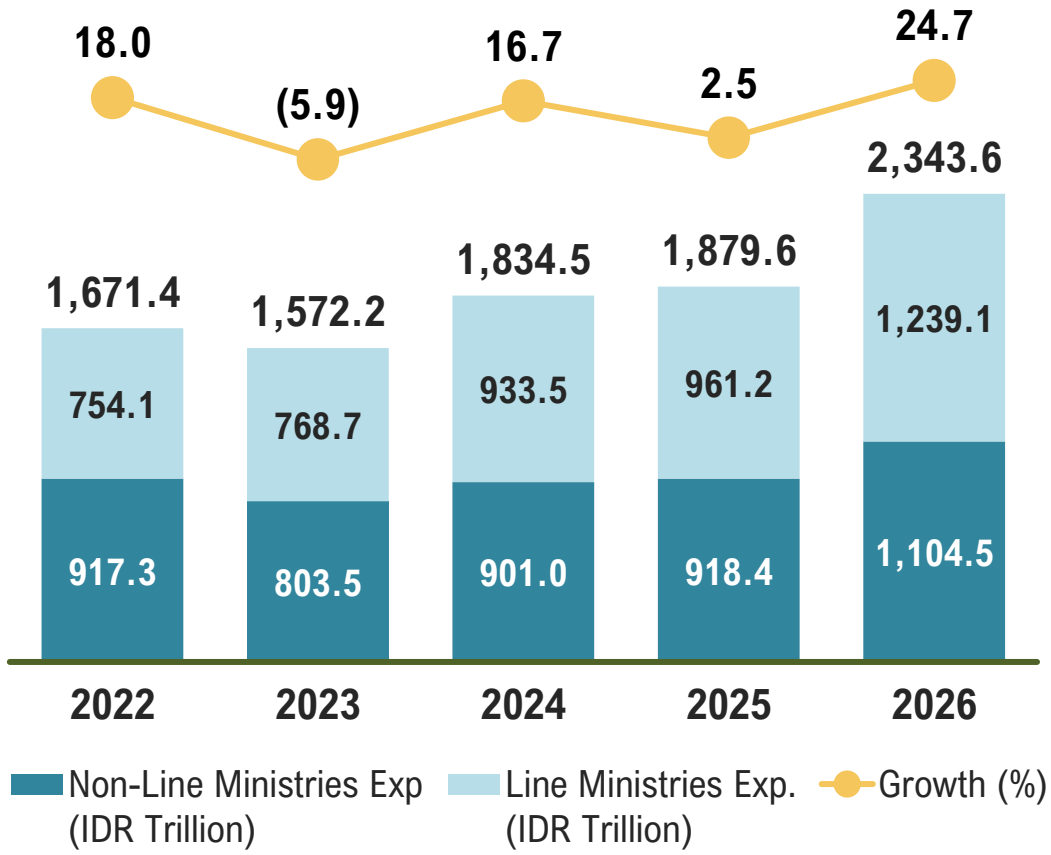
(IDR trillion)

Central Government Expenditure	31 Oct 2025 Realization	*2026 Budget*	31 Oct 2026 Realization
Line Ministries Spending	**961.2**	**1,510.5**	**1,239.1**
incl. Social Assistance	147.2	162.5	124.9
Non-Line Ministries Spending	**918.4**	**1,639.2**	**1,104.5**
incl. Subsidies	194.9	318.9	261.4
TOTAL	**1,879.6**	**3,149.7**	**2,343.6**

Central Government Expenditure:

- **Ministry/Agency (K/L) Spending IDR1,239.1 T** (82.0% of Budget), incl. MBG, social assistance (JKN PBI, Staple Food Card, PKH, and KIP Kuliah), infrastructure development, education services, and disaster management.
- **Non-K/L Spending IDR1,104.5 T** (67.4% of Budget), incl. pension benefit payments, subsidies, compensation for fuel and electricity, and timely debt interest payments.

Central Government Expenditure as of October 31, 2022 – 2026 (IDR trillion)



GOODS AND PERSONNEL EXPENDITURE

Realization as of 31 October 2025 and 2026 (IDR trillion)

Goods Expenditure

IDR545.3 T

77.3% of Budget

Higher goods spending mainly for Free Nutritious Meals (MBG) implementation

- ❑ MBG distribution
- ❑ School support (early childhood to vocational)
- ❑ BOS for private madrasahs
- ❑ UPT health services SPHP rice distribution
- ❑ Biodiesel incentives

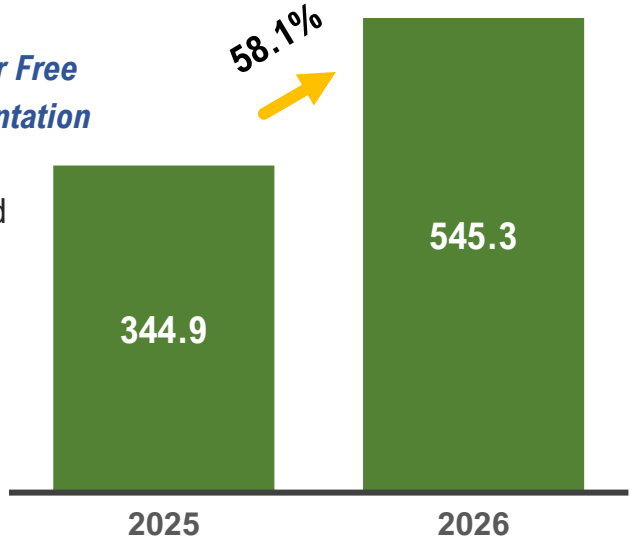




Photo: ANTARA

Free Nutritious Meals (MBG) Distribution

MBG realization through goods spending reached IDR169.6 T*)

*) *of total realization of IDR173.2 T*

Personnel Expenditure

IDR320.4 T

89.4% of Budget

Higher personnel spending, among others for:

- ❑ Civil servant pay for Presidential priorities, incl. BGN and MoSA;
- ❑ Supreme Court judges' allowance adjustment

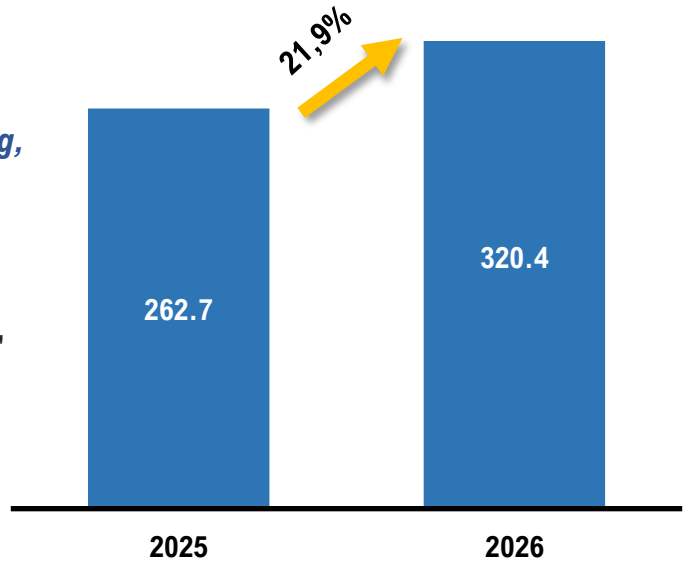




Photo: Ministry of Primary and Secondary Education

Teacher Professional Allowance (Non-PNS)

A form of recognition for teachers to improve their welfare and strengthen education quality.

CAPITAL EXPENDITURE AND SOCIAL ASSISTANCE

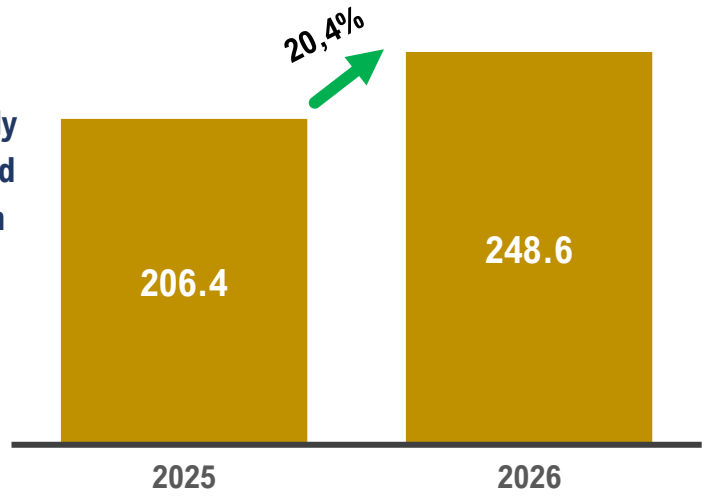
Realization as of 31 October 2025 and 2026 (IDR trillion)

Capital Expenditure

IDR248.6 T

87.5% of Budget

Higher capital spending mainly supports connectivity and food security (network & irrigation development), including equipment and machinery





Connectivity and food security

Road construction and preservation reached 88.4% progress. Dam construction reached 89.9% progress.

Photo: Directorate General of Highways, Ministry of Public Works

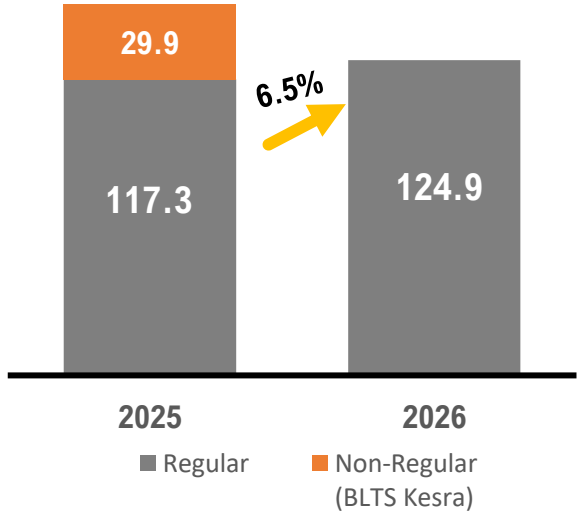
Social Assistance Expenditure

IDR124.9 T

76.8% of Budget

Regular social assistance spending kept rising, mainly due to:

- DTSEN data updates to improve targeting of PKH and Staple Food Card distribution.



Family Hope Program (PKH)



PKH reached 10 million families with IDR21.9 T disbursed.

Staple Food Card



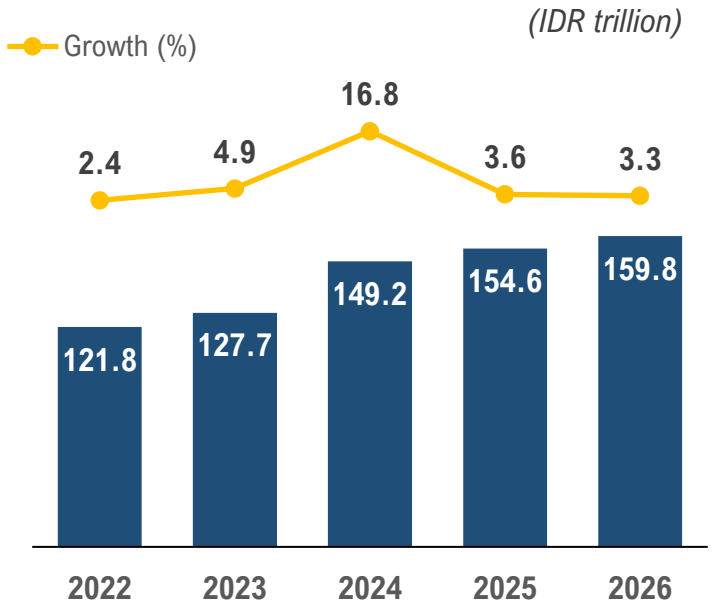
Staple Food Program for 17.6 million beneficiary families (KPM) worth IDR28.4 T

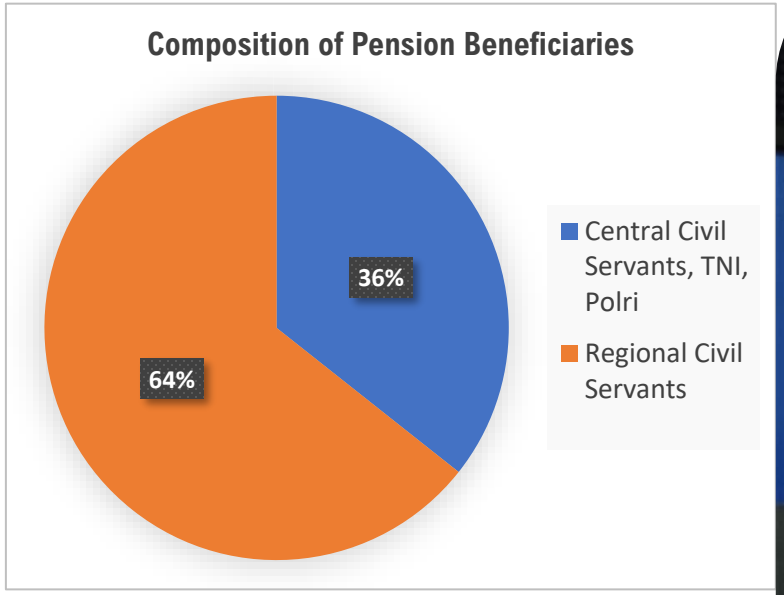
TIMELY PAYMENTS FOR 3.8 MILLION PENSIONERS

The State Budget guarantees continued pension benefit payments to safeguard welfare in retirement

Pension Payments — IDR159.8 T (90.2% of Budget IDR177.1 T)

Realization







Utilization	2025	2026	Growth
Pension Benefits (IDR Trillion)	**154.6**	**159.8**	**▲ 3.3**
- Central civil servants/TNI/Polri	53.0	53.2 (33.3%)	▲ 0.5
- Regional civil servants	101.7	106.5 (66.7%)	▲ 4.8

Photo: Taspen

2026 DISASTER MANAGEMENT BUDGET INCREASES

TOTAL DISASTER BUDGET, 2026 STATE BUDGET

IDR59.35 trillion

Realization IDR33.69 trillion (57%)



Central Kuala Simpang devastated by flash floods in Aceh Tamiang.
Photo: Antara/Erlangga



Shop buildings damaged by an earthquake in Reo, Manggarai Regency, NTT.
Photo: Antara/Fikri.

REALIZATION COVERS:

as of 10 November 2026

Sumatra Rehabilitation & Reconsctruction

Cap **IDR50.84 trillion**

Realization

IDR30.78 trillion

60.5% of ceiling

Including: Master Plan (IDR30.9 T) across 33 Line Ministries, Non-Master Plan (IDR8.5 T), and Additional Transfer to Region (IDR10.6T)

Forest & Land Fire Response

Cap **IDR5.11 trillion**

Realization

IDR1.17 trillion

22.8% of ceiling

7 Line Ministries, including BNPB Ready-to-Use Funds (DSP).

NTT Disaster Response

Cap **IDR0.97 trillion**

Realization

IDR0.32 trillion

33.3% of ceiling

8 Line Ministries IDR0.77 trillion and Presidential Assistance IDR0.20 trillion.

Other Disaster Response

Cap **IDR2.43 trillion**

Realization

IDR1.42 trillion

58.3% of ceiling

Budget at BNPB.

SUBSIDIES & COMPENSATION PROTECT PURCHASING POWER

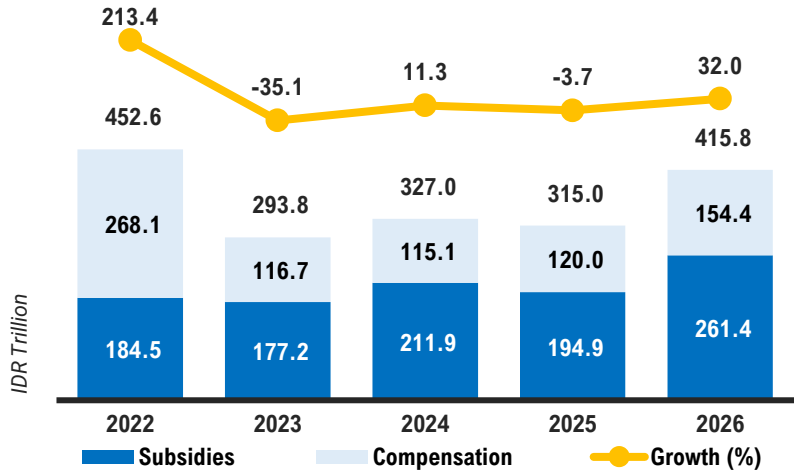
The State Budget cushions the public from rising global energy prices (*Shock Absorber*)

REALIZATION AS OF 31 OCTOBER 2026

IDR415.8 T

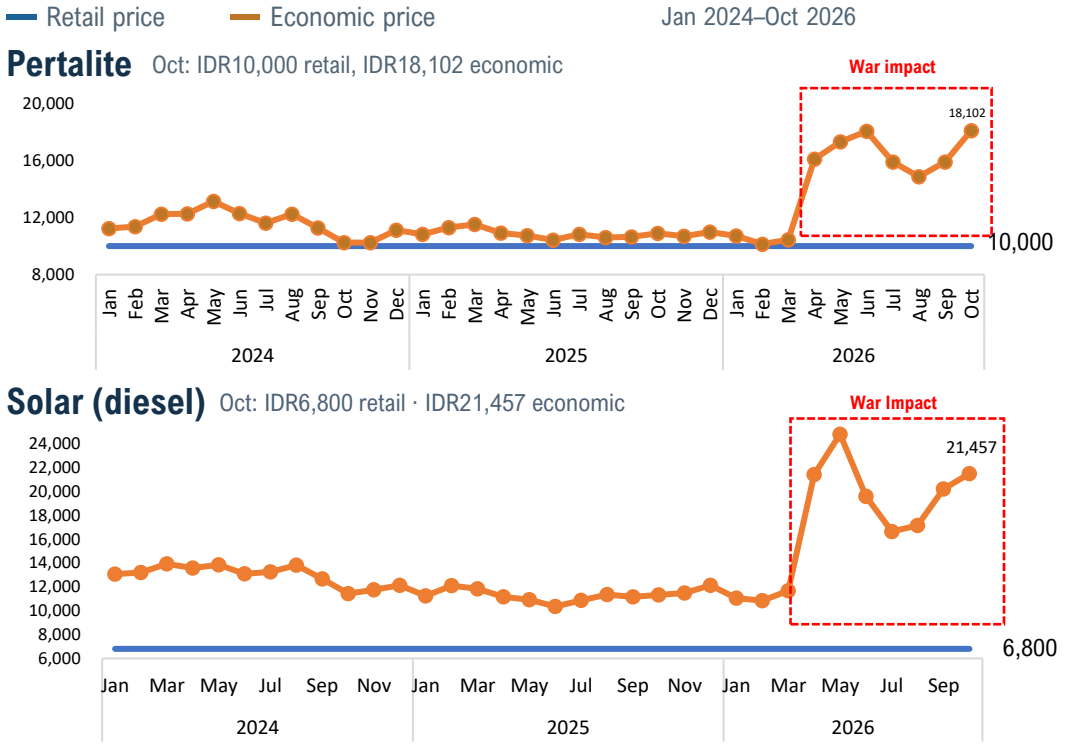
Energy and non-energy

93.0% of Budget



Subsidies and compensation paid monthly in 2026

Pertalite and Solar Prices (IDR/liter)



2026 Energy and Non-Energy Subsidy and Compensation Needs Rise Significantly

SUBSIDY AND SUPPORT COVERAGE THROUGH OCTOBER 2026

Fuel

15,244 thousand kL

2025: 13,916 thousand kL **+9.5% yoy**

3 kg LPG

6,499.1 million kg

2025: 6,353.4 million kg **+2.3% yoy**

Electricity

43.5 million customers

2025: 42.5 million customers **+2.3% yoy**

Fertilizer

7.1 million tons

2025: 6.5 million tons **+9.7% yoy**

People's Business Credit (KUR)

4.2 million borrowers

2025: 3.9 million borrowers **+7.7% yoy**

FREE NUTRITIOUS MEALS (MBG) IS BETTER TARGETED

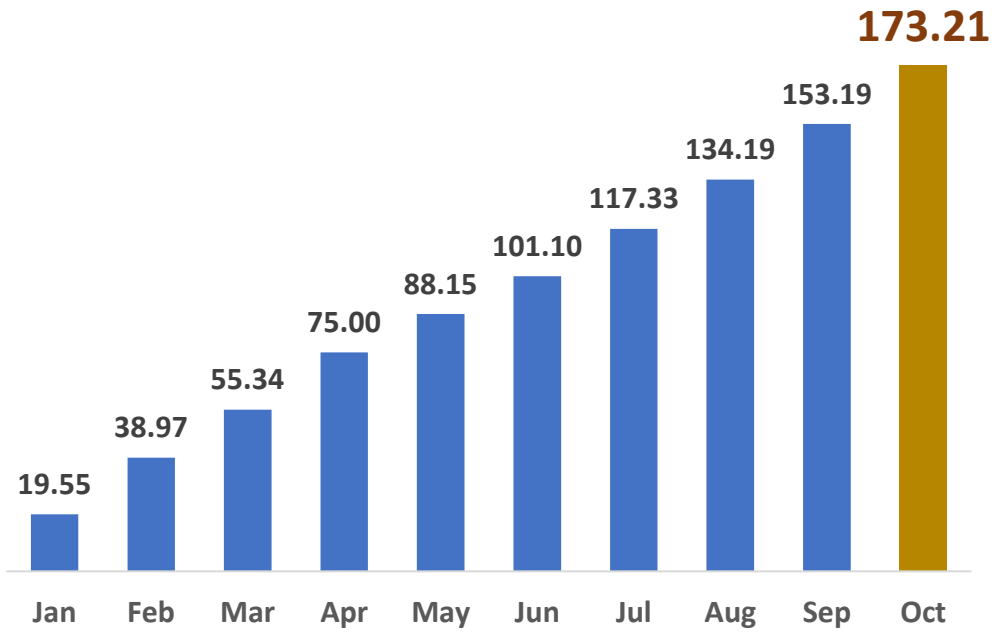
Building a healthy, smart, and highly competitive next generation

Realization as of 31 October 2026

IDR173.2 T

58.2M beneficiaries | **27,485** SPPG

Monthly cumulative realization (IDR trillion)





President Prabowo Reviews MBG Implementation

Photo: BPMI Setpres

MBG Revolution 2.0

SPPG governance

BGN updated **contracts** to clarify each party's responsibilities.

Food safety

SLHS mandatory at every SPPG.
Consumption time-limit labels on meal trays.

Targeting accuracy

Beneficiary data verified in the field.

Buffet-style serving at schools

Pilot covers **66 SPPG** in **10 provinces**.

Access in priority regions

Nearly 1,500 SPPG activated in 3T and high-*stunting* areas.

Local supply chains and human resources

Digitalization of supply chains.
Patriot Gizi trains SPPI personnel.

KUR AND KDMP SUPPORT LOCAL BUSINESSES

People's Business Credit (KUR)

Disbursement through 31 October 2026

IDR271.2 T

93.36% of IDR290.5 T target

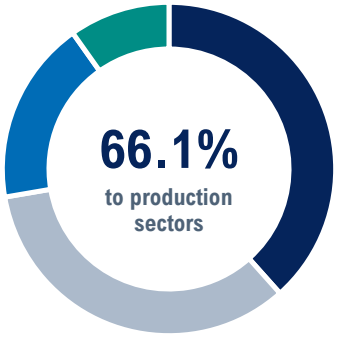
4.2 million

KUR borrowers

Interest subsidy **IDR26.6 T**

KUR disbursement by sector

Share of total disbursement of IDR271.2 T



Production sectors

- **38.4%** Agriculture & forestry
- **17.9%** Services
- **9.8%** Others
- **33.9%** Trade



KUR services for MSMEs

Photo: Kompas.com

Merah Putih Village Cooperatives (KDKMP)

Village cooperatives bring subsidized goods closer and open markets for local products.

Presidential Regulation 82/2026 gives cooperatives a role in **distributing subsidized goods and/or purchasing village produce**.

Distribution	SPHP rice, 3 kg LPG, subsidized fertilizer, and MinyaKita cooking oil.
Outlet services	Groceries, clinics, pharmacies, warehouses/cold storage, logistics, and savings & loans.

KDMP construction budgeted from the start of 2026

The Government ensures payments follow proper governance after verification and validation

CONSTRUCTION & VERIFICATION-VALIDATION PROGRESS

30,132
outlets completed

11,185
outlets under verification and validation

5,863
outlets with official reports verification and validation

As of 11 November 2026, 07.00 WIB

CENTRAL GOVERNMENT RESPONDS TO REGIONAL NEEDS

The central government adjusts support to maintain basic services and accelerate post-disaster recovery.

2026 STATE BUDGET

IDR693.0 T

CEILING AFTER ADDITIONS

IDR726.2 T



Additional Transfer to Region includes:

IDR10.6 T Disaster response in Sumatra (KMK 59/2026)

IDR18.9 T Non-disaster needs (KMK 198/2026)

Transfer to Region support focus

Sumatra disaster response

Supporting emergency response and post-disaster recovery.

Support for regional government operations

Meeting basic regional needs so that personnel spending, government operations, and basic public services continue to run.

Support for Underdeveloped, Frontier, and Outermost (3T) regions

Tailoring support to the needs of disadvantaged, frontier, and outermost regions.

TRANSFER TO REGIONS DISBURSED TO OCT 2026: IDR653.6 T (90% OF BUDGET)*

Transfer to Regions benefits the welfare of regional communities

*relative to the revised total allocation of IDR726.2 T

Realization as of 31 October 2026

General Transfers [IDR437.8 T]

DAU · DBH



5.3 million regional civil servants
paid salaries

3 million JKN participants
funded by DBH CHT

1.08 million Jamsostek participants
funded by DBH CHT and DBH Palm Oil

IMPACT
Provision of basic public services;
Improved welfare and expanded
social protection coverage.

STORIES FROM THE REGIONS
DAU allocations support teaching and learning activities in schools, as well as salaries for teachers and education personnel

Specific Transfers [IDR140.4 T]

Physical DAK · Non-physical DAK · Regional Grants



43.7M students
receiving BOS

1.04M students
equivalency education

32,495 SR
water supply (SPAM)

531.2 km
of roads improved

5.96M students
early childhood (BOP)

1.68M teachers
receiving allowances

124 hospitals
strengthened

IMPACT
Improved access to education, health,
clean water, and road connectivity
in line with national priorities.

STORIES FROM THE REGIONS
Construction of auxiliary health centers in Banyumas Regency expands public access to health services.

Village & Incentive Funds, Otsus & Special Region Funds [IDR75.4 T]



75,172 villages
receiving Village Funds

30,132 units
Merah Putih Village/Urban Village Cooperatives

737,704
beneficiary families (KPM)
Direct Cash Assistance (BLT) recipients

IMPACT
More villages becoming self-reliant;
Faster development of special
autonomy regions.

STORIES FROM THE REGIONS
Merauke Regency's Special Autonomy Fund was used to provide scholarships to 685 students and develop 26 health facilities.

STATE BUDGET (APBN) AND REGIONAL BUDGET (APBD) AS ONE UNIFIED BUDGET SYSTEM

For the Prosperity of the People

TKD (IDR T)

Transfers to Regions



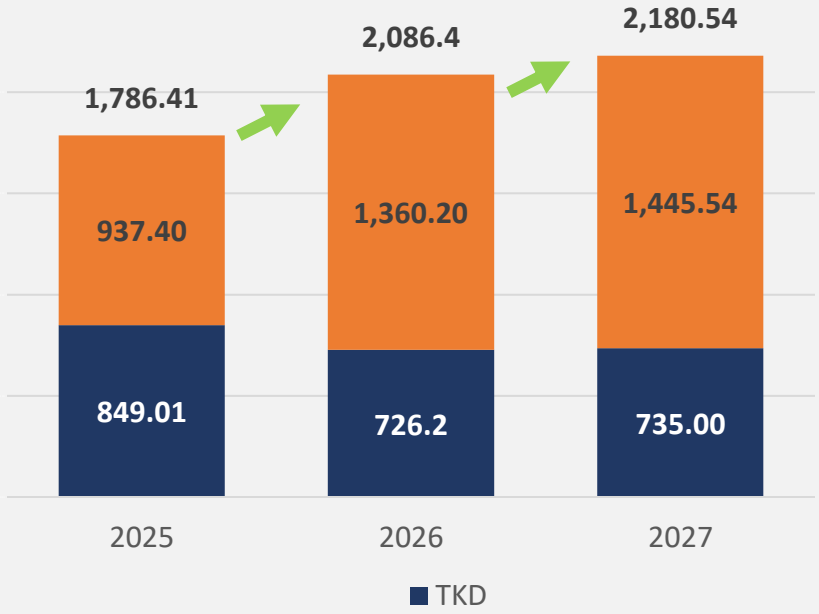
TKD is a key instrument to **support public services and regional development through regional budgets (APBD).**

PRIORITY PROGRAMS (IDR T)



State Budget Priority Programs include:
Irrigation, Subsidies, Rice Field Expansion, MBG, Free Health Checks, road and bridge preservation, PKH, PIP, Staple Food Card, Sekolah Rakyat.

UNIFIED BUDGET SYSTEM (IDR T)



GREATER BENEFITS FOR THE PEOPLE

DEBT FINANCING REMAINS ON TRACK

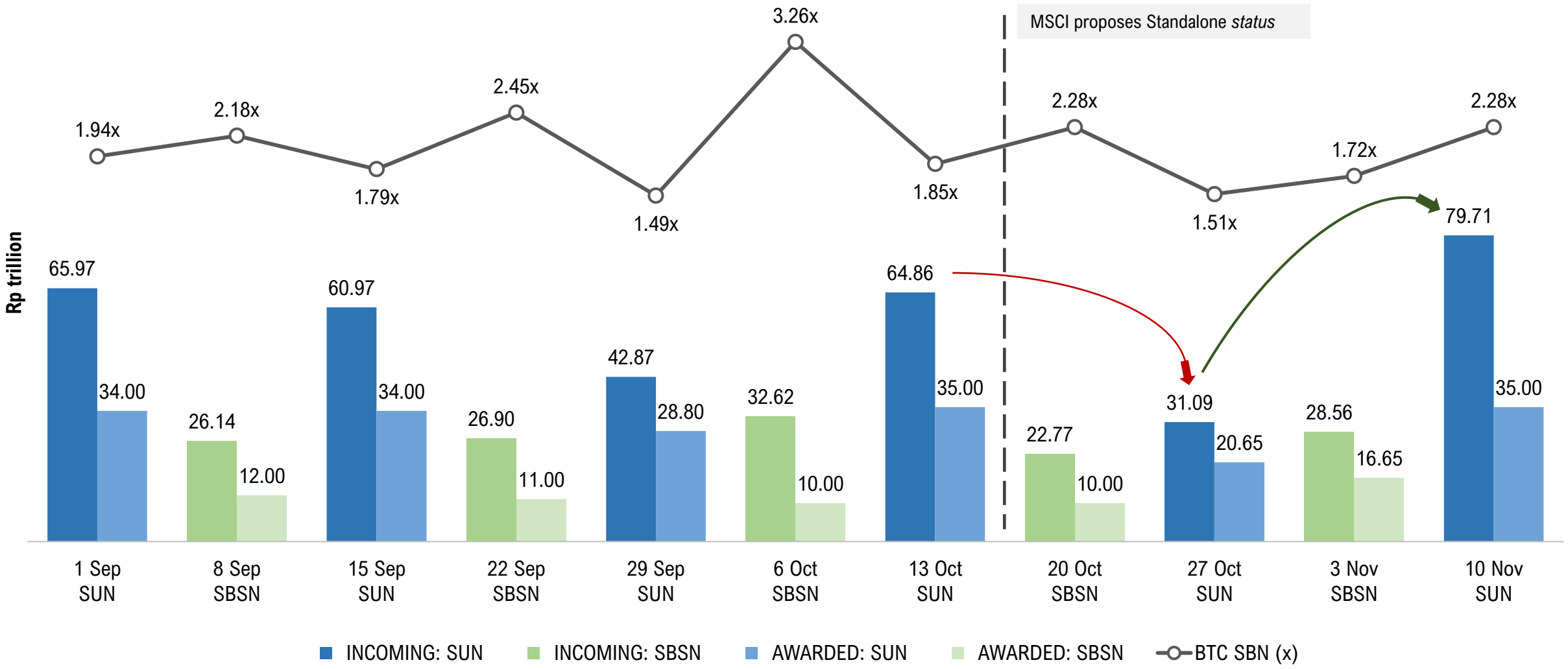
Debt financing remains within target, supporting credible and sustainable budget management

FINANCING (Rp trillion)	2025 Realization 31 Oct	2025 % of Budget	2026 Realization 31 Oct	2026 % of Budget
Net Debt Financing	**570.7** Budget 775.9	**73.6%**	**629.3** Budget 832.2	**75.6%**
1. Government Securities	538.7 Budget 642.6	**83.8%**	**586.1** Budget 799.5	**73.3%**
2. Loans	32.1 Budget 133.3	**24.0%**	**43.2** Budget 32.7	**132.1%**

- Borrowing remains on track, aligned with **cash needs and market conditions,** while ensuring **efficient funding** costs at **manageable risk levels.**
- Prudent and measured debt management, supported by close coordination with Bank Indonesia and relevant authorities, strengthens market confidence, maintains stability and ensures sustainable budget financing.

GOVERNMENT SECURITIES ISSUANCE ADAPTS TO MARKET CONDITIONS

Primary market demand weakened after the MSCI announcement, but recovered since late October



GLOBAL CONFIDENCE IN INDONESIAN GOVERNMENT SECURITIES REMAINS STRONG

Global Sukuk peak orders reached 2.9 times the issue size. The second Panda bond issuance was 1.73 times oversubscribed

GLOBAL SUKUK

ORDERBOOK VS. ISSUE SIZE

Peak *orderbook*

USD 8.9 billion

Issue size

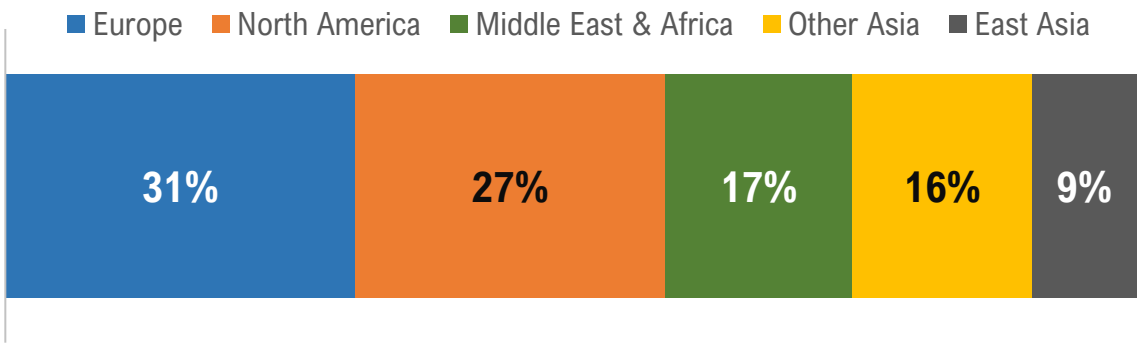
USD 3.0 billion

3 / 5 / 10-year tenors

Oversubscription

2.9x

INVESTORS BY GEOGRAPHY (% OF ALLOCATION)



Positive response from the opening of books

Supported by constructive market conditions after *the US midterm elections.*

SECOND PANDA BOND ISSUANCE *(Pricing Date:* 10 Nov 2026)



Peak orderbook

CNY 17.26 billion

Issue size

CNY 10 billion

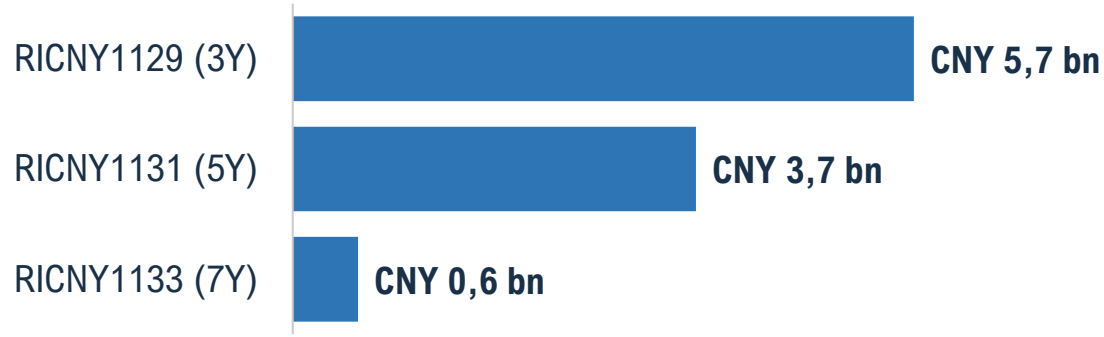
≈ USD 1.5 billion

Oversubscription

1.73x

ISSUANCE BY TRANCHE (CNY BILLION)

First three-tranche issue, including a 7-year tenor



The largest sovereign Panda bond issuance reflects global investor confidence in Indonesia's economic and fiscal fundamentals.

INVESTMENT FINANCING FOR PUBLIC WELFARE

Accelerating investment to support food, agriculture, housing, education, and infrastructure

IDR61.71 T*

Investment expenditure realization

As of 31 October 2026



Photo: BULOG documentation

BULOG as OIP — IDR22.73 T

FY2026 non-permanent investment for the Government Rice Reserve: **100%** realized, absorbing **3.47 million tons of grain** and **13.8 thousand tons of rice**. Supports farmers, price stability, and rice supply.



Photo: LPDP documentation

LPDP: Education Endowment Fund — IDR15 T

In 2026, LPDP funded **21,778** scholars and **19,866** joint-scholarship recipients with the education and religious affairs ministries.



Photo: BP Tapera documentation

FLPP: Housing finance — IDR15.5 T

FLPP disbursement reached **194,360 housing units** worth **IDR24.2 trillion** in **36 provinces** and **393 regencies/cities**.



Photo: LMAN documentation

LMAN: Land acquisition for PSN — IDR9.61 T

Land acquisition for National Strategic Projects (PSN) aims to drive regional economies, expand access to public services, and improve quality of life.



Photo: PT SMI documentation

PT SMI: Regional infrastructure — IDR3.83 T

Government investment supports regional infrastructure development, including schools, hospitals, markets, and roads.



Photo: BPDLH documentation

BPDLH: Disaster resilience — IDR1 T

FY2026 government investment through the Disaster Pooling Fund. In 2026, investment returns of **IDR32.31 billion** were channeled to insurance premiums for State Property (BMN), mitigation, and pre-disaster activities.

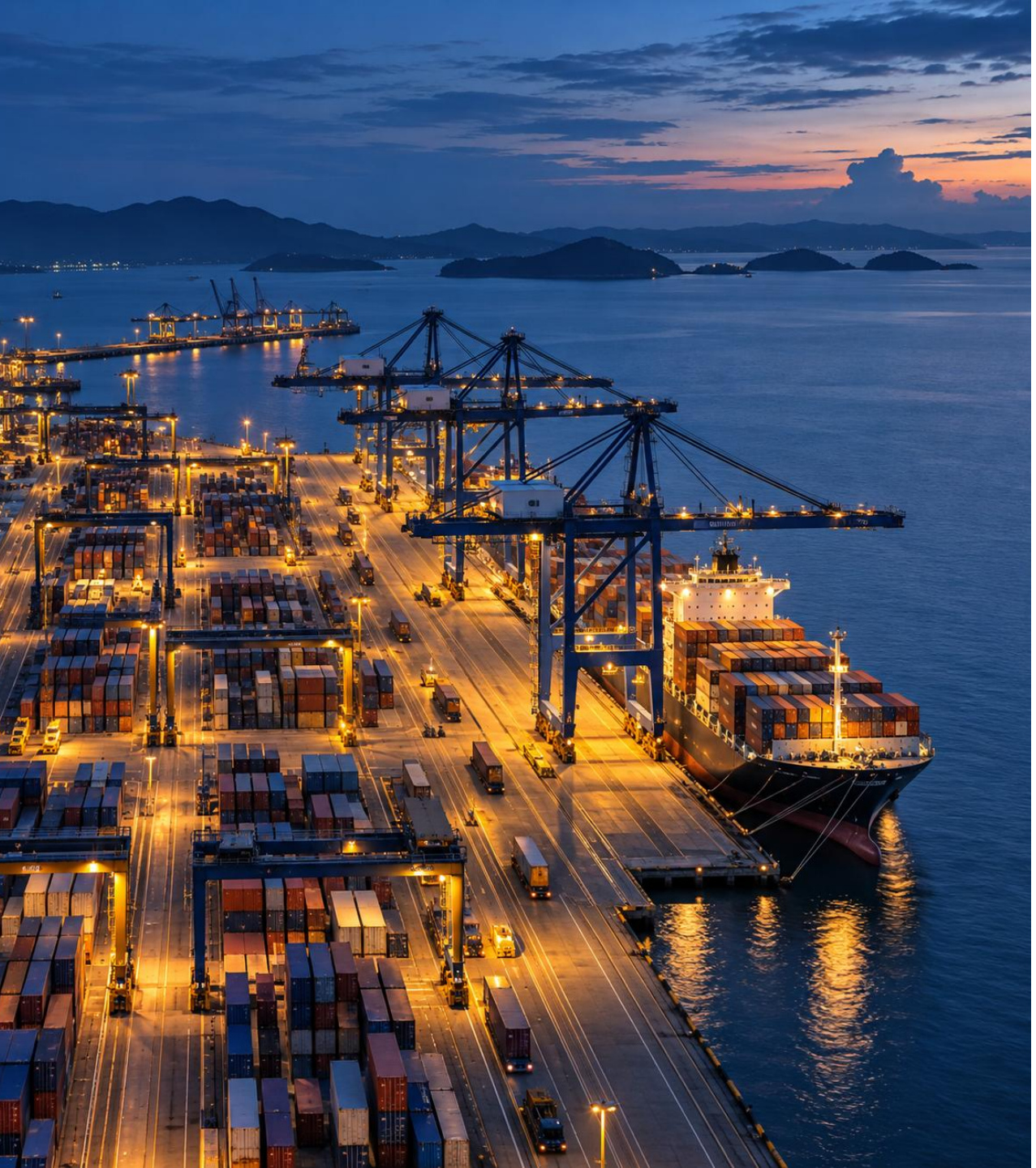


Photo: IFAD (ifad.org)

IFIs: Economic diplomacy — IDR2.15 T

Contributions to the **International Development Association (IDA), Islamic Development Bank (IsDB), and International Fund for Agricultural Development (IFAD)** encourage **International Financial Institutions (IFIs)** to channel more financing to Indonesia.

***Includes Investment Returns of IDR8.12 T**



INVESTOR RELATIONS UNIT
Directorate General of Economic and Fiscal Strategy
Ministry of Finance, Republic of Indonesia

03

2027 Budget

fiskal.id/IRU
iru.djsef@kemenkeu.go.id

THE 2027 STATE BUDGET REMAINS EXPANSIONARY AND WELL-CALIBRATED

Collaborative and targeted fiscal policy, with a lower deficit



President Prabowo Subianto Delivers the Statement on the FY2027 State Budget Bill at the DPR RI (Photo: Ministry of Finance)

STATE REVENUE

Rp 3,435.1 trillion

Optimizing state revenue

2026 State Budget: Rp3.153.6 trillion

STATE EXPENDITURE

Rp 4,106.3 trillion

Efficient and productive spending

2026 State Budget: Rp3,842.7 trillion

2027 DEFICIT

2.40% GDP

Rp671.2 trillion

2026 State Budget: Rp689.1 trillion (2.68% of GDP)

Basic Economic Assumptions Macro 2027

Economic Growth (%)	6.0
Inflation (%)	2.5
10-Year SBN Interest Rate (%)	6.9
Exchange Rate (Rp/USD)	17,500
ICP (USD/Barrel)	75
Crude Oil Lifting (thousand bpd)	612.5
Natural Gas Lifting (thousand BOEPD)	954

2026-2027 MACROECONOMIC BASIC ASSUMPTIONS

INDICATOR	2026		2027	
	Budget	Outlook	Macroeconomic Framework and Fiscal Policy Principles (KEM PPKF)	Budget
Economic Growth (%, yoy)	5.4	5.6 – 6.0	5.8 – 6.5	6.0
Inflation (%)	2.5	2.4 – 2.9	1.5 – 3.5	2.5
Exchange Rate (IDR/US$)	16,500	17,000 – 17,500	16,800 – 17,500	17,500
10-Year SBN Yield (%)	6.9	6.7 – 7.1	6.5 – 7.3	6.9
Indonesian Crude Price (ICP) (USD/barrel)	70	75 – 85	70 – 95	75
Oil Lifting (thousand barrels per day)	610	602 – 610	605 – 620	612,5
Gas Lifting (thousand barrels of oil equivalent per day)	984	929 – 985	951 – 990	954

2027 STATE BUDGET AT A GLANCE

Collaborative, Targeted, and Measured Fiscal Policy — Deficit 2.40% of GDP

Description (in IDR trillion)	2026			2027		
	State Budget	Outlook (Semester Report)	Growth (%)	State Budget	Growth (%)	% of GDP
A. REVENUE	**3,153.6**	**3,208.1**	**16.0**	**3,435.1**	**7.1**	**12.3**
I. Taxation Revenue	**2,693.7**	**2,631.4**	**18.6**	**2,912.0**	**10.7**	**10.4**
1. Tax	2,357.7	2,310.8	20.8	2,593.4	12.2	9.3
2. Custom and Excise	336.0	320.6	6.8	318.6	(0.6)	1.1
II. Non-Tax Revenue	**459.2**	**575.1**	**6.2**	**522.5**	**(9.2)**	**1.9**
III. Grant	**0.7**	**1.5**	**(72.1)**	**0.7**	**(56.0)**	**-**
B. EXPENDITURE	**3,842.7**	**3,942.4**	**14.8**	**4,106.3**	**4.2**	**14.7**
I. Central Government Expenditure	**3,149.7**	**3,245.5**	**25.5**	**3,371.3**	**3.9**	**12.0**
1. Line Ministries	1,510.5	1,630.4	9.9	1,556.9	(4.5)	5.6
2. Non-line Ministries	1,639.2	1,615.1	46.5	1,814.4	12.3	6.5
II. Transfer to Region	**693.0**	**696.9**	**(17.9)**	**735.0**	**5.5**	**2.6**
C. PRIMARY BALANCE	**(89.7)**	**(152.1)**	**(2.5)**	**(20.9)**	**(86.3)**	**(0.1)**
D. SURPLUS/ (DEFICIT)	**(689.1)**	**(734.3)**	**9.5**	**(671.2)**	**(8.6)**	**(2.4)**
% SURPLUS/ (DEFICIT) to GDP	***(2.68)***	***(2.85)***		***(2.40)***		
E. FINANCING	**689.1**	**734.3**	**(1.1)**	**671.2**	**(8.6)**	**2.4**

1. **State Revenue** IDR3.435,1 T, growing 7,1% from 2026 Outlook → **mainly through improved tax compliance and tax base expansion.**
2. **State Expenditure** IDR4.106,3 T, growing 4,2% from 2026 Outlook.
   - **Central Govt. Expenditure** IDR3.371,3 T and **Transfer to Regions** IDR735,0 T → **Effectiveness of central-regional synergy and harmonization to support the 8 National Priority Work Program clusters: (1) Food Sovereignty; (2) Energy and Water Self-Sufficiency; (3) Education; (4) Health; (5) Downstreaming and Industrialization; (6) Infrastructure, Housing, and Disaster Resilience; (7) People's Economy and Village Development; (8) Poverty Reduction.**
3. **Budget Deficit** maintained at 2,40% GDP → **State Budget kept *prudent* and *sustainable*.**
4. **Budget Financing** IDR671,2 T → **encouraging innovative financing in synergy with Danantara.**

FISCAL STRATEGY TO SUPPORT DEVELOPMENT

Strong revenue, quality spending, and innovative financing preserve fiscal space

Stronger revenue



Collecting More

- **Effective *Coretax* implementation** to improve **tax compliance** and broaden the **tax base**.
- Taxation aligned with global developments and the **digital economy**.
- **Optimal natural resource revenue**, quality services, and strong **law enforcement**.
- **Targeted fiscal incentives** to accelerate investment.

Higher-quality spending



Spending Better

- **Efficiency, *refocusing***, and **reprioritization** of spending.
- Spending that drives **growth and welfare** to support PKPN.
- Refocusing on **productive spending**, **subsidies and social protection** that are effective.
- **Central-regional synergy** and policy harmonization.

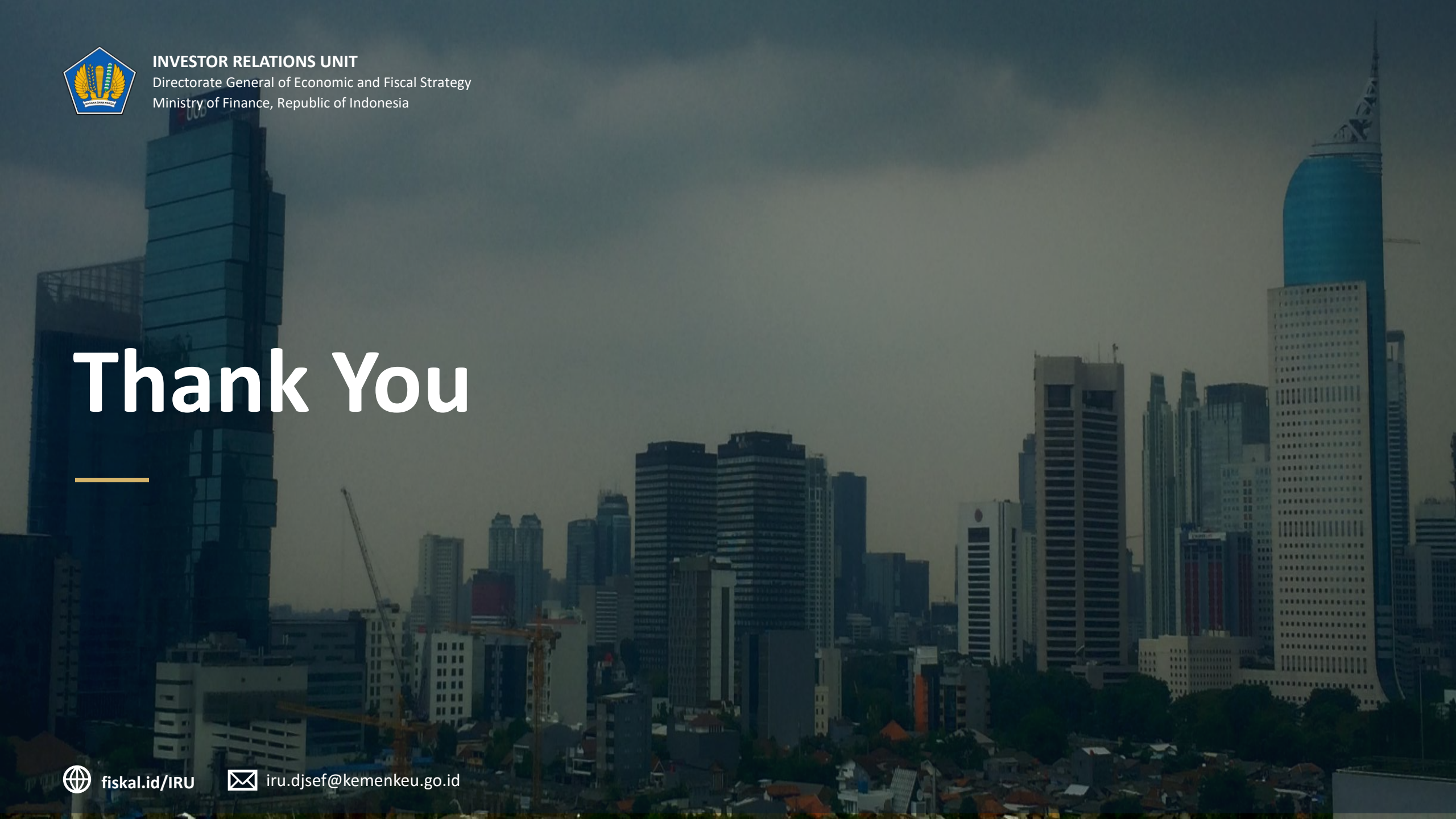
More innovative financing



Innovative Financing

- **An optimal portfolio** and **domestic financing** to deepen **financial markets**.
- **Active liability management**.
- **Adequate fiscal buffers** and **efficient cash management**.
- A stronger **investor base** and **investor relationships**.
- Infrastructure development through **PPP (KPBU) schemes**.

Preserving fiscal space to support growth and public welfare



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Thank You

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