

Presentation Book
**Investor Relation Unit
Republic of Indonesia**

“Strengthening Synergy and Policy Coordination to Reinforce Macroeconomic Stability amidst Global Uncertainty while Supporting Economic Growth”

October 2024



About Investor Relations Unit of the Republic of Indonesia



Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

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Section 1

General Summary

*“Indonesia’s Resilient Economy
Supported by Prudent Policy”*



Preserved Economic Resilience Amidst Global Uncertainty

Solid economic growth and projection supported by domestic demand.



Inflation remains under control within the target corridor of 2.5%±1%



Resilient external sector supported by adequate reserves, sound BOP, and healthy external debt profile



Historically **prudent fiscal policy** dynamics and **track record of peaceful political transitions**



Continuous structural reform, infrastructure development, and climate investment



Economic growth in Indonesia remains sound, with efforts required to accelerate growth. Economic growth in the third quarter of 2024 was at 4,95% (yoy) supported by domestic demand. Economic growth is projected to remain solid on the back of higher investment and improving household consumption, coupled with an uptick in government expenditures towards the end of 2024. In October 2024, inflation was recorded at 1.71% (yoy), lower than previous month, and remains within the target corridor of 2.5%±1%. **The external sector remains resilient**, supported by adequate reserves and a sound balance of payments, accompanied by a healthy external debt profile. BOP performance in 2024 is forecast to improve on the previous projection in line with a larger capital and financial account surplus, supported by an influx of foreign capital inflows in response to attractive yields on financial assets for investment. In addition, **solid budget performance continues**, reflected by a **narrower 2023 fiscal deficit** with a surplus in the primary balance and **prudent debt management**. In 2024, **fiscal policy is geared towards accelerating economic transformation along with a maintained fiscal discipline, with the fiscal deficit is targeted below 3% of GDP**. From a monetary policy perspective, **Bank Indonesia will continue monitoring opportunities to lower the policy rate in line with low projected inflation, Rupiah stability and economic growth. Financial system stability remains resilient and solid**, and the banking intermediation function remains robust, thereby supporting economic growth. To promote strong, socially inclusive, and environmentally friendly economic growth, the government **consistently implementing the structural reform agenda, including infrastructure development, and improving the investment climate**.

Rating Update 2023-2024

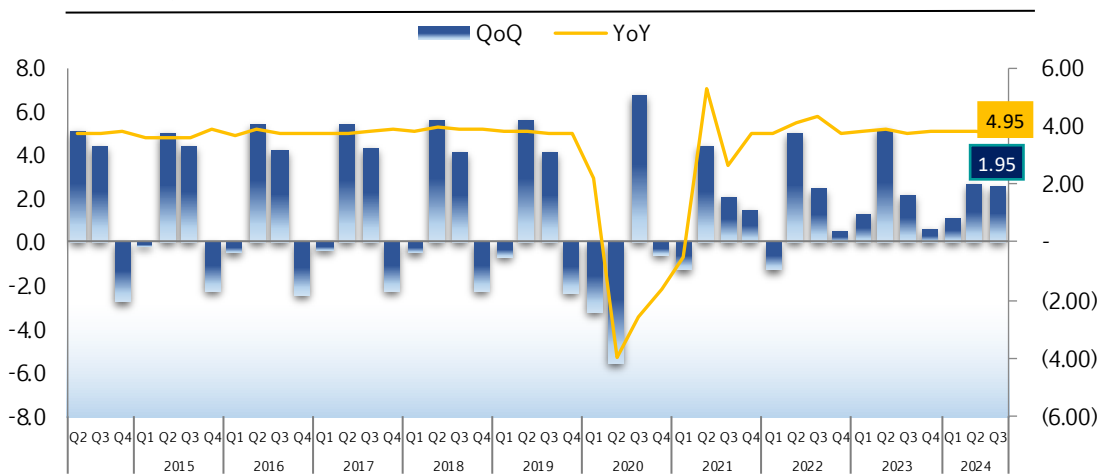
FitchRatings	BBB (Stable)	March 2024
MOODY'S	Baa2 (Stable)	April 2024
S&P Global	BBB (Stable)	July 2024
R&I <small>Rating and Investment Information, Inc.</small>	BBB+ (Positive)	September 2024
JCR	BBB+ (Stable)	March 2024

Indonesia has been recognized as a full Investment Grade country by all three major rating agencies, Fitch, Moody's and S&P. The recent rating affirmations in July 2024 has put Indonesia's SCR from three main rating agencies at the same level (one notch higher from the lowest investment grade level). These affirmations highlight Indonesia's macro stability, promising growth prospects, and confidence on policy continuity .

Indonesia's Economic Growth Remains Solid and Resilient, Supported by Domestic Demand



Strong GDP Growth¹



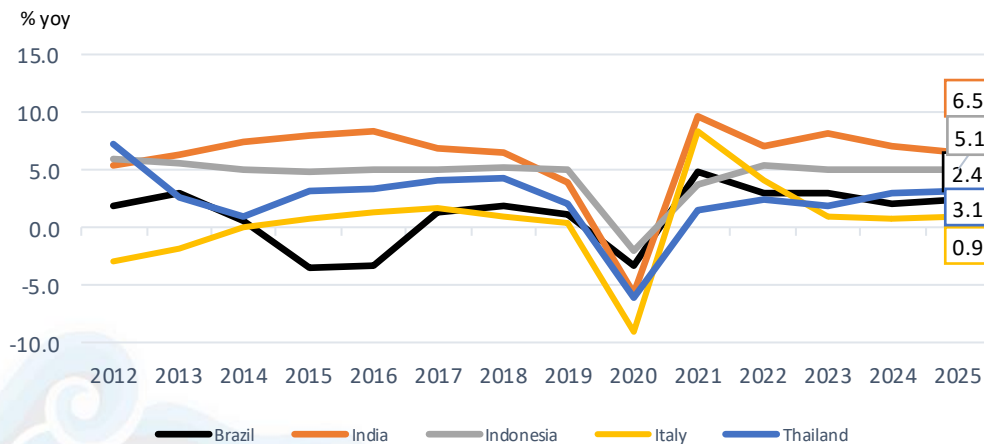
Indonesia's economic growth remains well maintained amid increased uncertainty in global financial markets. Indonesia's economic growth in the third quarter of 2024 grew by 4.95% (yoy), after the previous quarter recorded 5.05% (yoy). From a sectoral perspective, all sectors showed positive performance in the third quarter of 2024. The manufacturing sector, as the main contributor, also performed well in line with sustained domestic and global demand. The accommodation and food & beverage sector, along with the transportation and warehousing sectors, experienced positive growth due to increased mobility driven by national and international events.

Spatially, the highest economic growth was recorded in the regions of Sulawesi-Maluku-Papua (Sulampua), followed by Bali-Nusa Tenggara (Balinusra), Kalimantan, Java, and Sumatra. Overall, economic growth in 2024 projected to be in the 4.7%-5.5% range, supported by domestic demand, particularly consumption ahead of the upcoming general election, and increasing investment, specifically building investment given the ongoing national strategic projects (PSN), including the new capital city (IKN) development.

2024 Growth Projection

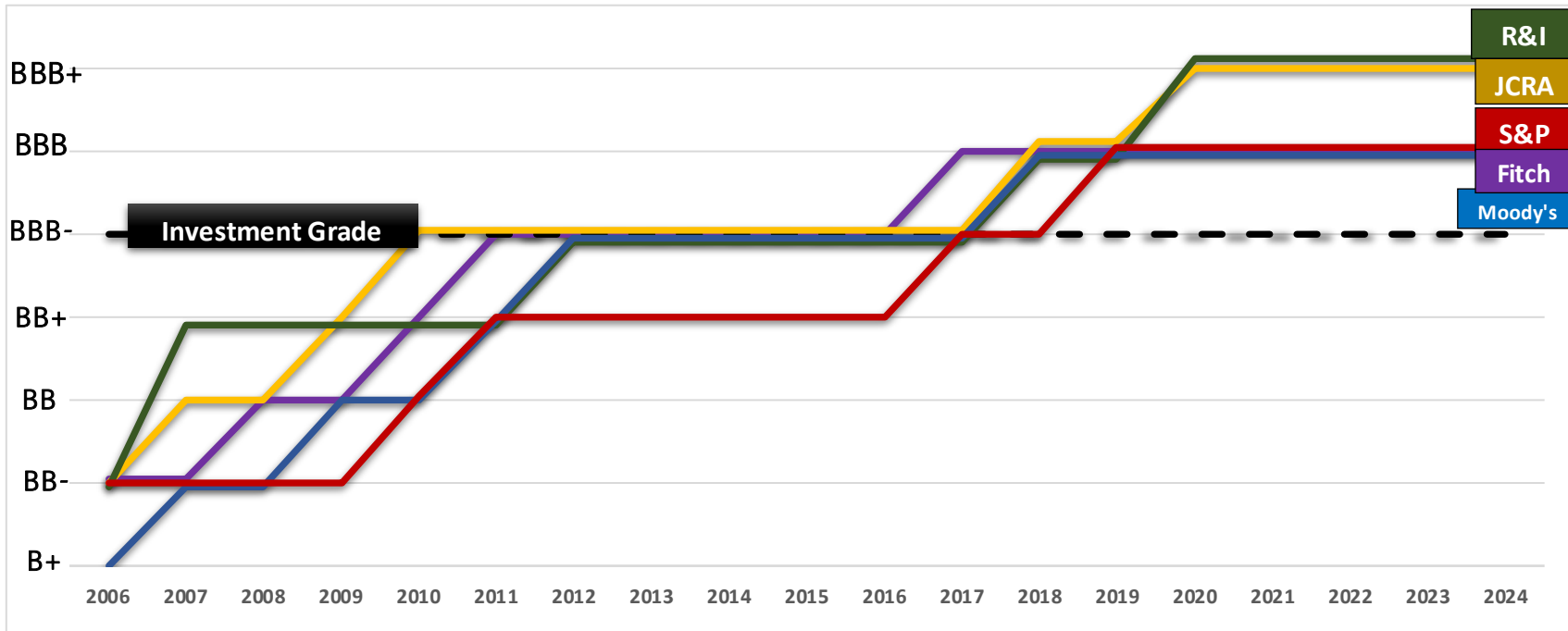
Institutions	GDP growth 2024
2024 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (Oct 2024)	5.0
World Bank (GEP, June 2024)	5.0
IMF (WEO, October 2024)	5.0
ADB (Asian Development Outlook, September 2024)	5.0

Favourable GDP Growth Compared to Peers²



1. Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption
 2. Source: World Economic Outlook Database – July 2024; * indicates estimated figure

Affirmation on Indonesia's Sovereign Credit Rating Amid Global Economy Uncertainties and Election Year



FitchRatings

BBB / Stable

March 2024, Rating Affirmed at BBB/Stable

"Indonesia's rating balances a favourable medium-term growth outlook and low government debt/GDP ratio against weak government revenue and lagging structural features, such as governance indicators, compared with 'BBB' category peers."

S&P Global Ratings

BBB / Stable

July 2024, Rating Affirmed at BBB/Stable

"Indonesia's economic growth prospects will remain solid, external resilience and the government's debt burden will be maintained, supported by a credible monetary and fiscal policy framework."



BBB+ / Positive

September 2024, Rating Affirmed at BBB+/Positive

"R&I retains a high opinion of the Joko Widodo administration's prudent fiscal and monetary policies as well as the course of action it has taken to tackle the challenge coming from the structural issues facing the economy. The rating will be upgraded if R&I sees a sure sign that the new president will inherit the policy stance sought by the current administration and that the firm performance of the Indonesian economy and the improvement in fiscal position will be sustained under the new administration"



BBB+ / Stable

March 2024, Rating Affirmed at BBB+/Stable

"The ratings mainly reflect the country's solid domestic demand-led economic growth potential, restrained public debt and resilience to external shocks supported by accumulation of foreign exchange reserves. JCR holds that the debt will gradually decrease as the fiscal balance improves mainly increased revenue from economic growth and higher commodity prices"



Baa2 / Stable

April 2024, Rating Affirmed at Baa2/Stable

"Indonesia's credit profile is supported by continued economic resiliency, backed by structural factors such as abundant natural resources and strong demographics, supporting stable and robust GDP growth, as well as by good policy credibility."

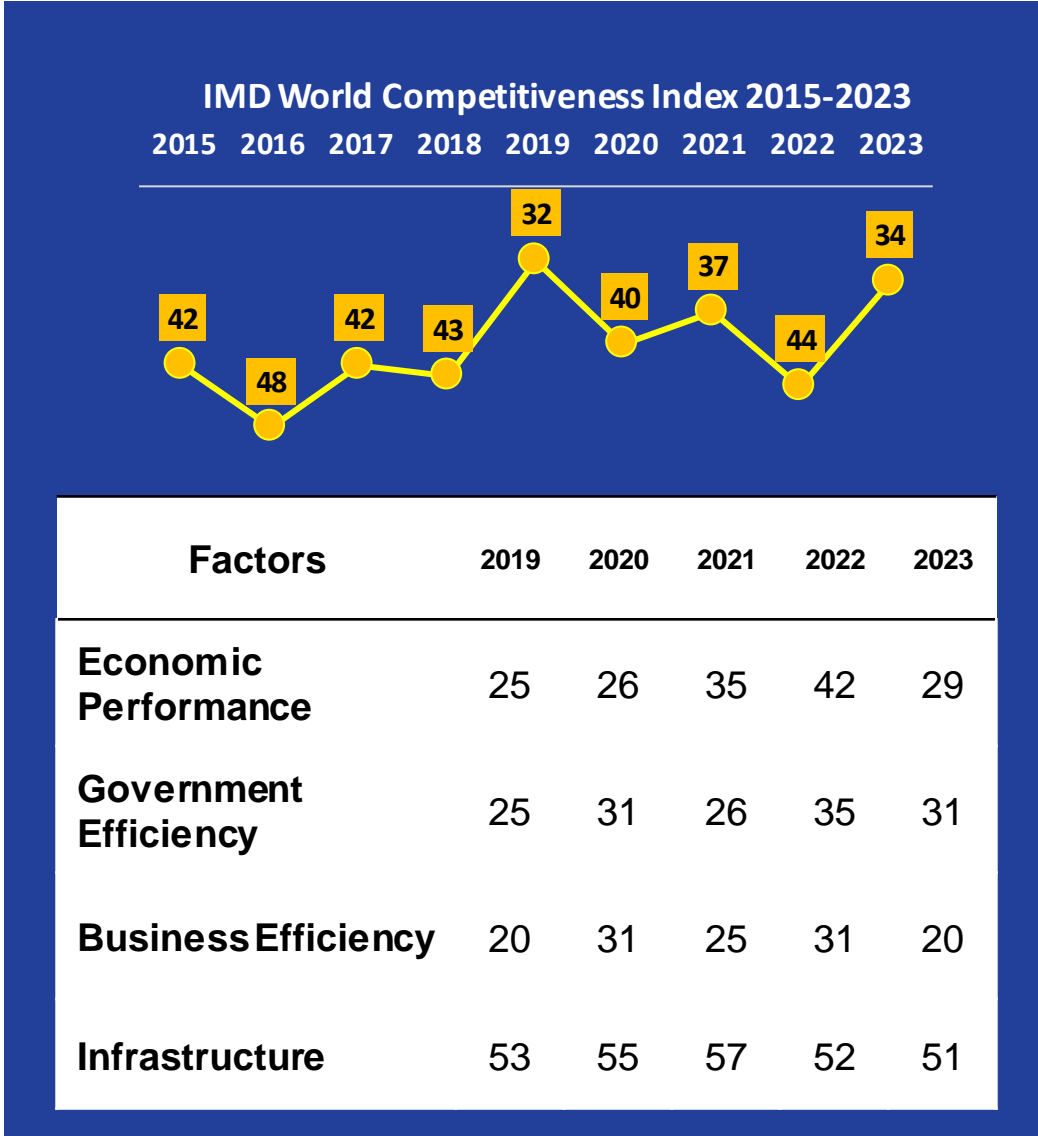
Continuous Improvement of Indonesia's Competitiveness Rank



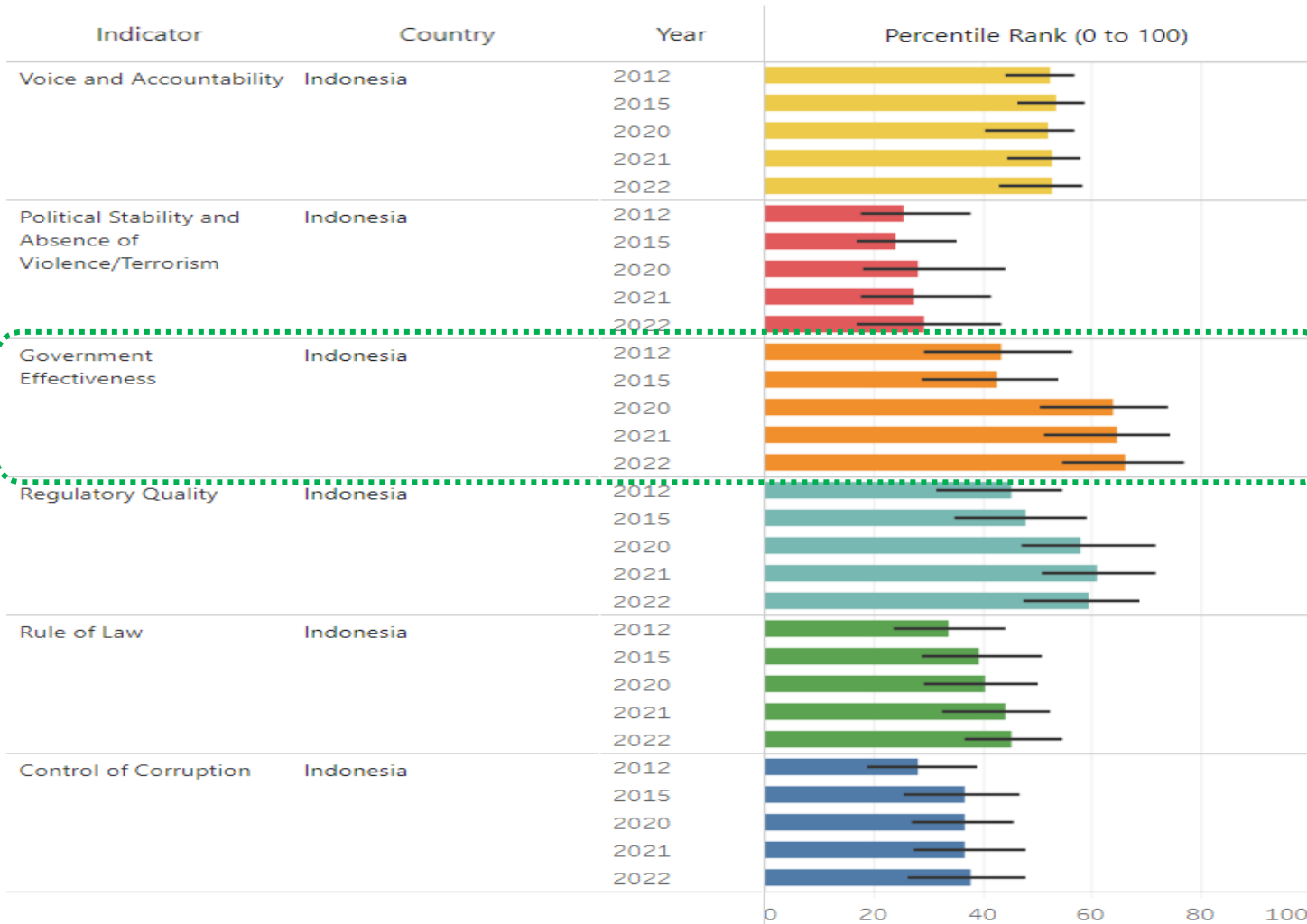
Based on the IMD (Institute for Management Development) World Competitiveness Yearbook 2023 report, **Indonesia's competitiveness ranking in 2023 is in 34th position** out of a total of 64 countries. This rank has increased from 2022 (No. 44).

All factors have increased compared to 2022: Economic Performance (+13), Business Efficiency (+11), Government Efficiency (+4), and Infrastructure (+1)

No.	Country	2019	2020	2021	2022	2023
1	South Korea	28	23	23	27	28
2	Indonesia	32	40	37	44	34
3	Japan	30	34	31	34	35
4	India	43	43	43	37	40
5	Philippines	46	45	52	48	52
6	Mexico	50	53	55	55	56
7	Brazil	59	56	57	59	60



Continuous Improvement of Indonesia's Governance Rank



To achieve the vision of advanced Indonesia in 2045 with the goal of Advancing Towards a Sovereign, Developed, Equitable, and Prosperous Indonesia, the Indonesian government is actively promoting reforms in institutions and bureaucracy, as well as strengthening the national legal system and anti-corruption measures. These efforts are evident in the improving governance indicators in Indonesia.

Based on the latest World Bank Worldwide Governance Indicators (WGI), **Indonesia's governance rank indicates a continuous improvement** for the last 10 years. One of the indicator, the Government Effectiveness, recorded highest percentile rank compared to other five indicators, which marked Indonesia on the 73rd rank out of 214 countries (previously placed on 75th rank in 2021). This achievement inline with the ongoing structural reform that has been implemented across the country.

The government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Meanwhile, corruption eradication indicators also indicate improvement, with a progressive increase in values over the past decade.

Note: Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: Worldwide Governance Indicators, 2023 Update (www.govindicators.org)



Section 2

Macroeconomic

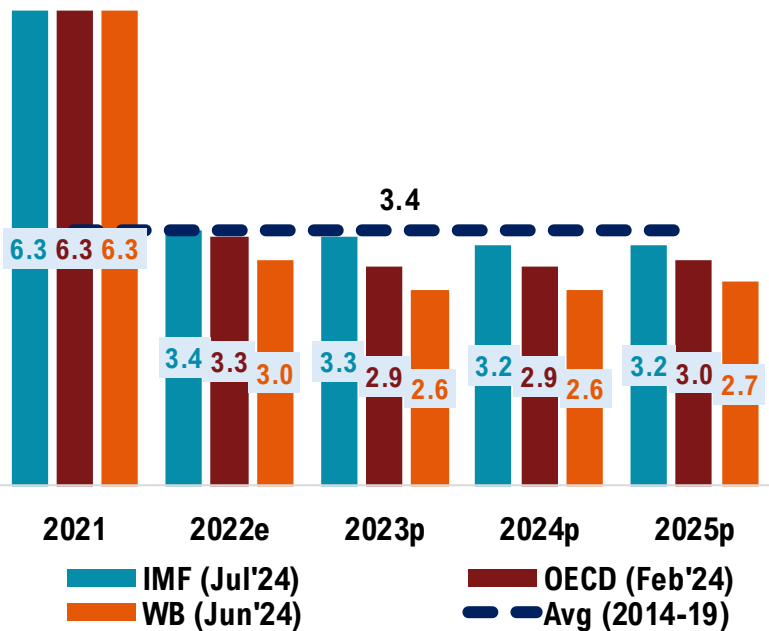
*“Promising Growth Prospects
Supported by Continued Economic
Recovery Momentum”*

Global Conditions still Face a Number of Challenges Ahead



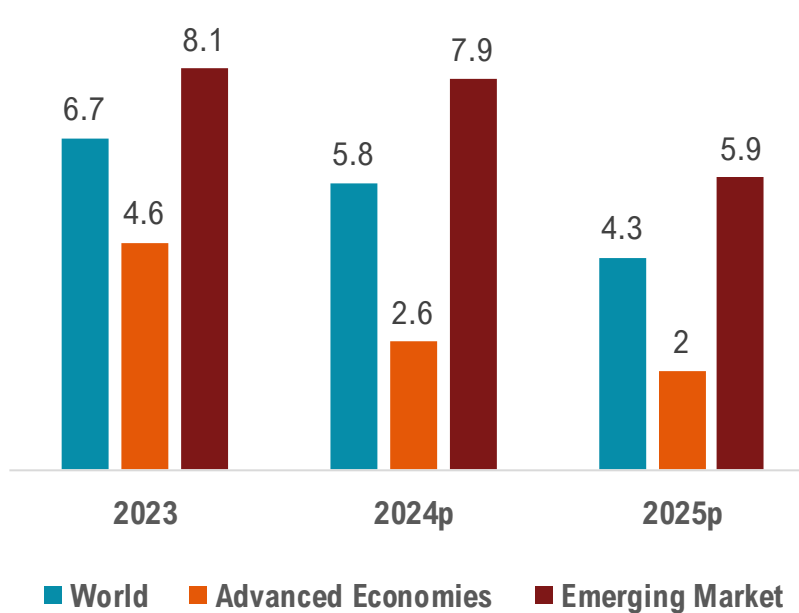
The global growth projection for 2025 is expected to slightly improve compared to 2024, with inflation starting to moderate. Although global risks causing uncertainty remain high, Indonesia remains optimistic due to strong and relatively higher growth than other economies.

Global Growth Projection (% YoY)



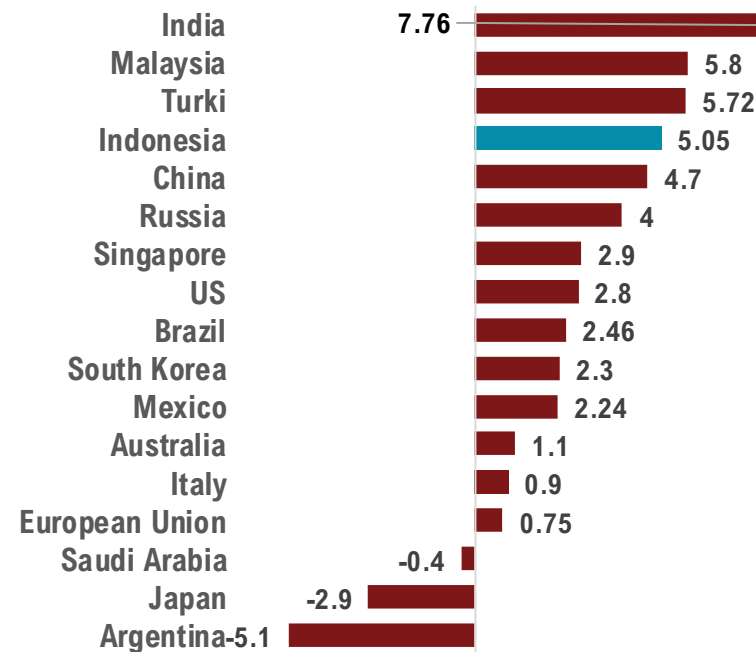
Source: WEO IMF Oct 2024, GEP WB Jun 2024, and OECD Report Feb 2024

Global Inflation Projection (% YoY)



Source: WEO IMF Oct 2024

GDP Growth Q2-2024 (% YoY)



Source: CEIC

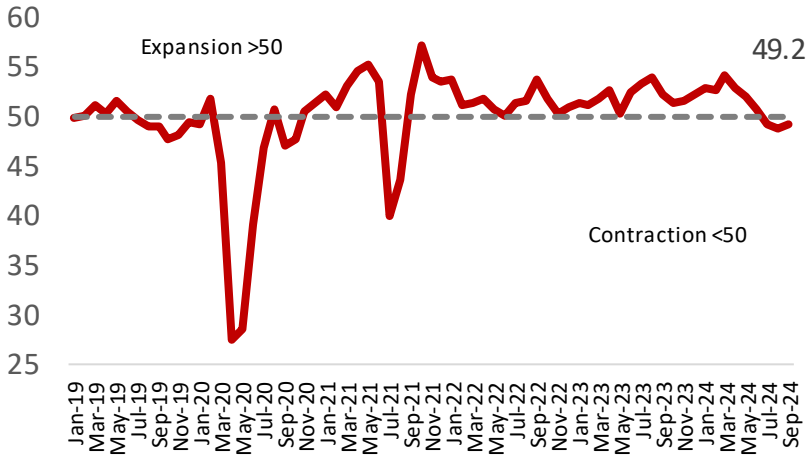
DOWNSIDE RISKS

- 1 Geopolitical tensions**
- 2 Weakening of China's Economy**
- 3 Commodity Price Volatility**
- 4 Monetary Tightening in Developed Countries**
- 5 Economic Fragmentation**
- 6 Climate Change**

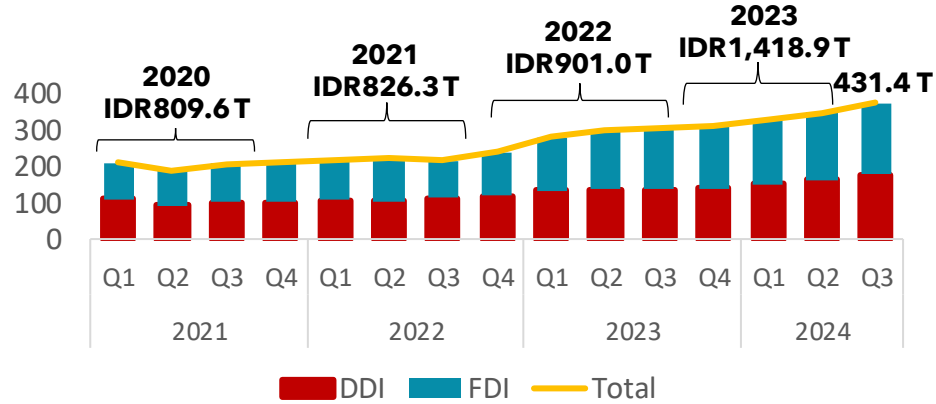
Indonesia's Leading Indicators Exhibit Favorable Outlooks



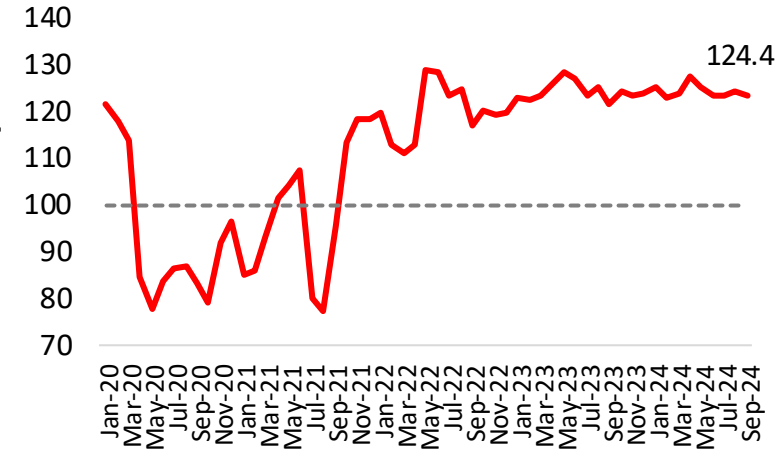
S&P Global Indonesia Manufacturing PMI



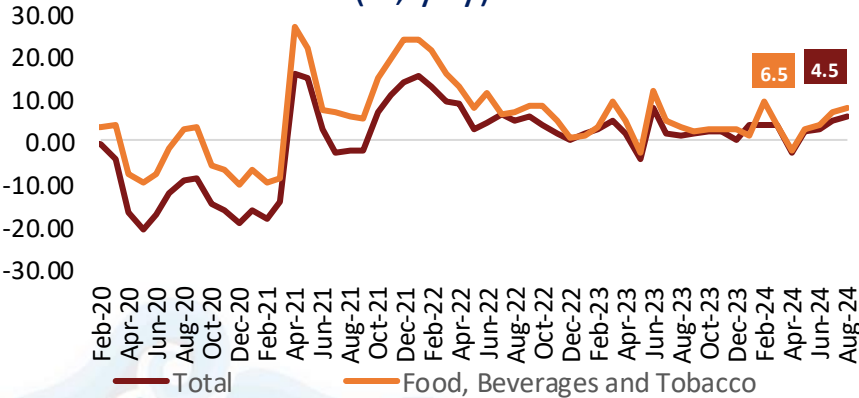
Total Investment (IDR Tn)



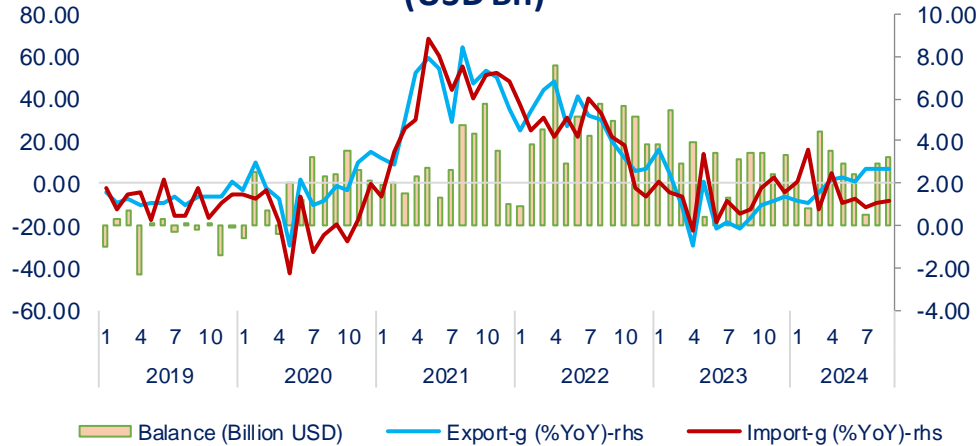
Consumer Confidence Index



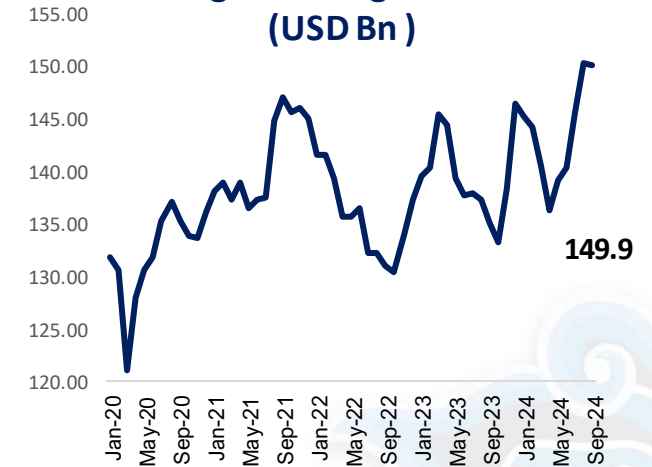
Retail Sales (% yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)



Short Term Mitigation and Policy Response Amidst Weakening Global Economic Prospect



**Geopolitical Tensions:
Fragmentation,
Protectionism, and War**

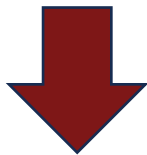


- **Increasing Economic Instability**
- **Widening of State Budget Deficit**
- **Widening the Current Account Deficit**

Risk Mitigation and Policy Response

State Budget as Shock Absorber by Boosting Domestic Demand

Maintaining Household Consumption



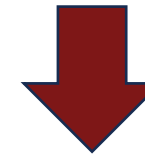
Rice assistance program for low-income families, 10 Kg/Hh/Month until June 2024 and 10 kg/Hh/2 Months until December 2024

Encouraging Investment



Stimulus to Boost Property and Automotive Industry

Sinergy of Real and Monetary Sector to Maintain the External Sector Resilience



- Issuing Presidential Decree No. 24/2023 concerning the Task Force for Increasing National Exports
- Issuing Government Regulations No. 36/2023 concerning Foreign Exchange Proceeds from Natural Resource Exports
- Expanding Local Currency Transaction (LCT) implementation
- Income Tax on Foreign Exchange from Export Earnings based on Presidential Regulation Number 22/2024

Economic Performance Remains Solid in 2024



GDP Growth Based on Expenditures (% , YoY)¹

By expenditure	2019					2020					2021*					2022**					2023***					2024		
	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3
HH. Consumption	5.02	5.18	5.01	4.97	5.04	2.83	-5.52	-4.05	-3.61	-2.63	-2.22	5.96	1.02	3.56	2.01	4.35	5.52	5.40	4.50	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91
Non profit HH. consumption	16.96	15.28	7.40	3.53	10.62	-4.99	-7.78	-1.92	-1.92	-4.21	-3.65	4.06	2.87	3.20	1.62	5.91	5.03	5.99	5.72	5.66	6.16	8.59	6.18	18.11	9.83	24.29	9.98	11.69
Government consumption	5.26	8.24	1.00	0.50	3.27	3.87	-6.51	9.81	1.93	2.12	2.59	8.29	0.69	5.24	4.25	-6.60	-4.61	-2.50	-4.72	-4.47	3.31	10.47	-3.93	2.81	2.95	19.91	1.42	4.62
Gross Fixed Cap. Formation	5.03	4.55	4.21	4.08	4.45	1.70	-8.61	-6.52	-6.17	-4.96	-0.21	7.52	3.76	4.49	3.80	4.08	3.09	4.98	3.33	3.87	2.11	4.63	5.77	5.02	4.40	3.79	4.43	5.15
Exports	-1.06	-1.23	0.88	-0.61	-0.48	0.41	-13.59	-12.72	-7.45	-8.42	2.20	28.46	20.82	22.24	17.99	14.40	16.32	19.09	14.95	16.23	11.74	-2.91	-3.91	1.64	1.32	1.44	8.18	9.09
Imports	-5.80	-5.87	-8.51	-8.10	-7.13	-6.05	-21.27	-25.03	-17.64	-17.60	5.18	33.20	31.08	32.61	24.86	16.06	13.06	25.73	6.49	15.00	4.15	-3.23	-6.75	-0.15	-1.65	1.46	7.79	11.47
GDP	5.06	5.05	5.01	4.96	5.02	2.97	-5.32	-3.49	-2.17	-2.07	-0.69	7.08	3.53	5.03	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95

GDP Growth by Sector (% , YoY)

By sectors	2019					2020					2021*					2022**					2023***					2024		
	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3
Agriculture, forestry, and fishery	1.79	5.28	3.07	4.25	3.61	0.03	2.20	2.18	2.64	1.77	3.48	0.56	1.44	2.33	1.87	1.16	1.68	1.95	4.51	2.25	0.44	2.03	1.49	1.12	1.30	-3.54	3.25	1.69
Mining and Quarrying	2.32	-0.71	2.34	0.94	1.22	0.45	-2.72	-4.28	-1.20	-1.95	-2.02	5.22	7.78	5.15	4.00	3.82	4.01	3.22	6.46	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46
Manufacturing	3.85	3.52	4.14	3.67	3.80	2.06	-6.18	-4.34	-3.14	-2.93	-1.38	6.58	3.68	4.92	3.39	5.07	4.01	4.83	5.64	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72
Construction	5.91	5.69	5.65	5.79	5.76	2.90	-5.39	-4.52	-5.67	-3.26	-0.79	4.42	3.84	3.91	2.81	4.83	1.02	0.63	1.61	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48
Wholesale and Retail Trade, Repair of Car and Motorcycle	5.22	4.62	4.40	4.19	4.60	1.50	-7.68	-5.14	-3.66	-3.79	-1.28	9.50	5.12	5.54	4.63	5.74	4.43	5.37	6.56	5.53	4.94	5.29	5.10	4.09	4.85	4.59	4.86	4.82
Transportation and Storage	5.42	5.84	6.65	7.55	6.38	1.27	-30.79	-16.71	-13.42	-15.05	-13.09	25.10	-0.72	7.93	3.24	15.79	21.27	25.80	16.99	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64
Information and communication	9.06	9.60	9.24	9.78	9.42	9.82	10.85	10.72	10.99	10.61	8.72	6.90	5.54	6.24	6.82	7.15	8.06	6.94	8.72	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.86
Financial service	7.23	4.50	6.16	8.51	6.61	10.63	1.06	-0.95	2.37	3.25	-2.97	8.33	4.29	-2.59	1.56	1.64	1.50	0.87	3.76	1.93	4.45	2.86	5.24	6.56	4.77	3.91	7.90	5.49
Other Services*	6.79	7.30	6.40	6.18	6.66	4.62	-6.26	-1.44	-1.71	-1.24	-2.52	9.83	-0.84	3.43	2.35	3.33	4.03	7.87	4.94	5.03	4.55	7.08	3.34	4.88	4.97	9.45	5.58	5.64
GDP	5.06	5.05	5.01	4.96	5.02	2.97	-5.32	-3.49	-2.17	-2.07	-0.69	7.08	3.53	5.03	3.70	5.02	5.46	5.73	5.01	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95

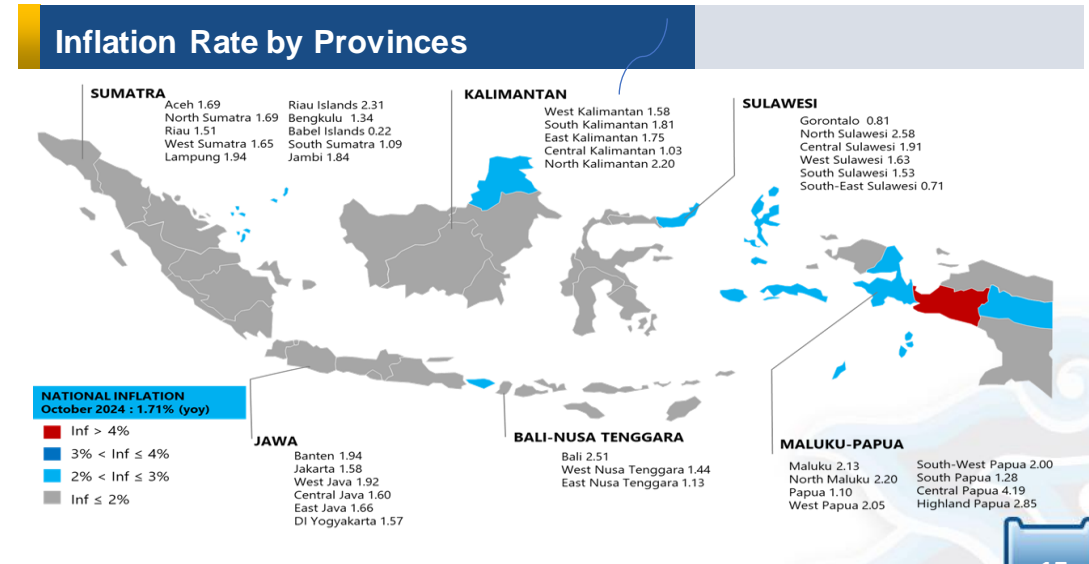
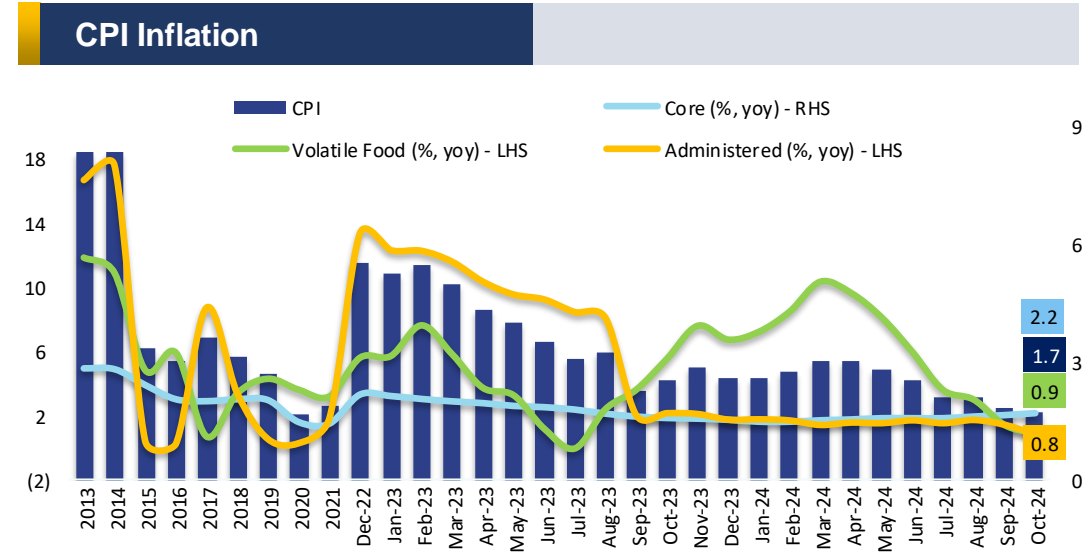
Source: Central Bureau of Statistics of Indonesia (BPS)

*Other services consist of 10 sectors (according to Standard National 2008)

Inflation Remains Under Control Within The Target Corridor



- Consumer Price Index (CPI) inflation in October 2024 was recorded at 1.7% (yoy) down from 1.8% in September 2024, maintained within the 2.5±1% target corridor.
- Volatile food has been decreasing since March 2024.
 - Core inflation slightly increased to 2.2 % (yoy).
 - Volatile food (VF) inflation continued falling to 0.9% (yoy) from 1.4% (yoy) the month earlier.
 - Administered prices decreased to 0.8% (yoy) from 1.4 (yoy) in September 2024
- Moving forward, Bank Indonesia is confident that CPI inflation will remain under control and within the target corridor.
 - Core inflation is projected to remain manageable in line with anchored inflation expectations, massive economic capacity in response to domestic demand, low imported inflation in line with Rupiah stability by Bank Indonesia, as well as the positive impact of digitalisation.
 - Bank Indonesia also expects volatile food inflation to remain manageable, underpinned by inflation control synergy between Bank Indonesia and the (central and regional) Government.



2024 Inflation Projection

Institutions	Inflation (%yoy) 2024
2024 Budget	2.8
Bank Indonesia	2.5%±1%
Consensus Forecast (Oct 2024) – average	2.5
IMF (WEO, October 2024) – end of period	2.5
ADB (Asian Development Outlook, September 2024)	2.8

*According to inflation data published by BPS-Statistics Indonesia based on the Cost-of-Living Survey (SBH) using 2022 as the new base year

Synchronized Policies to Strengthen Inflation Controlling Efforts



Indonesia's inflation achievements in 2022 and 2023 resulted from solid coordination and synergy between various institutions through TPIP-TPID. **The 4K strategy and synchronized policies will continue to be implemented in 2024 to ensure inflation within the target range.**

MONETARY POLICY

Support for pro-stability and pro-growth monetary policies

- Stabilization of the Rupiah exchange rate through intervention in the foreign exchange market on spot transactions, Domestic Non-Deliverable Forward (DNDF), and Government Securities (SBN) in the secondary market;
- Monetary operations including optimization of Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Currency Securities (SVBI), and Bank Indonesia Foreign Currency Sukuk (SUVBI)



FISCAL POLICY

Optimization of State Budget as shock absorbers

- Energy Subsidies and Compensation
- Food Security Budget including optimization of Government Rice Reserves (SPHP distribution)
- Social Assistance Program, including food assistance
- Fiscal Incentives allocation for controlling regional inflation
- Food distribution facilitation
- Optimization of APBD and BTT

INFLATION CONTROL EFFORTS

K1

Price Affordability



- Improving the implementation of cheap market operations/easy food movements and the Food Supply and Price Stabilization (SPHP) program
- Food assistance, social protection, subsidies and energy compensation

K2

Supply Availability



- Strengthening Government Food Reserves (CPP) → CBP is maintained at around 1.2 million tons throughout the year
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3

Smooth Distribution



- Facilitating the distribution of strategic food commodities
- Optimizing the sea toll program to reach 3TP areas
- Providing assistance for logistics costs

K4

Effective Communication



- Orchestration of TPID for regional inflation control efforts by the Ministry of Home Affairs through weekly coordination meetings
- Implementation of TPIP-TPID Coordination Meetings per region which are carried out back to back with GNPIP.



INFLATION REALIZATION 2023

2.61%

(within 3.0±1% target)

CPI INFLATION
2024: 2.5±1%

- Maintaining core inflation
- Maintaining volatile food inflation between 3-5%
- Managing administered price inflation



President's Directions on Inflation Control Strategy

1

Strengthening food production by optimizing irrigation infrastructure to anticipate the impact of climate change.

2

Accelerating the application of research-based technology in supporting agricultural digitalization (smart agriculture).

3

Encouraging investment to increase the added value of agricultural products.

4

Upgrading Integrated logistics systems and infrastructure to support smooth distribution and efficient supply chains between regions.

5

Strengthening synergy and coordination between central and regional institutions to support inflation control efforts.

Fiscal Incentives to Boost the Economy



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

TAX HOLIDAY & MINI TAX HOLIDAY

- The criteria are new investment, taxpayers including pioneer industries, and income received from the main business activities carried out.
- There are 18 eligible pioneer industries that consist of 169 KBLI. Pioneer industries are defined as industries possessing broad linkages, giving added value and high externality, introducing new technology, as well as possessing strategic value for the national economy.
- Income tax reduction are 100% & 50% (mini tax holiday) during the next 2 (two) years subsequent to the end of the CIT reduction periods above, the taxpayers are eligible for half of the CIT reduction percentages

TAX ALLOWANCE

- To increase direct investment activities for certain business fields and / or in certain areas.
- The facilities include a reduction in net income of 30% of the total investment for six years, accelerated depreciation and amortization, imposition of income tax on dividends paid to foreign tax subjects of 10% or lower and compensation for losses of up to 10 years.
- The criteria are having a high investment value or for export, a large absorption of labor; or have a high local content.

INVESTMENT ALLOWANCE

- To encourage investment in labor-intensive industries, supporting programs for job creation and absorption of Indonesian workers.
- Deduction from net income, of 60% of the amount invested in tangible fixed assets, including land, that are used for the taxpayer's main business activities. The deduction is spread over six years (10% annually), starting from the fiscal year the commercial production commences
- There are 45 labor-intensive industrial sectors and employ an average of 300 workers in 1 tax year.

SUPER DEDUCTION TAX

Super Deduction Vocational

- Engaging industry in vocational activities to provide knowledge and encourage the transfer of knowledge
- A maximum reduction of 200% gross income from costs in the context of providing work practice, apprenticeship, and / or learning activities.

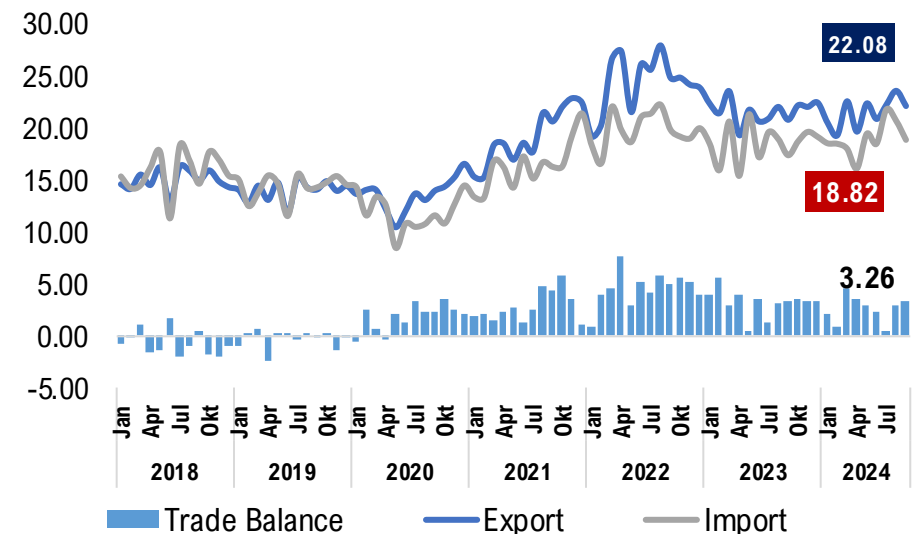
R & D Super Deduction

- Increase the role of industry in fostering innovation and the use of the latest technology in the production process
- Maximum gross income deduction of 300% over R&D costs carried out in Indonesia

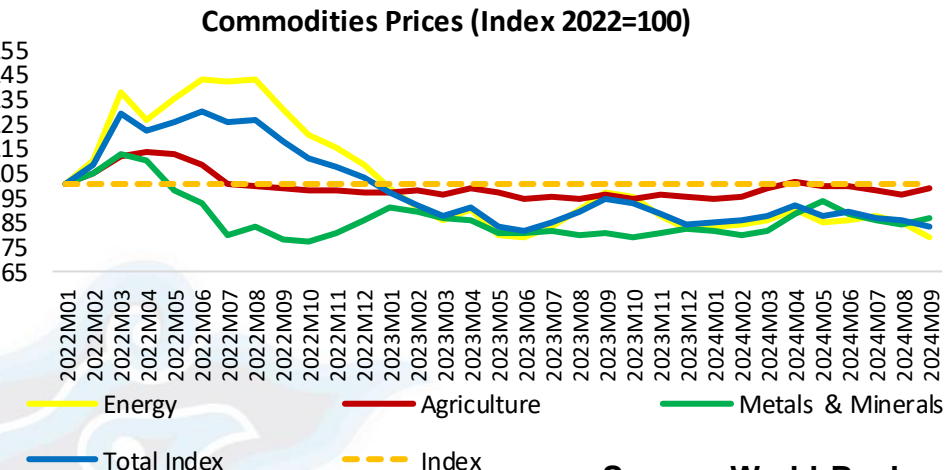


Task Force for Increasing National Exports to Strengthen Trade Balance

Performance of Indonesia's Export – Import (Billion USD)



Commodities Prices Volatility



Source: World Bank

VISION



TARGET



WORKING GROUP



DRIVERS






Outlook of Domestic Economy Remains Solid

...strong economic growth projected to further accelerate in 2024 amid global uncertainty



2024 Economic Outlook

- The government set economic growth at 5.2% as per the macro assumptions of the 2024 State Budget, align with Bank Indonesia forecast on economic growth at the range of 4.7-5.5% in 2024.
- Inflation will remain under control in the range of 2.5%±1% in 2024.
- Bank Indonesia projects the Balance of Payment (BOP) to remain sound, supported by a manageable current account in the range of 0.1% to 0.9% deficit of GDP in 2024.
- Bank Indonesia projects credit growth will accelerate to 10%-12% in 2024

	 Economic Growth	π Inflation	 CAD (% of GDP)	 Credit Growth
2019 Realization	5.02%	2.72%	2.71%	6.08%
2020 Realization	-2.07%	1.68%	0.4%	-2.4%
2021 Realization	3.69%	1.87%	surplus 0.3%	5.24%
2022 Realization	5.31%	5.51%	surplus 1.0%	11.35%
2023 Realization	5.05%	2.61%	deficit 0.14%	10.38%
2024	5.2%*) 4.7-5.5%**)	2.5 ± 1%	Deficit 0.1% - Deficit 0.9%	10-12%

Indonesia's 2024 Economic Growth Forecasts by Various Institutions

Institutions	GDP growth 2024 (%)
2024 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (Oct 2024)	5.0
World Bank (GEP, June 2024)	5.0
IMF (WEO, October 2024)	5.0
ADB (Asian Development Outlook, September 2024)	5.0

*) As stipulated in 2024 Budget Law

**) BI Projection



Section 3

External Sectors

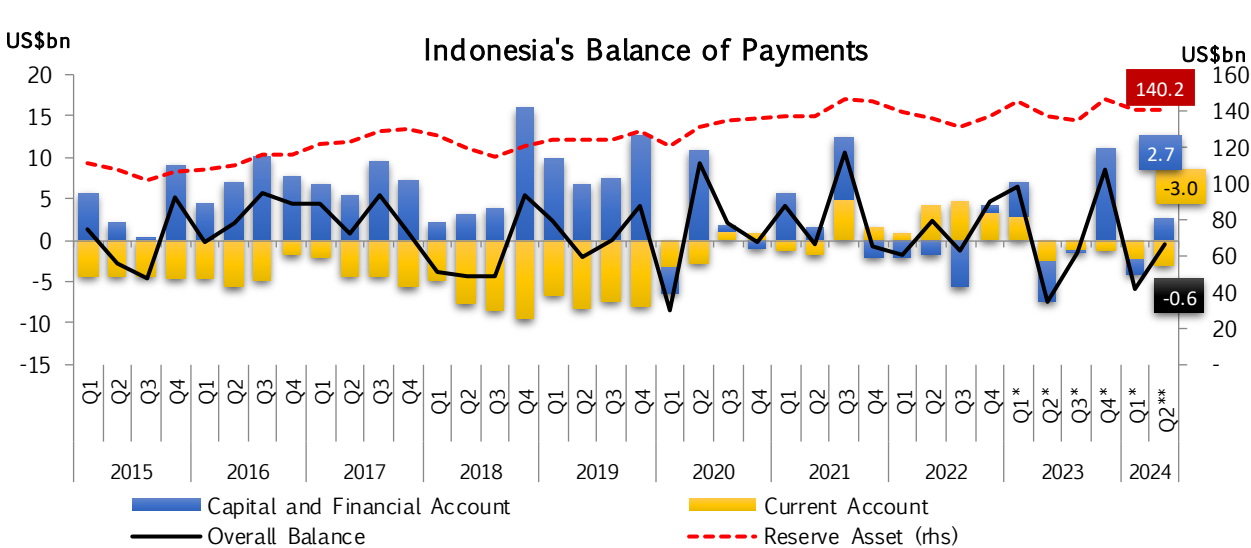
“Strong External Resilience Supported by Adequate Reserves and Sound Balance of Payments”

External Sector Remains Resilient

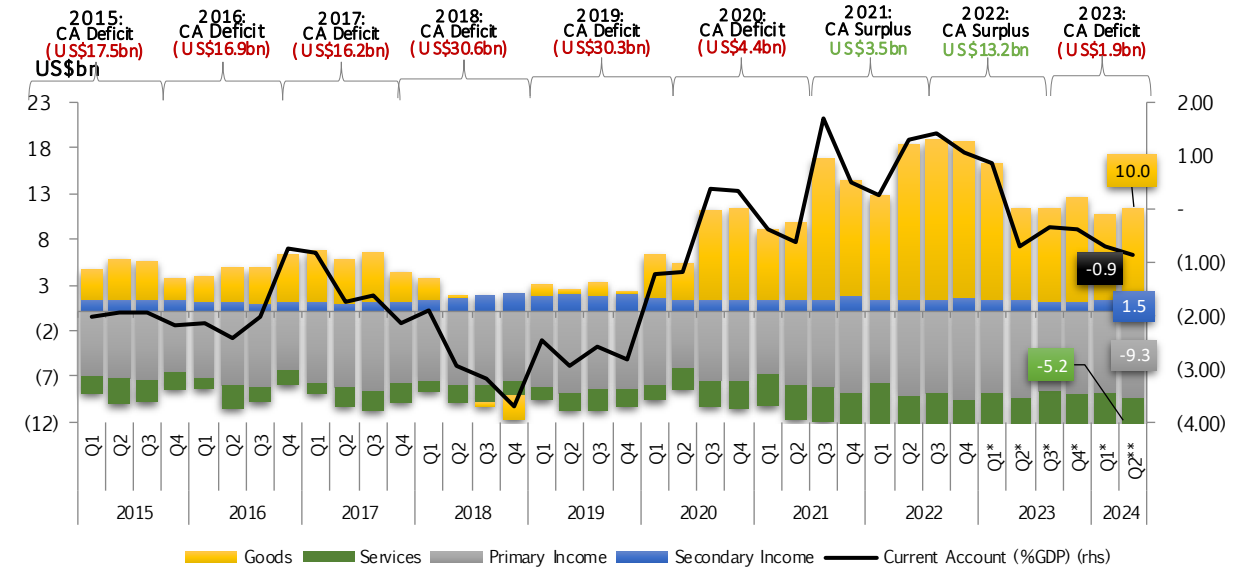
... Supported by Adequate Reserves and Sound Balance of Payments



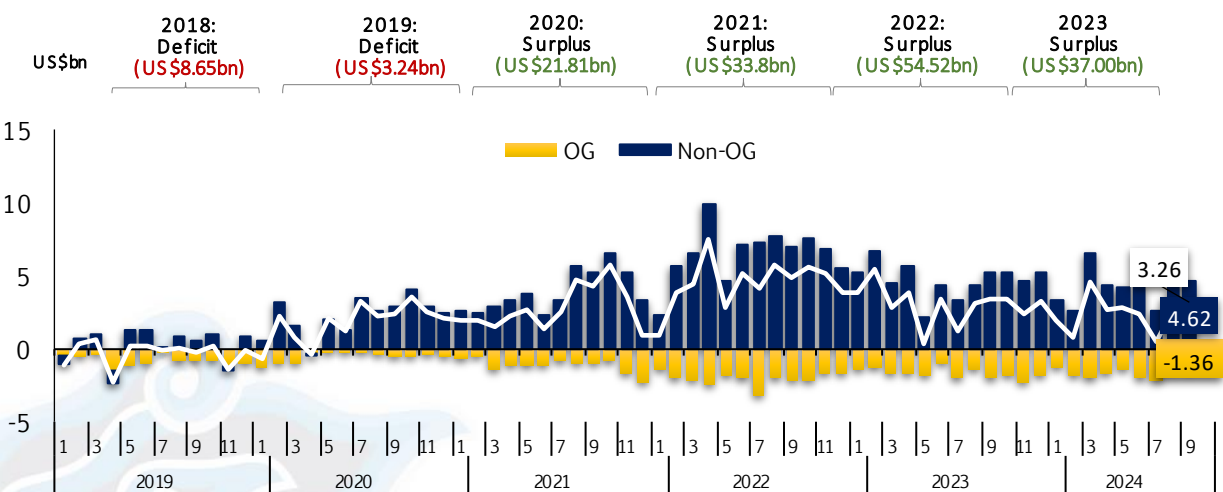
Balance Of Payment Remains Solid



Current Account Recorded Low Deficit

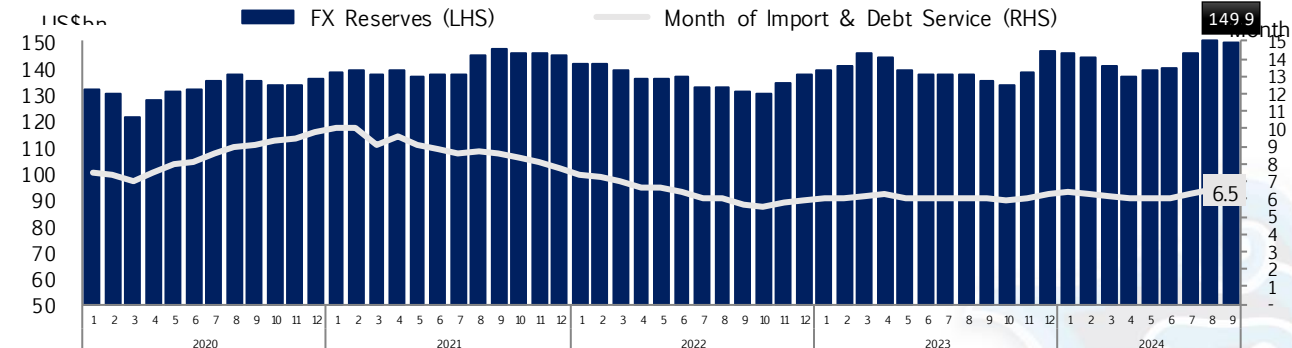


Trade Balance Surplus Continues



Official Reserve Assets Increased to Reinforce External Sector Resilience

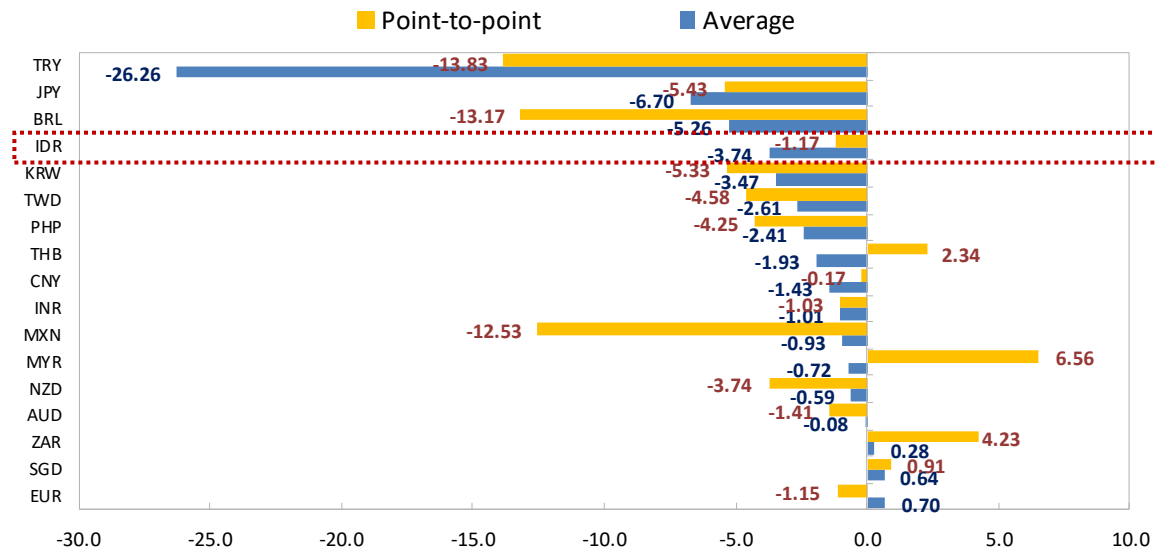
FX Reserves as of September 2024: US\$149.9bn
(Equiv. to 6.4 months of imports financing + servicing of government debt)



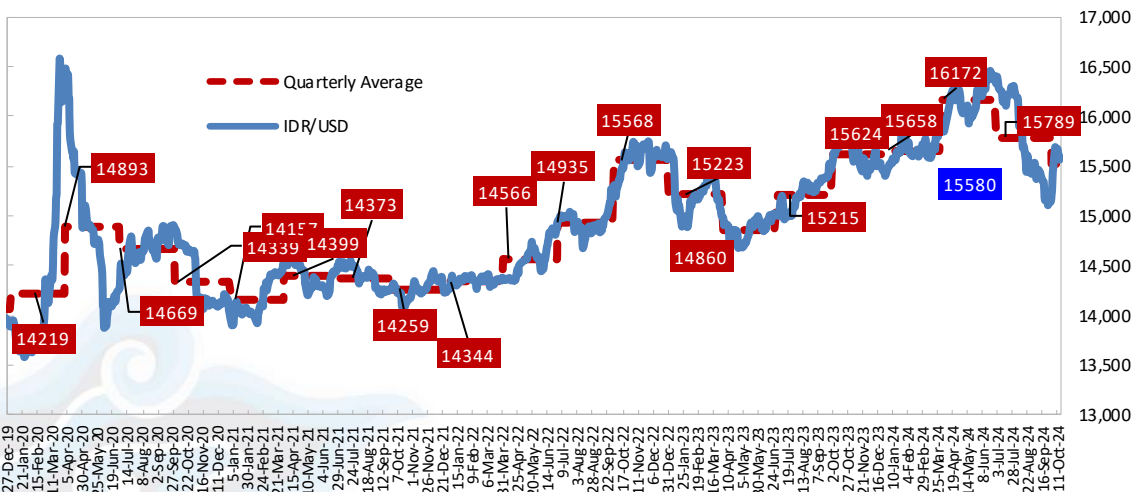
Exchange Rate Movement In Line With BI Stabilization Measures



Rupiah Exchange Rate Volatility



Movement of Rupiah



- Rupiah stability has been maintained in line with the policy commitments implemented by Bank Indonesia. The Rupiah in October 2024 (as of 15th October 2024) depreciated 2.82% (ptp) on the previous month, primarily due to increasing global uncertainty triggered by escalating geopolitical tensions in the Middle East. Compared to the level recorded at the end of December 2023, however, the Rupiah has only depreciated by 1.17%, compared with 4.25%, 4.58% and 5.62% for the Philippine peso, Taiwan dollar and Korean won, respectively.
- Moving forward, the Rupiah exchange rate is projected to remain stable in line with attractive yields, low inflation and the promising economic growth outlook for Indonesia, as well as Bank Indonesia's firm policy commitments to maintain economic stability.
- Bank Indonesia continues optimising the full panoply of monetary instruments available, which includes strengthening its pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments to boost policy effectiveness in terms of attracting foreign capital inflows and supporting efforts to strengthen the Rupiah exchange rate.

Ample Lines of Defense Against External Shocks

Bilateral, multilateral and regional international financial cooperation are also resulting in more ample lines of defense against external shocks



Ample Reserves

FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of of Sept 2024: **US\$149.9 bn**

Swap Arrangement

Bilateral

Japan

- Renewed a 3-year USD22.76 billion swap line with Japan in October 2024
- The facility is available in USD and JPY

Singapore

- Renewed a 1-year SGD/IDR swap arrangement with the size up to SGD 9.5 bn / IDR 100 tn (equivalent) in November 2023

China

- Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 250 bn / IDR 550 tn (equiv.) in January 2022

Malaysia

- Renewed a 5-year RM/IDR swap arrangement with a size up to RM 24 billion / IDR 82 trillion (equiv.) in October 2024

Korea

- Renewed a 3-year BCSA with the Republic of Korea amounting to KRW10.7 trillion or Rp115 trillion (equiv) in March 2023

Regional

Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement
- Came into effect in 2010 with a pool of US\$120 bn
- Doubled to US\$240 bn effective July 2014

Global

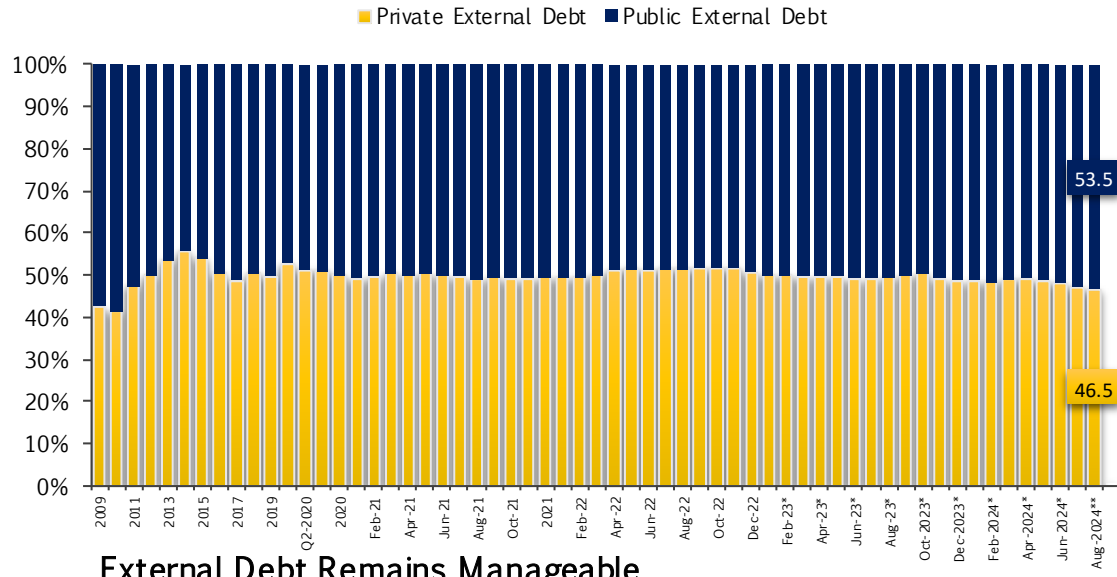
IMF Global Financial Safety Net - GSFN

- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

Healthy External Debt Profile

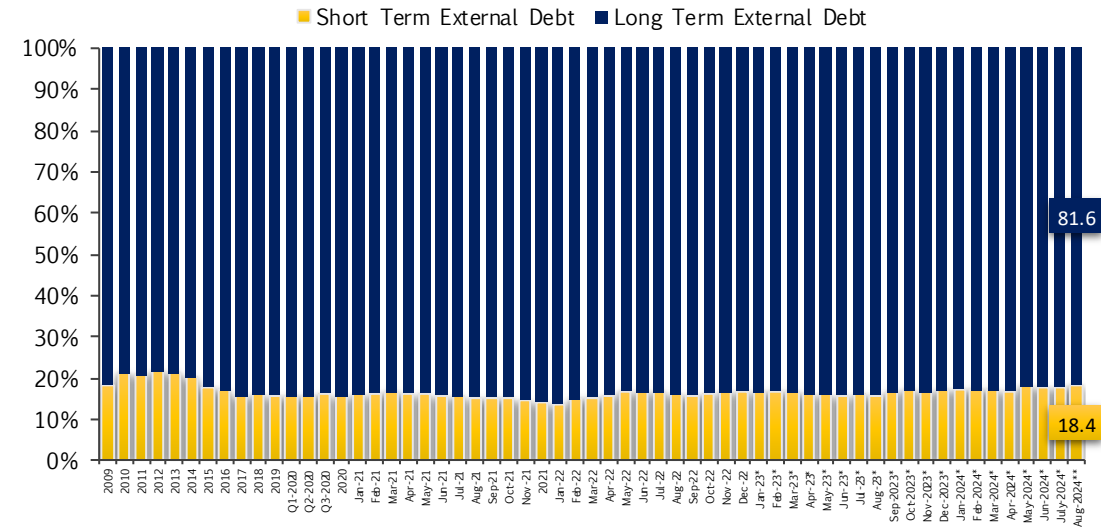


External Debt Structure

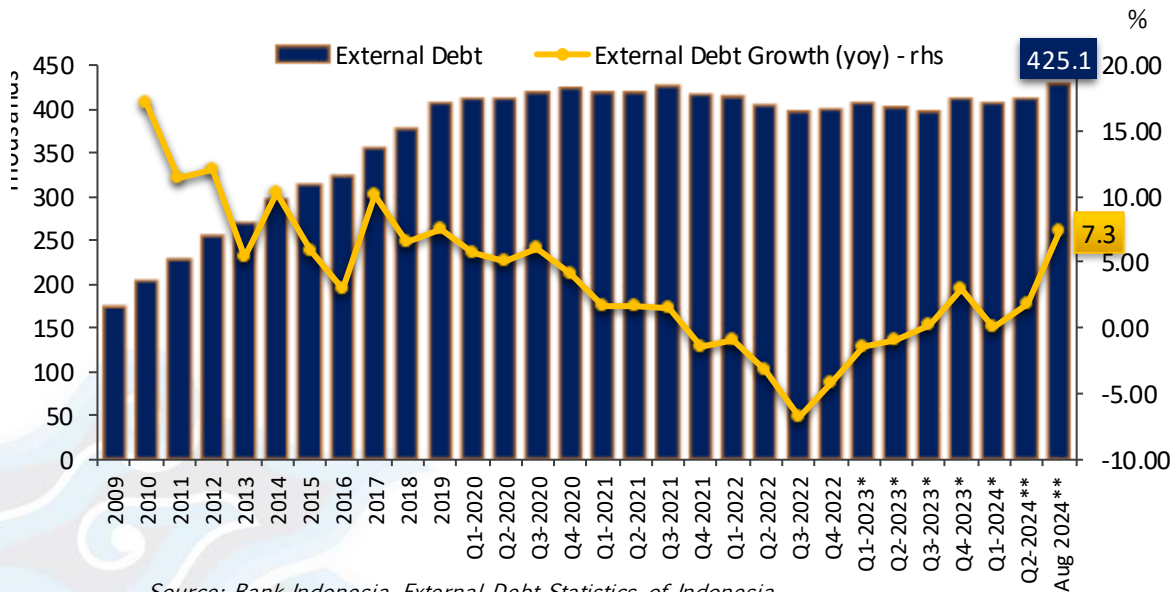


External Debt Remains Manageable

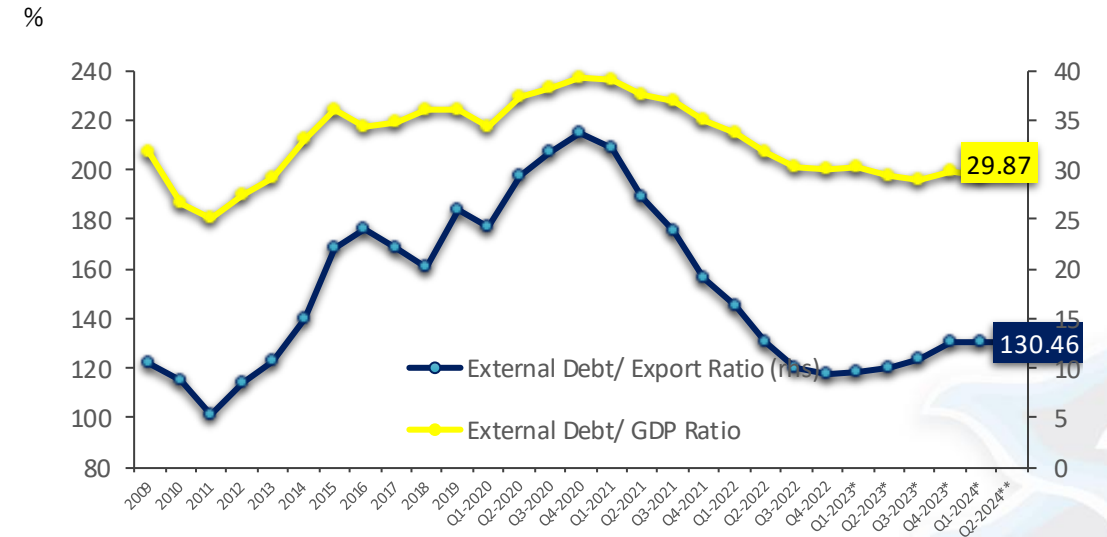
The Structure of External Debt is Dominated by Long-Term Debt



External Debt to GDP Ratio & Debt to Export Ratio



Source: Bank Indonesia, External Debt Statistics of Indonesia



*Provisional Figures

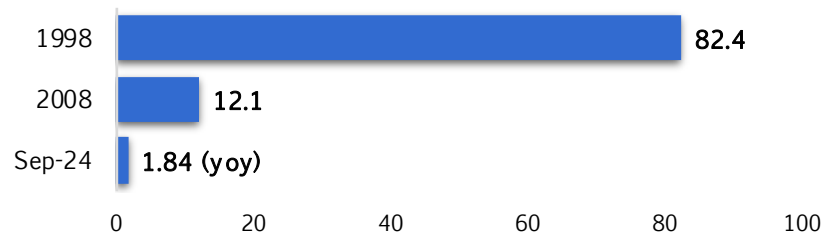
**Very Provisional Figures

Solid Fundamentals Facing the Headwinds



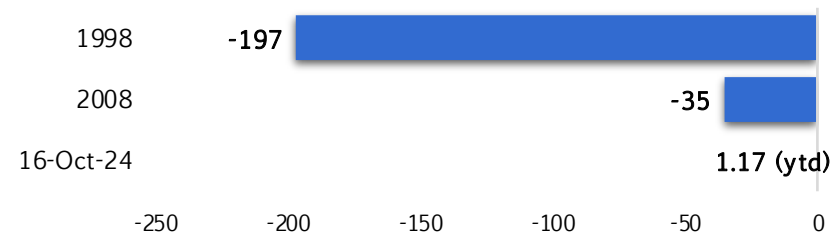
Inflation Rate

Inflation remains under control within the target range



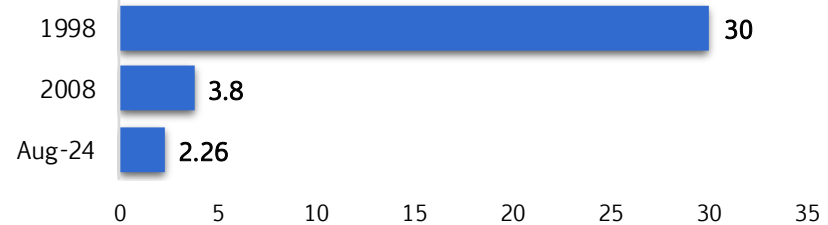
IDR Movement

IDR movement year-to-date exceeding Other developing economies currency performance



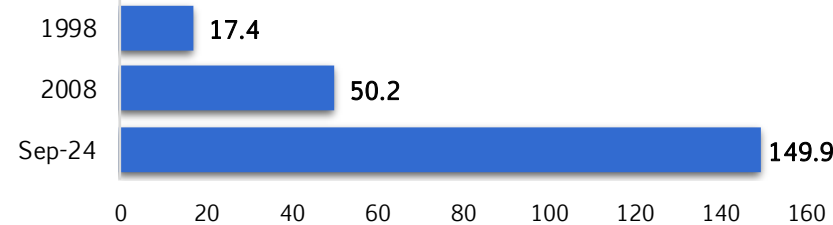
Non-Performing Loan / NPL (%)

NPL level (gross) is below the maximum threshold of 5%



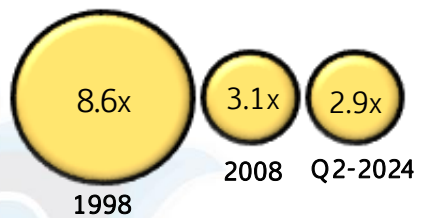
Foreign Reserves (USD bn)

Significantly higher than 1998 & 2008, ample to cover 6.1 months of import and external debt repayment



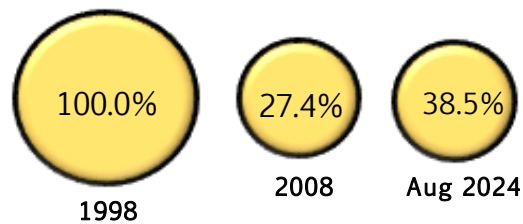
External Debt (Public & Private) to FX Reserve Ratio

Significantly lower than 1998 crisis



Government Debt*/GDP

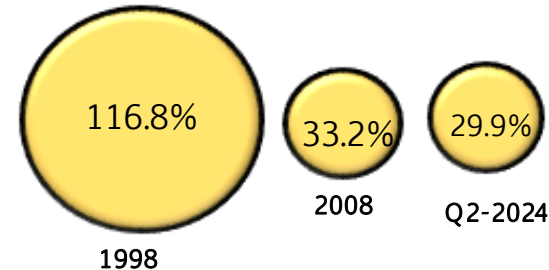
Consistently well-maintained



*) Domestic & Forex

External Debt/GDP

Significantly lower than 1998 crisis

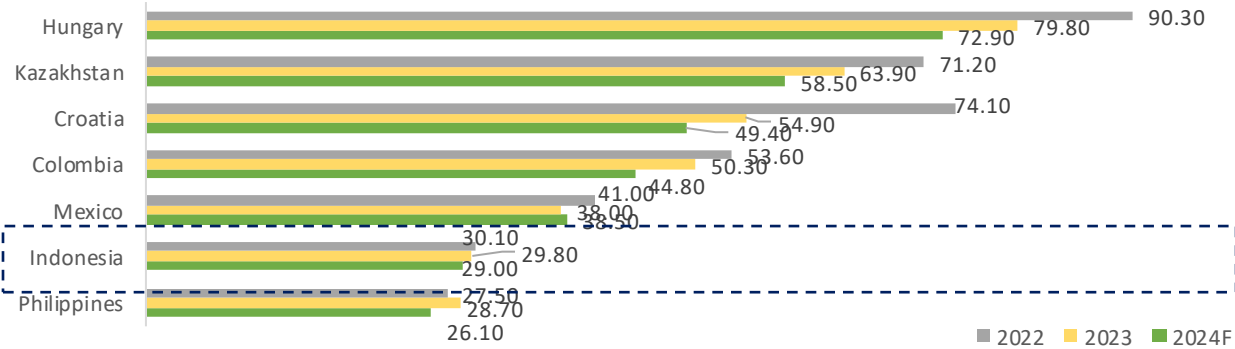


Strengthened Private External Debt Risk Management



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

External Debt/GDP (%)



Source: Moody's Credit View Fundamental Data, May 2024

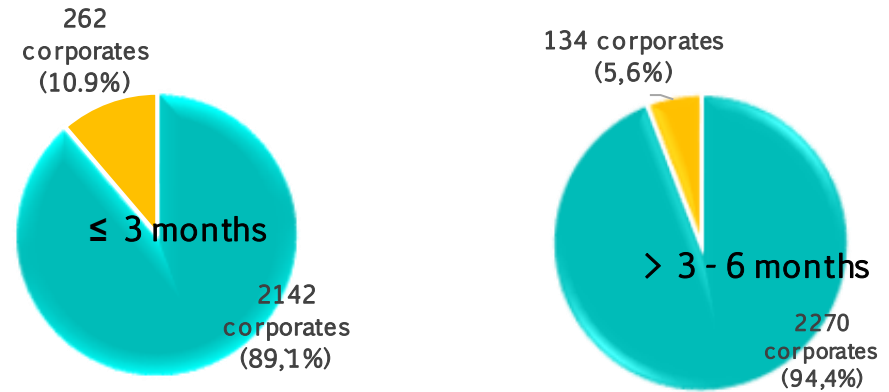
Regulation on Prudential Principle in Managing External Debt

Regulation Key Points	1 Jan 17 & beyond
Object of Regulation	Governs all foreign currency Debt
Hedging Ratio	
≤ 3 months	25%
> 3 – 6 months	25%
Liquidity Ratio (≤ 3 months)	70%
Credit Rating	Minimum rating of BB- (State-owned Enterprises)
Hedging transaction to meet hedge ratio	Must be done with a bank in Indonesia
Sanction	Applied

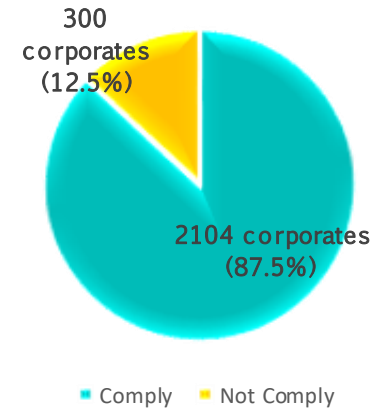
Source: Bank Indonesia

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio

Hedging Ratio*



Liquidity Ratio*



*Data as of Q1-2024, with total population 2,404 corporates
Source: Bank Indonesia



Section 4

Fiscal

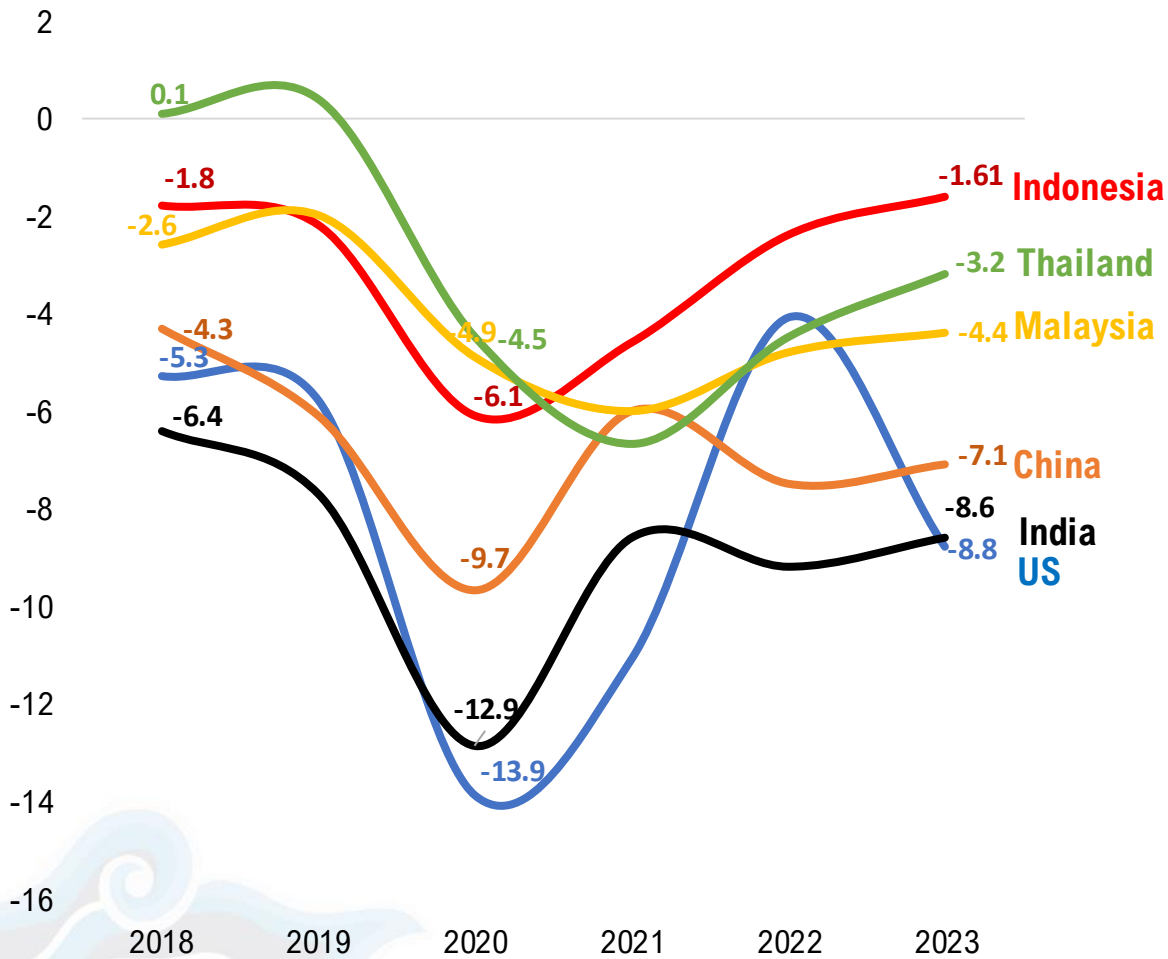
*“Solid Budget Performance with Strong
Commitment to Maintain Fiscal
Credibility”*

Indonesia is Among Few Countries with Improving Fiscal Position

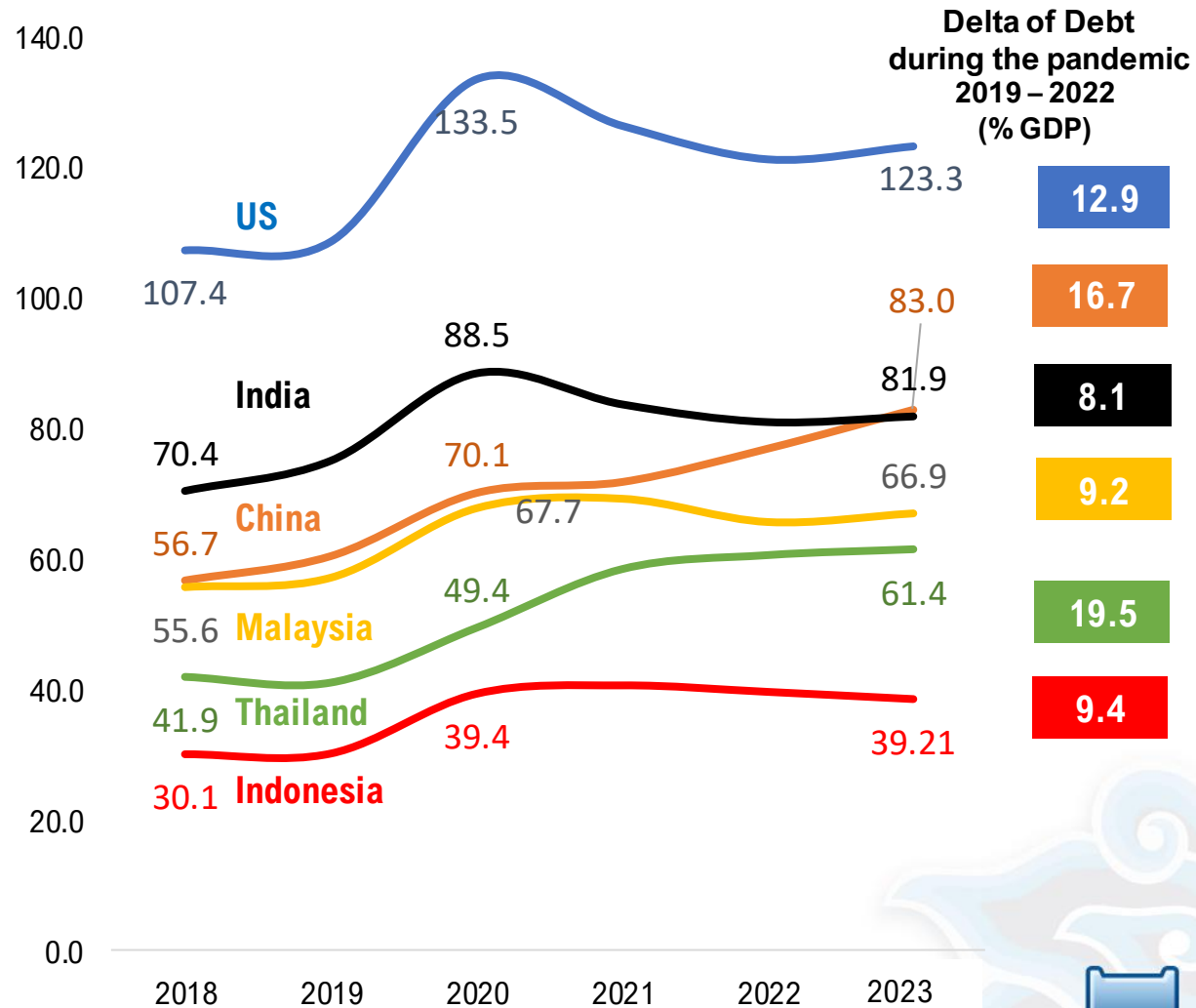
During the pandemic, the deficit was substantially widened, but quickly improved with stronger economic activities



Fiscal Deficit Before and After the Pandemic (% GDP)



Debt Ratio Before and After the Pandemic (% GDP)



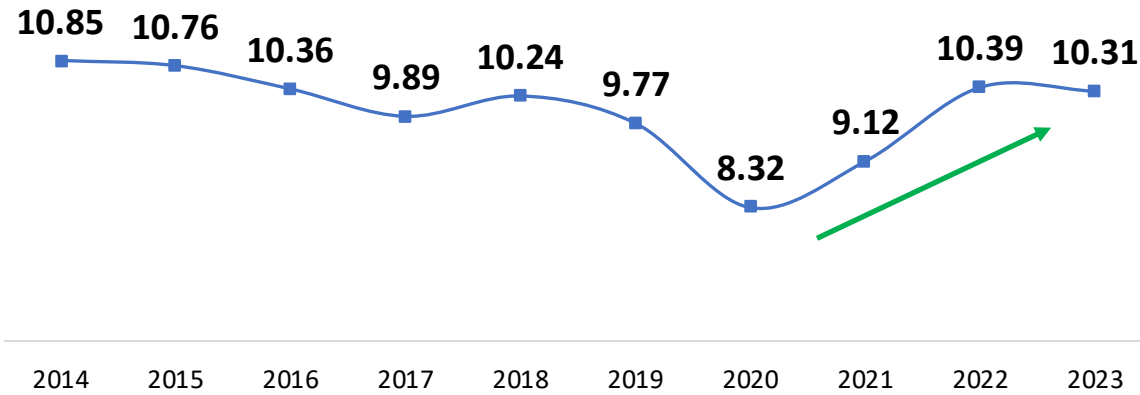
Source: IMF Fiscal Monitor Oct '23 & MoF, processed

Overall Fiscal Position Continued to Improve

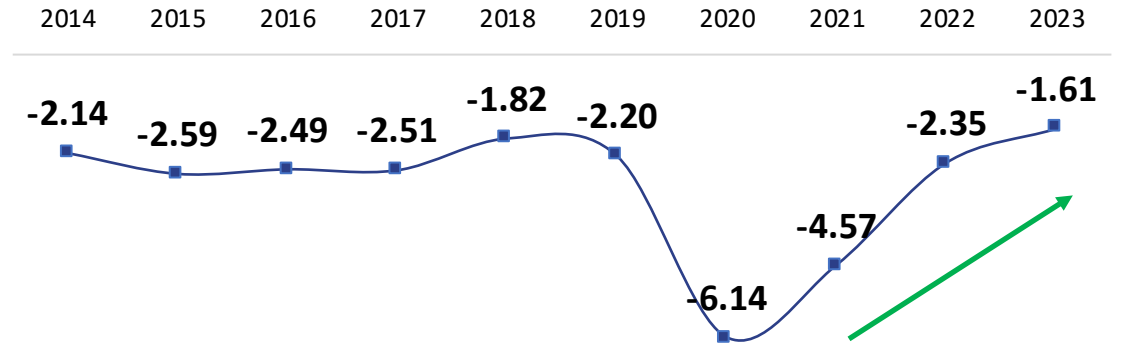


Continue robust economy growth and tax reform has been able to offset the adverse impact of the moderating commodity prices

Tax ratio increases in line with stronger recovery (% GDP)



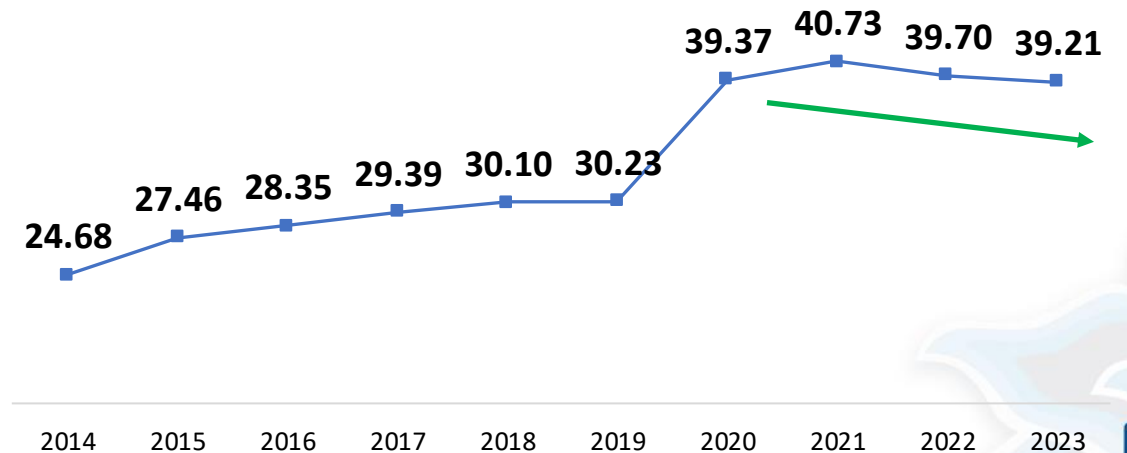
Overall budget position improved significantly (% GDP)



Surplus Primary Balance (% GDP)



Debt Ratio Declines (% of GDP)



2024 Budget Performance is Well Maintained

Supported by Optimal Government Expenditure

as of August 2024

1

REVENUE
IDR1,777.0 T
(63.4% of target)

▼ 2.5% (yoy)



2

EXPENDITURE
IDR1,930.7 T
(58.1% of budget)

▲ 15.3% (yoy)



3

BUDGET DEFICIT
IDR153.7 T
(-0.68% GDP)

PRIMARY BALANCE
IDR161.8 T



2024 Budget Performance

Focused on Expediting Inclusive and Sustainable Economic Transformation



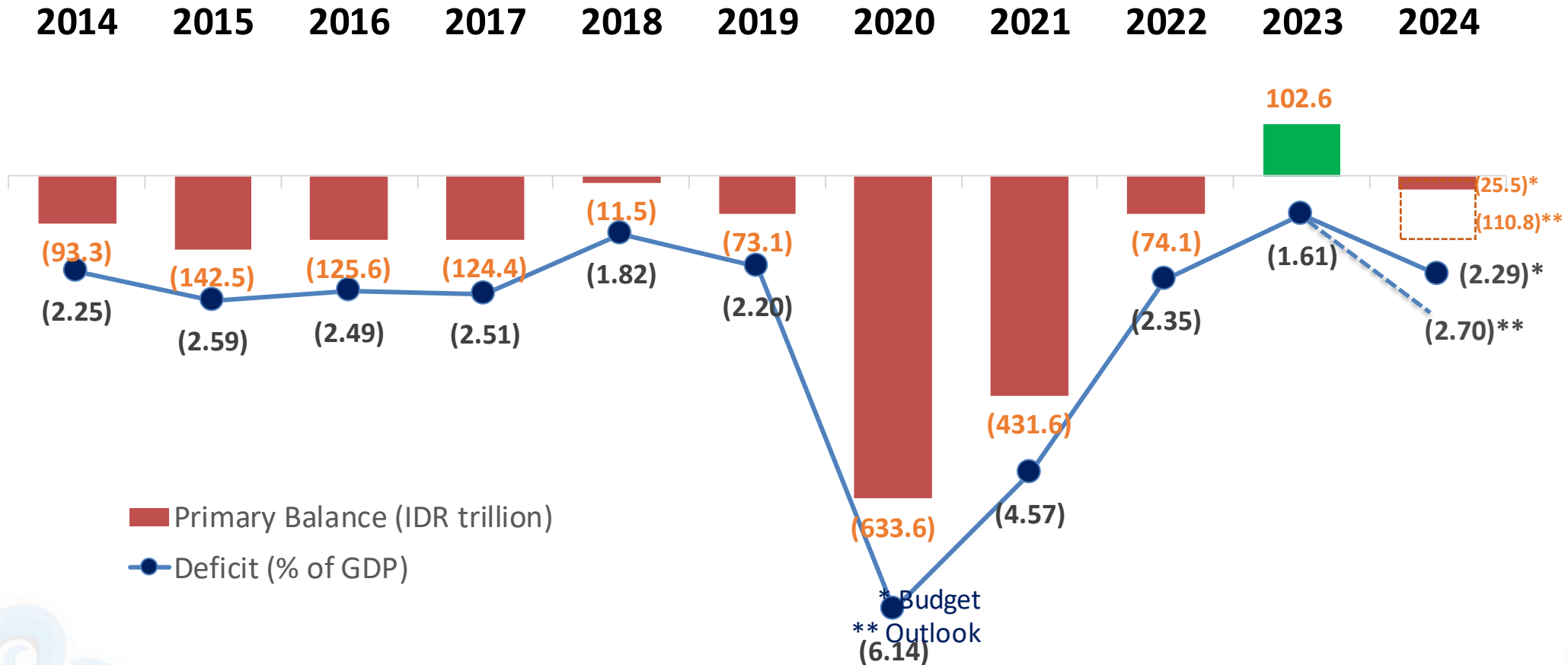
Account (IDR Tn)	2023				2024			
	Budget	Real. as of August 31	Growth (%)	Audited	Budget	Real. as of August 31	% to Budget	Growth (%)
Revenue	2,637.2	1,822.1	3.3	2,783.9	2,802.3	1,777.0	63.4	(2.5)
Tax Revenue	2,118.3	1,418.5	2.9	2,154.2	2,309.9	1,379.8	59.7	(2.7)
1. Tax	1,818.2	1,247.0	6.4	1,867.9	1,988.9	1,196.5	60.2	(4.0)
2. Costume and Excise	300.1	171.6	(16.8)	286.3	321.0	183.2	57.1	6.8
Non Tax Revenue	515.8	403.0	4.4	612.5	492.0	383.8	78.0	(4.8)
Expenditure	3,117.2	1,674.7	1.1	3,121.2	3,325.1	1,930.7	58.1	15.3
Central Government Expenditure	2,302.5	1,170.8	(0.6)	2,239.8	2,467.5	1,368.5	55.5	16.9
1. Line Ministries Spending	1,000.8	581.6	1.0	1,152.2	1,090.8	703.3	64.5	20.9
2. Non-Line Ministries Spending	1,301.6	589.1	(2.2)	1,087.6	1,376.7	665.2	48.3	12.9
Transfer to Region	814.7	503.9	5.2	881.4	857.6	562.1	65.5	11.6
Primary Balance	(38.5)	422.3	23.3	102.6	(25.5)	161.8	(634.5)	(61.7)
Surplus (Deficit)	(479.9)	147.5	36.7	(337.3)	(522.8)	(153.7)	29.4	(204.2)
<i>% to GDP</i>	<i>(2.27)</i>	<i>0.71</i>		<i>(1.61)</i>	<i>(2.29)</i>	<i>(0.68)</i>		
Financing	479.9	161.1	(44.0)	356.7	522.8	291.9	55.8	81.2

State Budget Deficit 2,70% GDP

State Budget Deficit Decreases in Line with Fiscal Consolidation to Support Fiscal Sustainability



Primary Balance and Deficit to GDP 2014 - 2024





Social Security

- **PKH IDR17.7 T** for 10mio family beneficiaries
- **Staple Food Card IDR28.0 T** for 18.7mio family beneficiaries



Education

- **Indonesia Smart Program IDR8.9 T** for 11.2mio students
- **Indonesia Smart Card for Higher Education IDR7.0 T** for 875.0K students
- **School Operational Assistance (Ministry of Religious Affairs) IDR7.4 T**, for 6.4mio students
- **Operational Assistance for State Universities IDR 3.6 T**, for 197 Universities



Infrastructure

Infrastructure Development/Rehabilitation IDR94.1 T, including roads, bridges, railway tracks, airports, ports, dams, irrigation networks, water supply systems, apartment complexes, higher education buildings, and satellite capacity



Health

- **National Health Insurance Contribution Assistance Beneficiaries IDR27.0 T** for 96.7mio participants



Energy Affordability

- **Fuel Subsidy IDR10.4 T** for 8.66mio KL
- **LPG 3 Kg Subsidy IDR40.4 T** for 4.02mio MT



Agriculture

- **"Pre-harvest agricultural machinery and equipment assistance (Tractor, Water Pump, Hand Sprayer, and Rice Transplanter) IDR1.0 T** for 42,391 unit
- **Fertilizer subsidy IDR6.3 T** for 3.8mio ton fertilizers



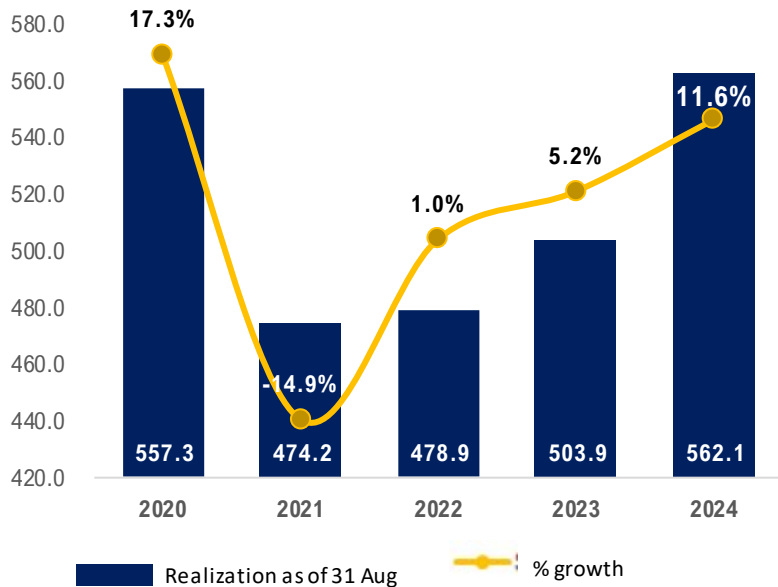
SMEs

- **KUR interest rate subsidy IDR18.1 T** for 2.8mio debtors

The Support of the National Budget to Regional Budgets through Transfer to Region Increases

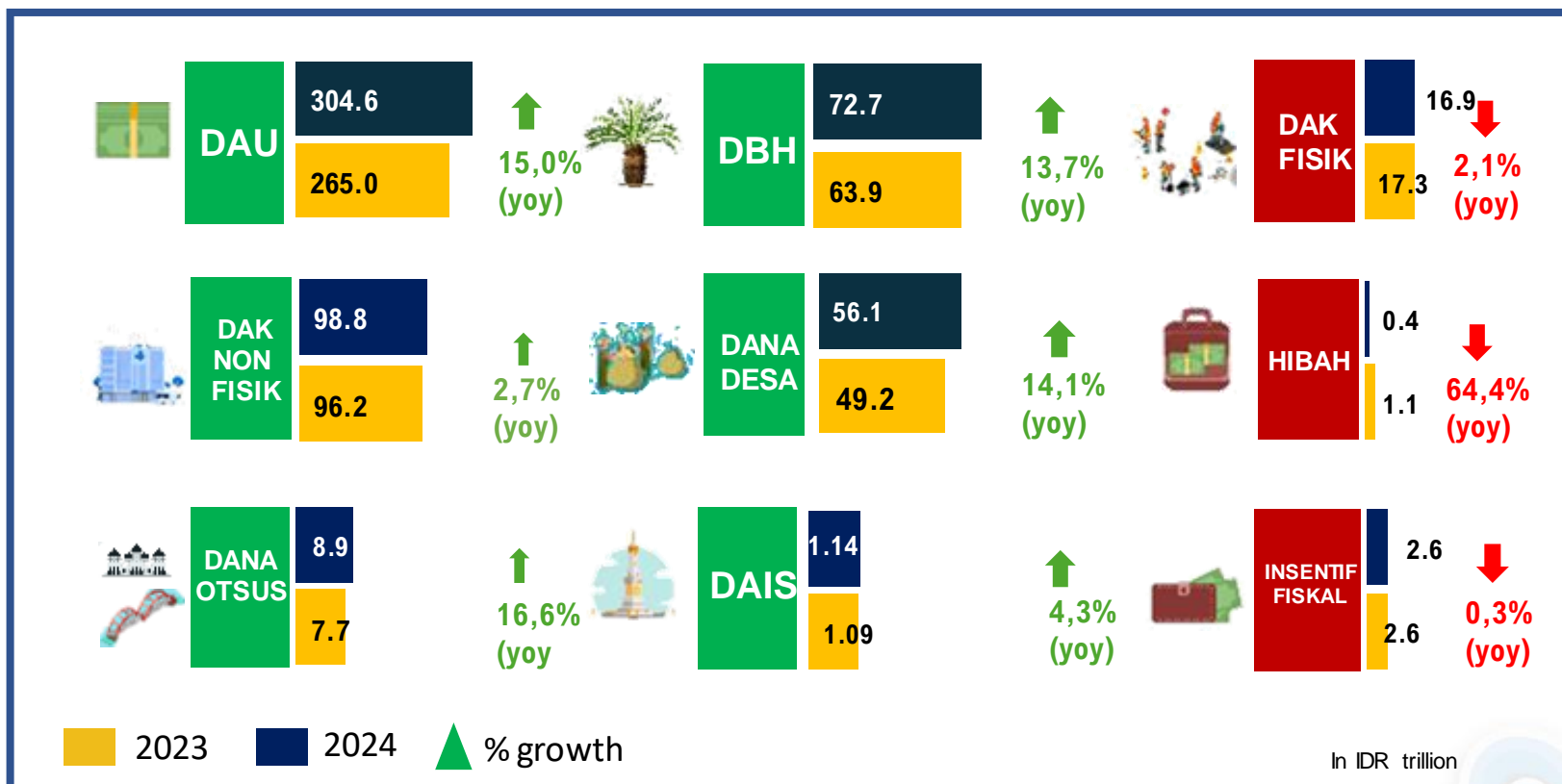


The realization of the distribution of Transfer to Region (TKD) (yoy)



The realization of TKN in August 2024 reached IDR562.1 T or 65.5% of the state budget allocation and grow 11.6% (yoy).

The realization or disbursement of TKD as of Aug 2024 (IDR T)





Breakdown of Tax Revenue until August 2024

Non-Oil-and-Gas Income Tax

IDR665.52 T

(62.58% of target)

Gross ▼ -2.46%

Land and Building Tax, and Other Tax

IDR15.76 T

(41.78% of target)

Gross ▲ 34.18%

VAT and Sales Tax on Luxury Goods

IDR470.81 T

(58.03% of target)

Gross ▲ 7.36%

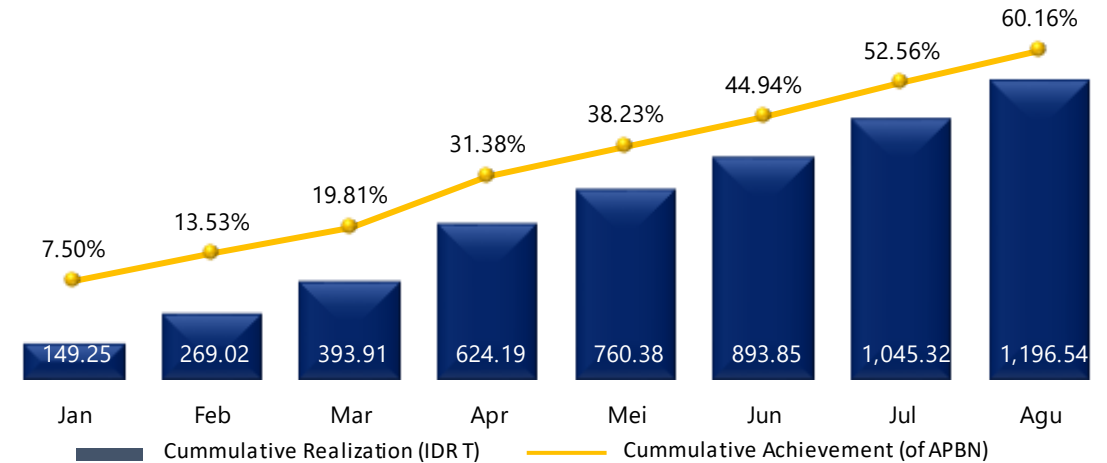
Oil and Gas Income Tax

IDR44.45 T

(58.20% of target)

Gross ▼ -10.23%

Tax Revenue January-August 2024



VAT and Sales Tax on Luxury Goods gross realization recorded a positive performance, in line with maintained economic growth. Meanwhile, gross realization of Land and Building Tax and Other Tax grew due to acceleration of payments by taxpayers.

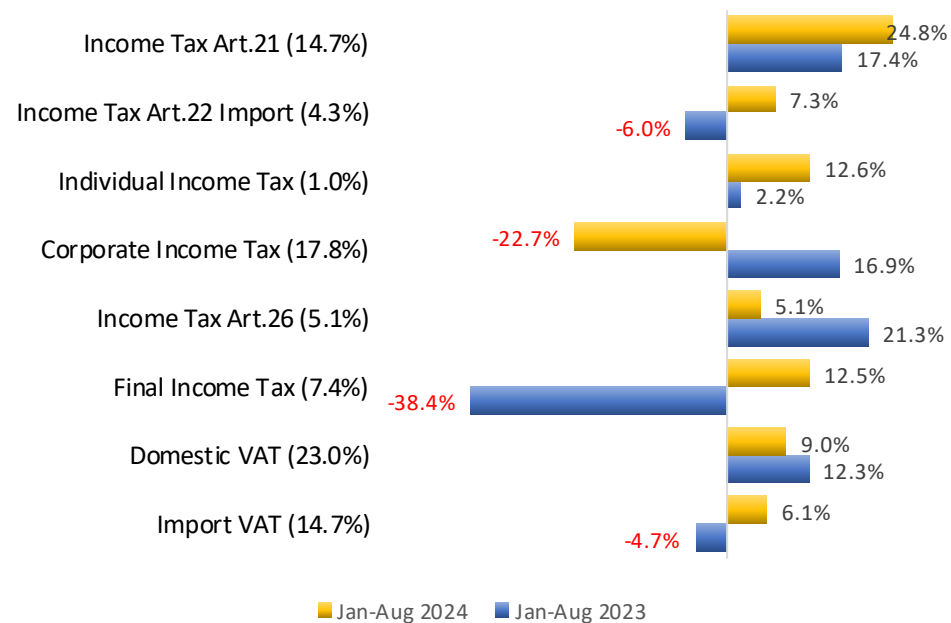


However, there are other tax group that experienced a contraction. Non-Oil-and-Gas Income Tax contracted due to commodity prices drop last year which caused the decline of 2023's profitability, particularly on commodity-related sector. Oil and Gas Income Tax contracted due to the decline in oil lifting.

The Majority Of Main Tax Types And Key Sectors Grew Positively

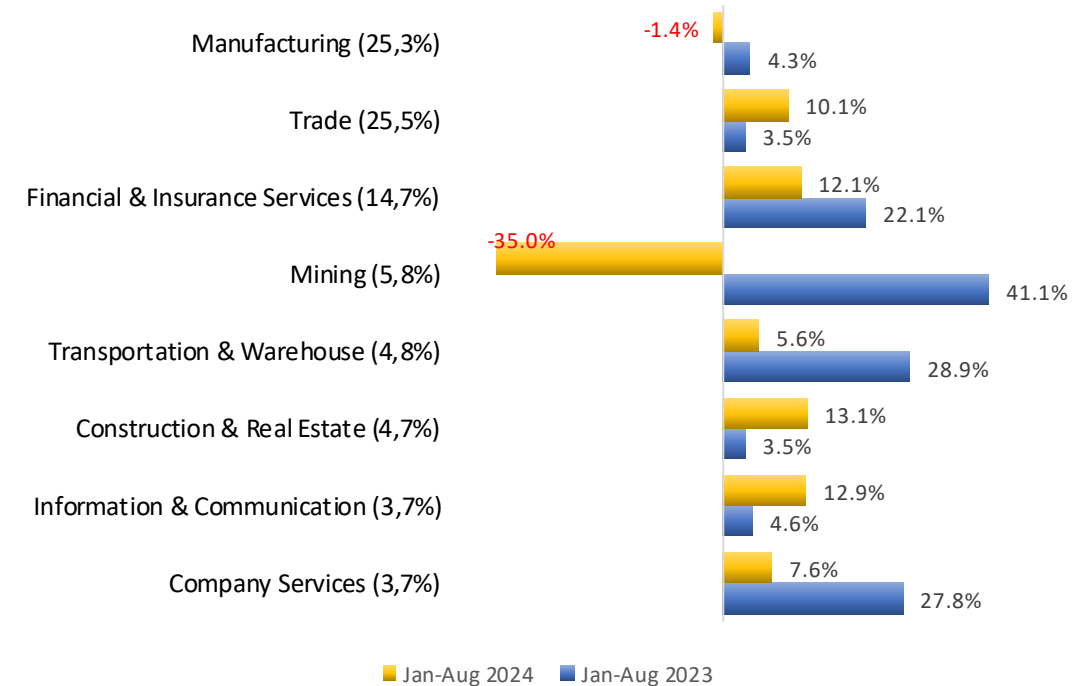
Strong domestic demand has led robust tax collection

Cumulative Growth in Types of Tax Revenue (YoY)



Transactional taxes (such as Income Tax art. 22, Import VAT, Income Tax art.26, Domestic VAT and Final Income Tax) grew, indicating sound economic activities. Labor utilization and wages are also increasing, which drive the growth of Income Tax art.21. Corporate income tax (CIT) contracted due to decline in companies' performance in 2023 caused by commodity prices fall.

Cumulative Growth in Main Sector Tax Revenue (YoY)



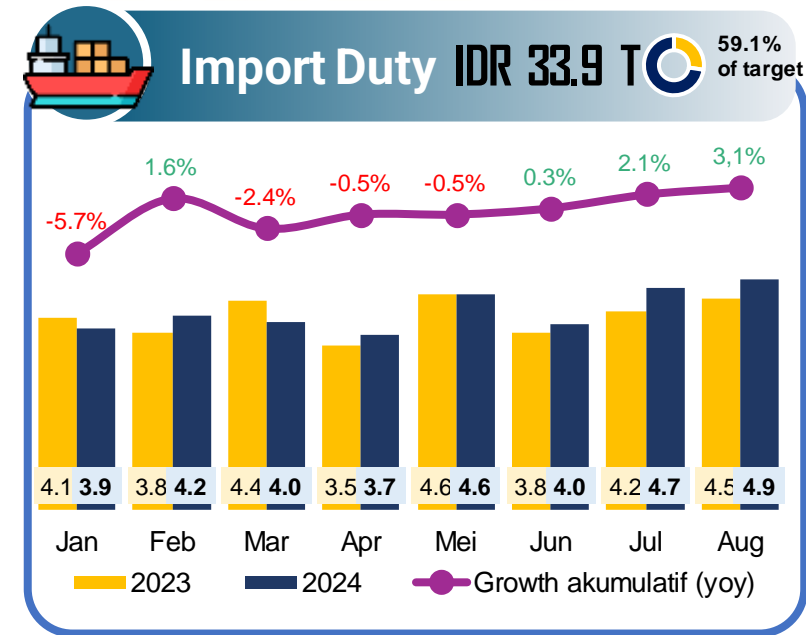
Despite a contraction in mining and manufacturing, most sectors grew. Manufacturing and mining were impacted by increased refunds and lower corporate taxes. Trade grew due to strong domestic consumption. Financial services, insurance, construction, real estate, and other services grew positively.

Source: DGT Portal Application and Revenue Dashboard end of June 2024

Note: Sectoral revenue without PPS, DTP, PBB, and oil and gas income tax

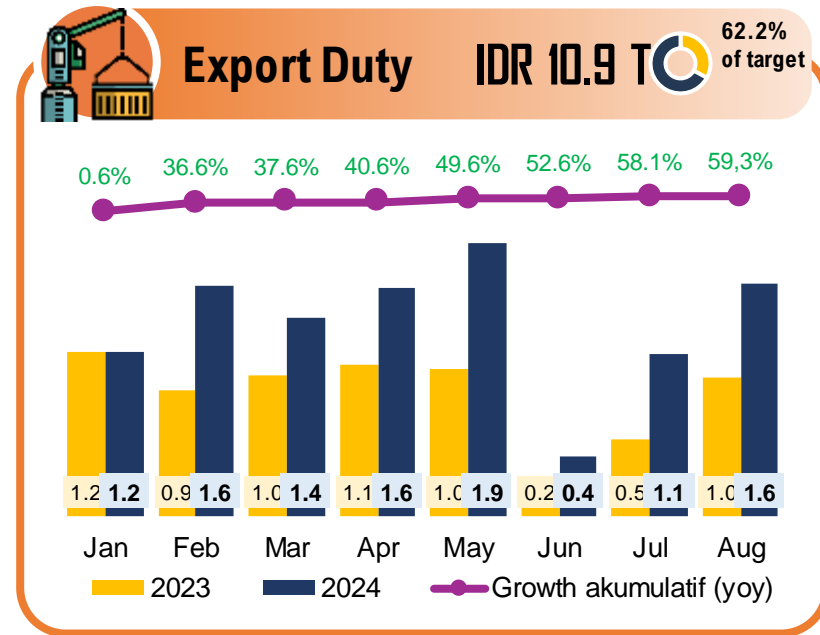


Realization of Customs and Excise Revenue as of August 2024 Grew, Supported by Positive Growth in All Sources of Revenue



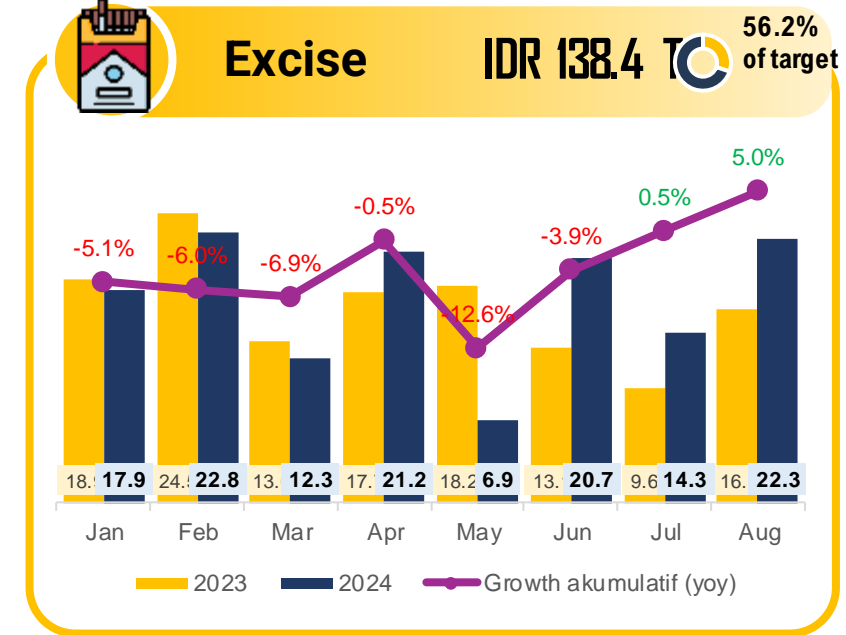
Import duty revenue grew by 3.1%, influenced by:

- Increase in import value by 3.3% (yoy) even though effective tariff decreased (2023: 1.44%; 2024: 1.34%). This was caused by a decrease in revenues from main commodities such as vehicles, vehicles spare parts, and steel products.
- Strengthening of the USD exchange rate against Rupiah (2023: IDR15,090/USD; 2024: IDR15,923/USD)



The 59.3% growth in export duties is influenced by:

- The jump in copper export duty (77.1% share of total export duties) that grow by 567.8% (yoy), driven by relaxation of copper export.
- The decline in palm products export duties by 57.3% (yoy), which caused by decline in both CPO average price (-5.21% yoy) and export volume (-16.11% yoy)



The increase of 5.0% in excise is influenced by:

- An increase of tobacco products by 4.7% (yoy) due to production hike
- MMEA (alcoholic drink) excise grew 11.9% (yoy), driven by increases in tariff dan domestic production

DG Customs and Excise managed to crack down on 157.5 million illegal cigarettes in an operation carried out from July to August.

Non-Tax State Revenue Performance until August 2024 is Well Maintained

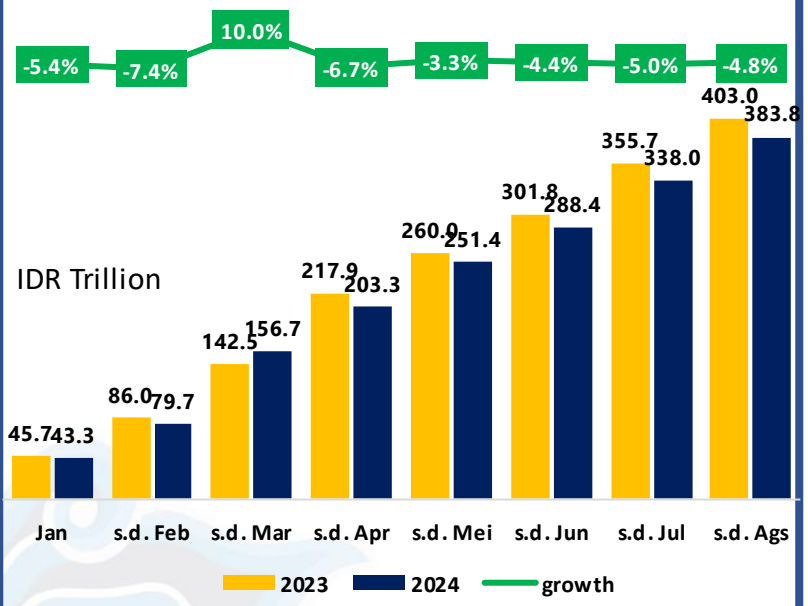


Realization as of 31st August 2024:

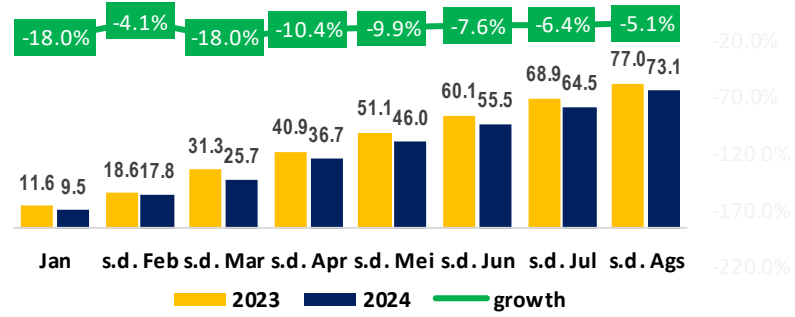
IDR383.8T

or **78.0%** from the 2024 budget target

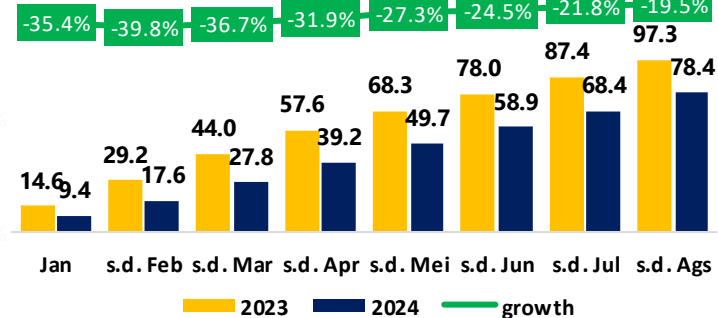
This achievement was mainly contributed by the enhanced performance of State Owned Enterprises (BUMN) and Public Service Agency units (Satker BLU)



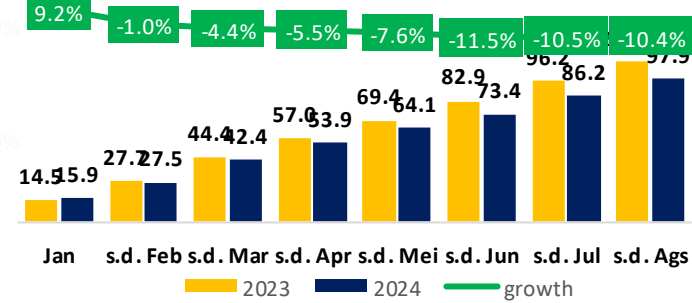
Oil and Gas
Rp73.1 T | **66.3%** Target



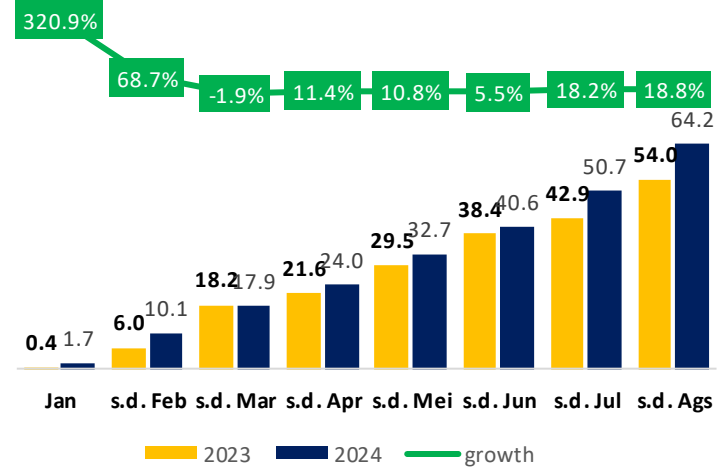
Non-Oil and Gas
Rp78.4 T | **80.4%** Target



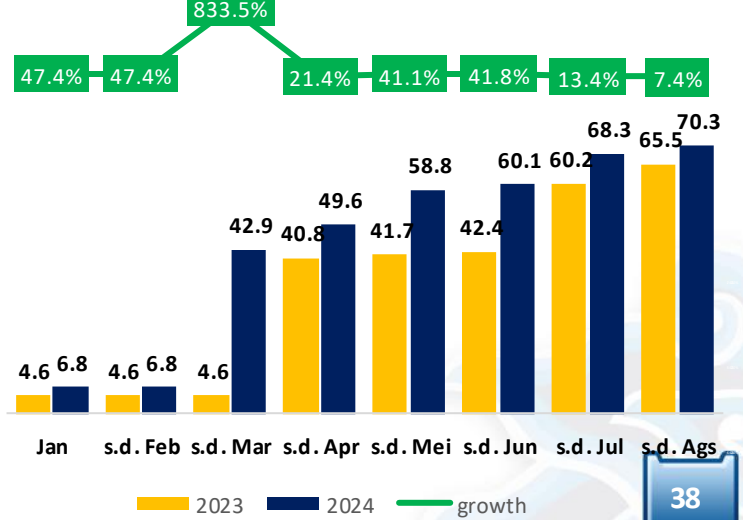
Others
Rp97.9 T | **85.0%** Target



BLU
Rp64.2 T | **77.0%** Target



KND
Rp70.3 T | **81.9%** Target





Line Ministries Expenditure

IDR703.3 T (64.5% of budget)

Driven by the distribution of social assistance programs; infrastructure development; defense and security infrastructure; and expenditure related to the election.



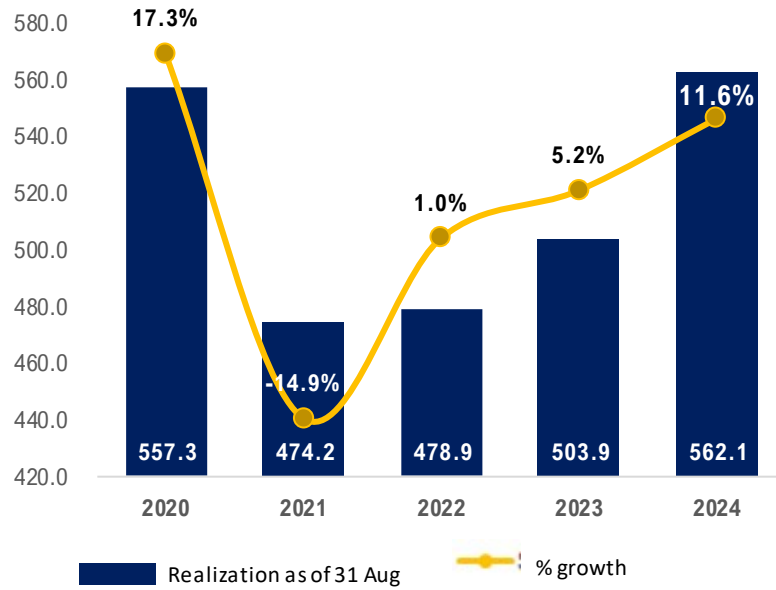
Non-Line Ministries Expenditure

IDR665.2 T (48.3% of budget)

Driven by realization of energy subsidy/compensation and payments of pension benefits.

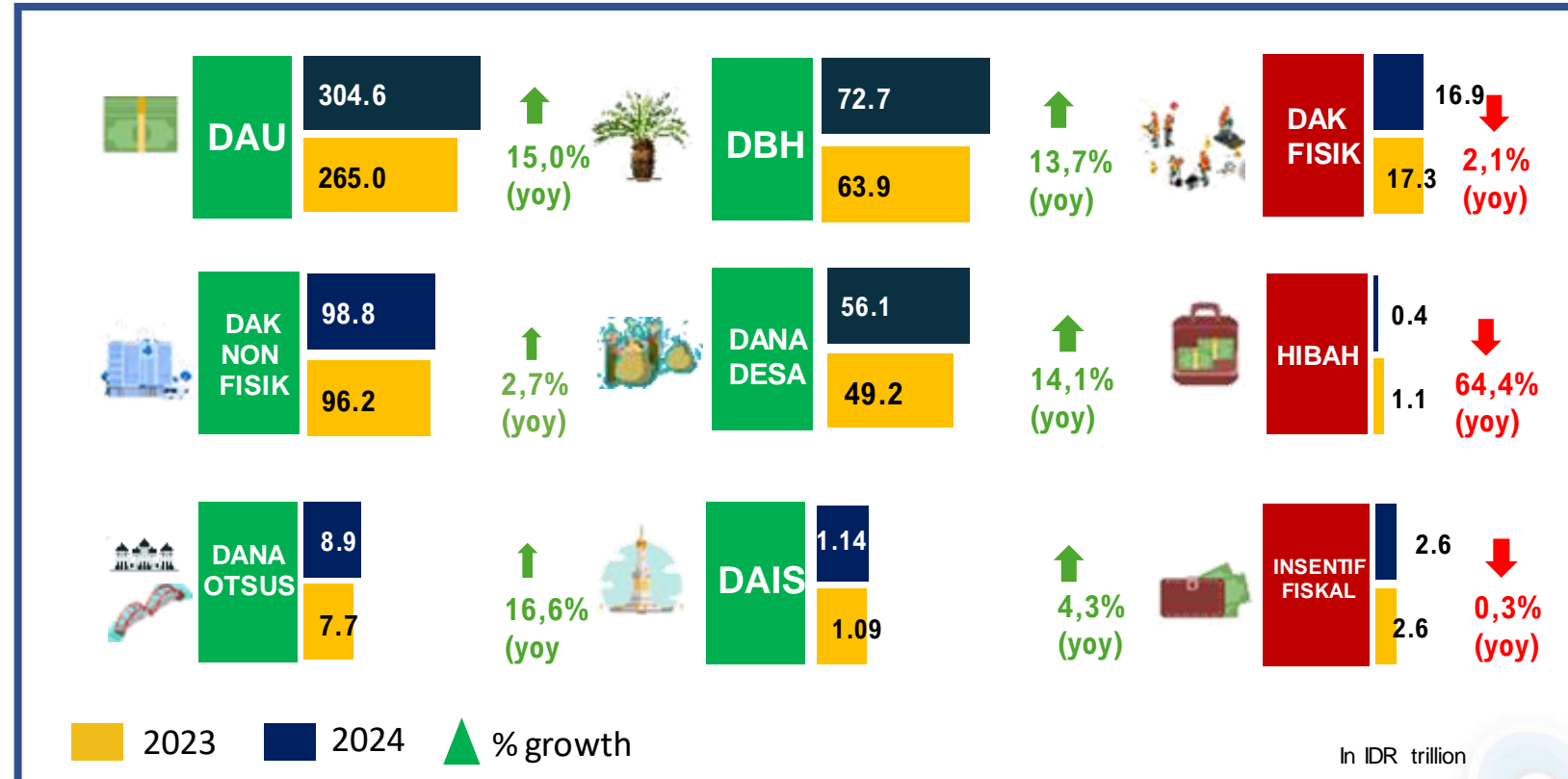
The Support of the National Budget to Regional Budgets through Transfer to Region Increases

The realization of the distribution of Transfer to Region (TKD) (yoy)



The realization of TKN in August 2024 reached IDR562.1 T or 65.5% of the state budget allocation and grow 11.6% (yoy).

The realization or disbursement of TKD as of Aug 2024 (IDR T)



2024 Financing Needs & Sources



Financing Needs

Budget Deficit
2.70% GDP (Outlook)



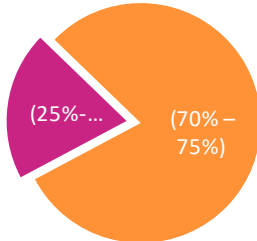
- Investment financing
- On Lending
- Guarantees
- Other financing
- Debt repayment



Financing Sources

Foreign Loan

Foreign Denominated GS

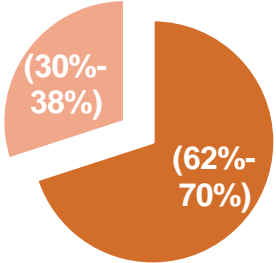


Domestic Loan

Domestic GS

Gross GS
(Auction & non auction)

2024 Matured T-Bills Issuance



■ GDS ■ Sukuk

Investment Financing in 2024 is Focused on Sustainable Community Programs and Development

As of 31 August 2024, the Government has disbursed IDR61 T investment financing for: LPDP (IDR15 T), FLPP KPR for Low Income Community (IDR8.6 T), International Financial Institutions (IDR1.9 T), PT WIKA (IDR 6 T), PT HK (IDR18.6 T), and State Capital Participation (PMN) to PT BPUI (IDR3.5 T) and LMAN (IDR7.5 T)



To educate the nation

- ❑ The number of alumni **as of 31 Aug 2024** was **24.001 people** (66,58% worked in public sector and 33,42% worked in private sector);
- ❑ LPDPs accumulated research funding since 2013 is **2,981 proyek** with a value of **IDR2.72 T**.



For Low Income Community's Housing

- ❑ For 2024, State Budget is allocating **Rp17 trillion** for distributing **200,000 housing units** for low income communities;
- ❑ There were **115,065 housing units** worth **IDR14.03 T** that has been distributed as of **31 August 2024**.



Contribution to IFIs

- ❑ Contribution to: **Islamic Development Bank (IsDB); International Development Association**, and **International Fund for Agricultural Development (IFAD)**.



For the completion of National Strategic Projects

- ❑ In order to support the **completion of National Strategic Projects** through the issuance of new shares/rights issue to maintain the composition of state ownership in WIKA.



For the construction of the Trans Sumatra Toll Road

- ❑ The additional PMN in 2024 will be used to **complete JTTS phase I and JTTS phase II for the Kayu Agung-Palembang-Betung section**.



To support the transfer of PT Asuransi Jiwasraya (Persero) policies

- ❑ In order to support the **strengthening of Indonesian insurance industry**.



State Budget Contribution for PMN

- ❑ The state budget is allocated for the funding of **123 National Strategic Projects worth Rp122.19 trillion**.



With prudent and accountable management, the realization of financing is well maintained in supporting the performance of the National Budget

Debt Financing Realization

Rp 404.02 (62.3%)

Government Securities
(Net)

Rp 368.95

Loan
(Net)

Rp 31.37

Note :

1. all numbers in trillion Rupiah
2. The percentage is the percentage of budget ceiling from National Budget year 2024

GS Financing Realization 2024



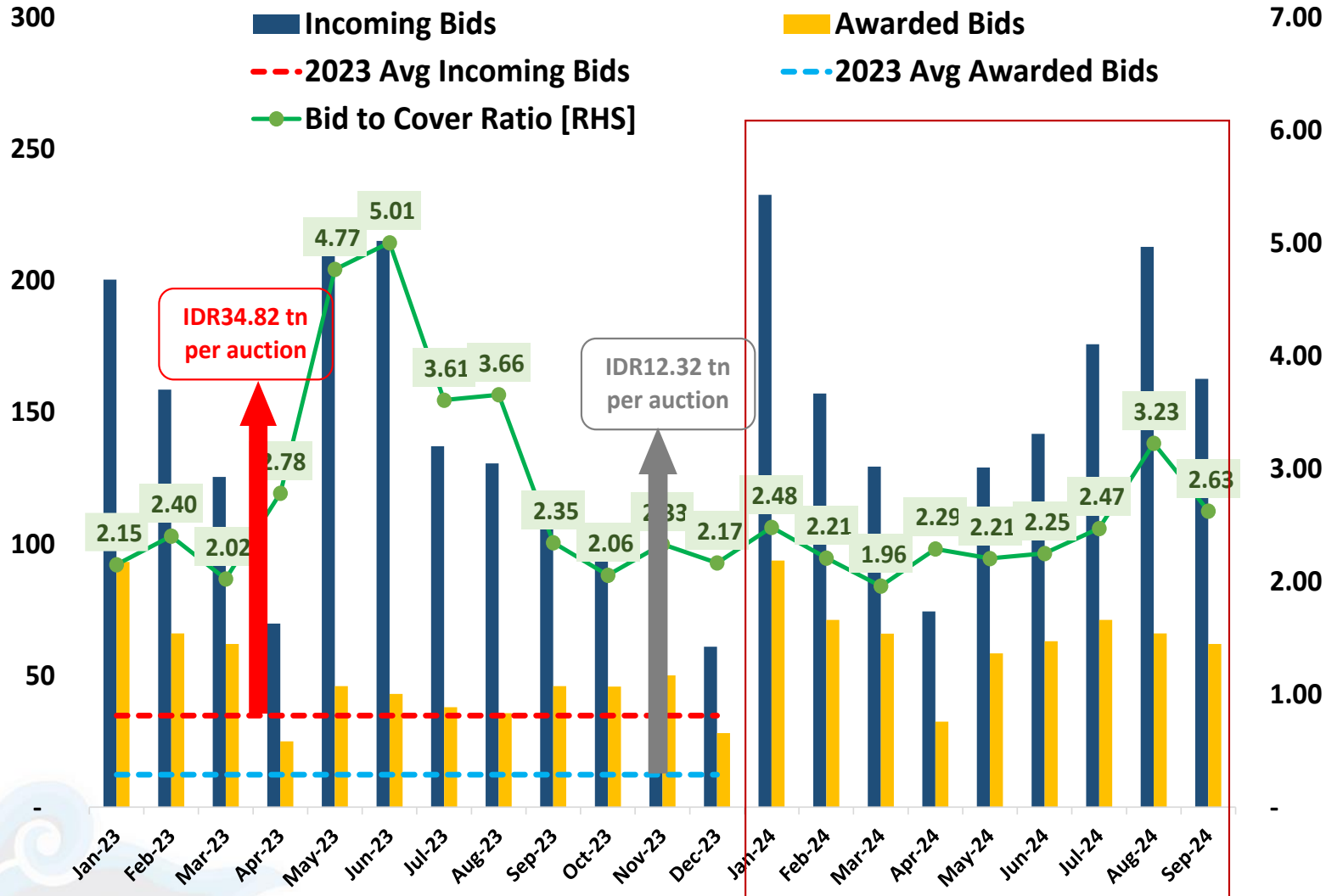
(Trillion IDR)

As of Sept 30st

Government Securities	866.86
Government Debt Securities (SUN)	579.40
IDR Denominated	486.52
- Prefunding	25.93
- Auction	414.21
- Private Placement	3.00
- Retail	43.38
FX Denominated	92.88
Sovereign Sharia Securities (SBSN)	287.46
IDR Denominated	249.03
- Prefunding	13.14
- Auction	169.89
- Private Placement	0.17
- Retail	65.23
FX Denominated	38.43

Primary Market Performance 2023- 2024

Government Securities (GS)



In 2024 :

- Average incoming bid is **IDR39.34 tn/auction**
- Average awarded bid is **IDR16.23 tn/auction**

Ownership of Tradable Domestic GS



Description	Dec-20		Dec-21		Dec-22		Dec-23		Sep-24	
Banks*	1,375.57	35.54%	1,591.12	34.01%	1,697.43	31.97%	1,495.39	26.52%	1,156.18	19.52%
Govt Institutions (Bank Indonesia**)	454.36	11.74%	801.46	17.13%	1,020.02	19.21%	1,095.51	19.43%	1,481.60	25.02%
Bank Indonesia (gross)	874.88	22.60%	1,220.73	26.09%	1,453.58	27.38%	1,363.90	24.19%	1,427.36	24.10%
GS used for Monetary Operation	420.51	10.86%	419.27	8.96%	433.57	8.17%	268.39	4.76%	(54.24)	-0.92%
Non-Banks	2,040.83	52.72%	2,286.40	48.87%	2,591.98	48.82%	3,048.51	54.06%	3,284.42	55.46%
Mutual Funds	161.32	4.17%	157.93	3.38%	145.82	2.75%	177.80	3.15%	187.44	3.17%
Insurance Company and Pension Fund	542.82	14.02%	655.24	14.00%	873.03	16.44%	1,041.40	18.47%	1,105.88	18.67%
Foreign Holders	973.91	25.16%	891.34	19.05%	762.19	14.36%	842.05	14.93%	870.58	14.70%
Foreign Govt's & Central Banks	178.31	4.61%	233.45	4.99%	203.11	3.83%	229.16	4.06%	247.08	4.17%
Individual	131.21	3.39%	221.41	4.73%	344.30	6.48%	435.28	7.72%	517.22	8.73%
Others	231.57	5.98%	360.47	7.70%	466.65	8.79%	551.98	9.79%	603.29	10.19%
Total	3,870.76	100%	4,678.98	100%	5,309.43	100%	5,639.41	100%	5,922.21	100%

65.31% Portion of foreign ownership in the mid & long term sector (≥ 5 years)

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

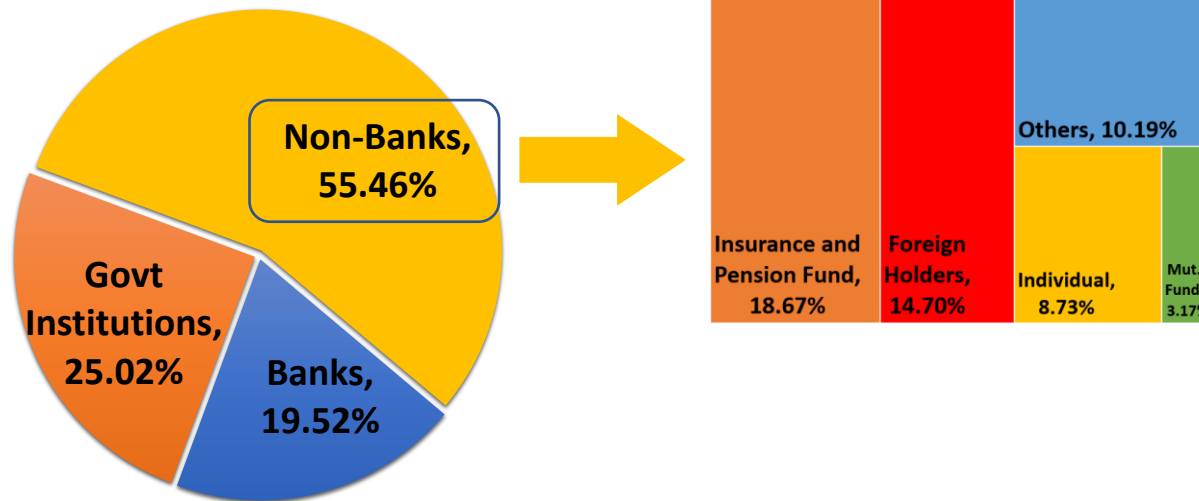
1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

2) Others such as Securities Company, Corporation, and Foundation.

*) Including the Government Securities used in monetary operation with Bank Indonesia.

**) net, excluding Government Securities used in monetary operation with Banks.

Source : SI-BISSSS

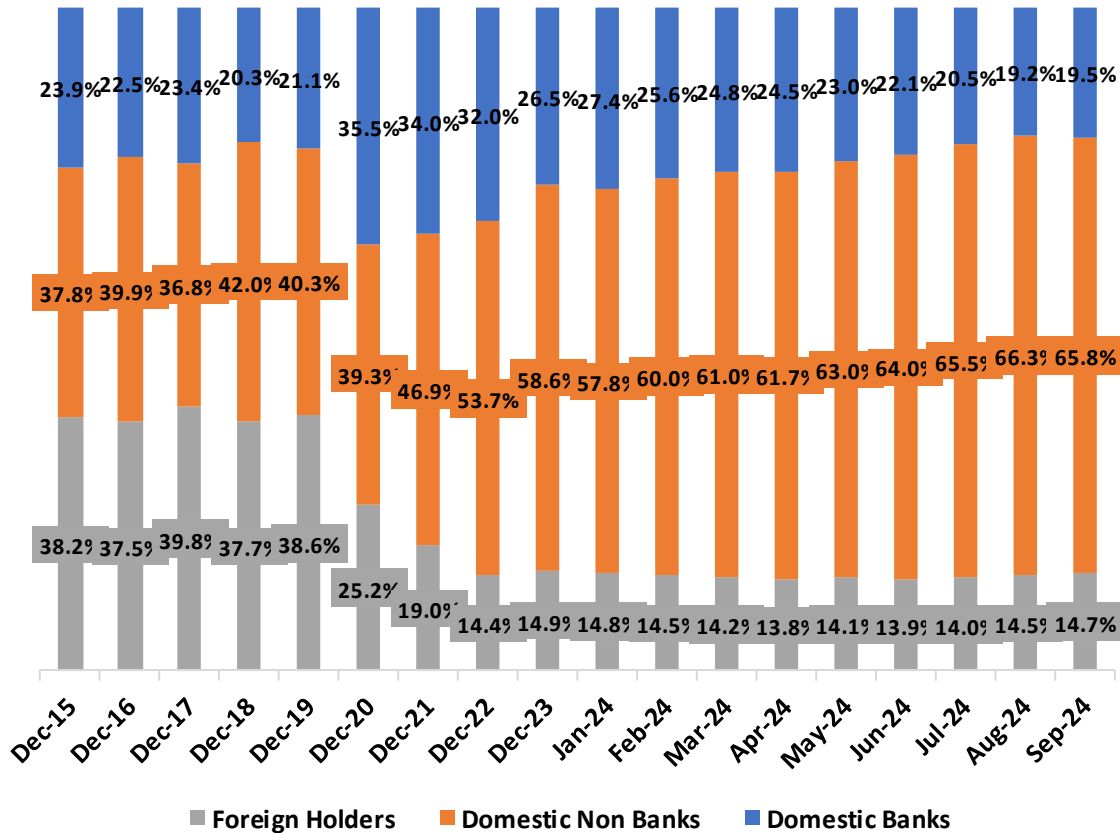


Holders of Tradable Government Securities

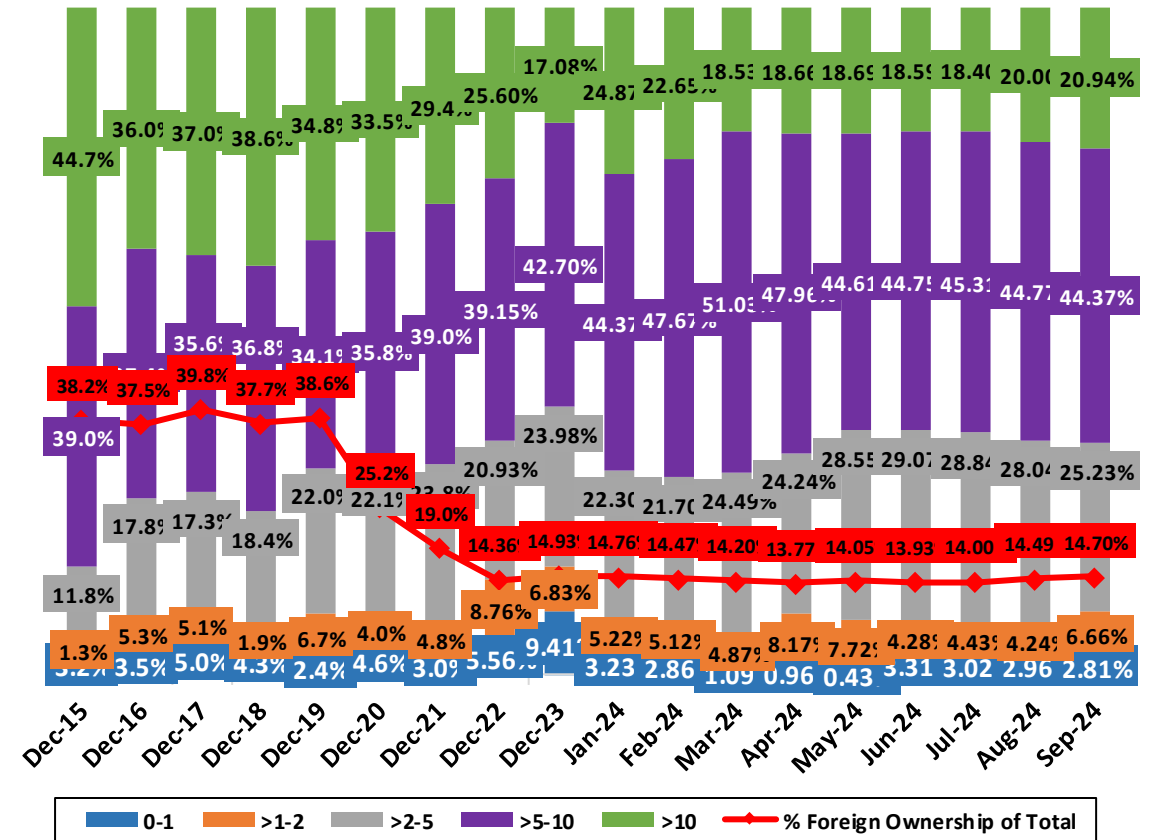
More Balance Ownership In Terms of Holders and Tenors



Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor



Source : SI-BISSSS

Disciplined Debt Portfolio Management

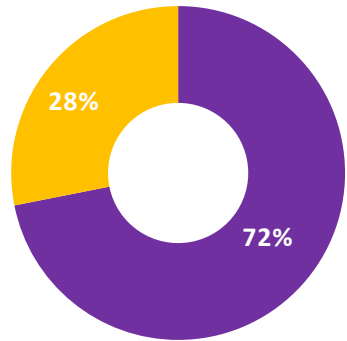
(as of September 30th 2024)



Govt's Outstanding Debt

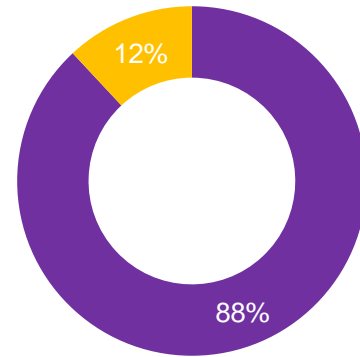
Outstanding by Source

Foreign: USD153.9bn
Domestic: USD405.7bn

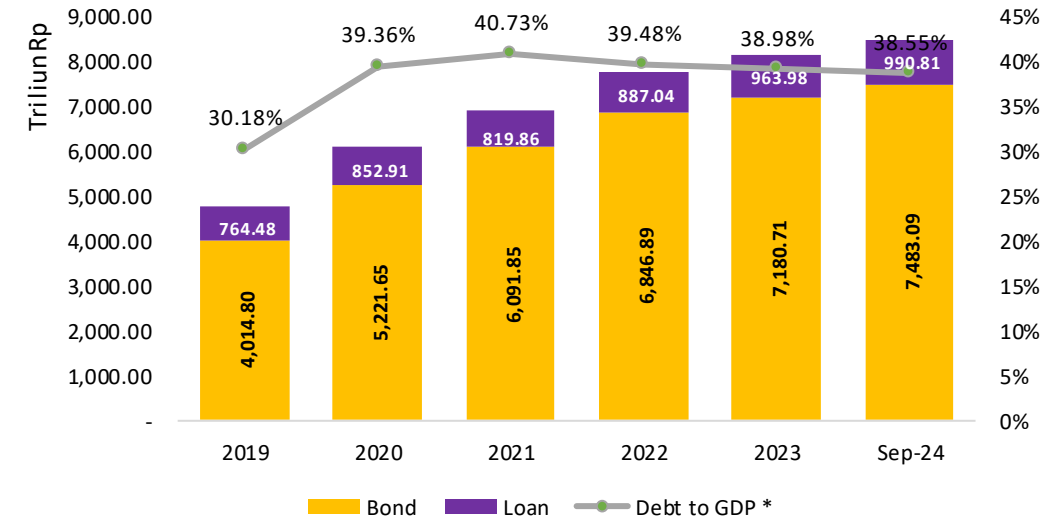


Outstanding by Instruments

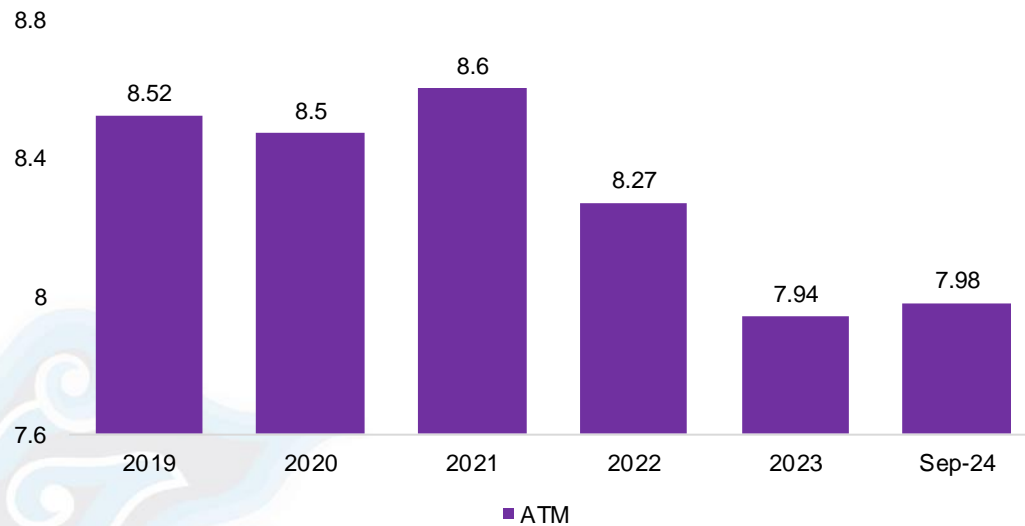
Loans: USD65.4bn
Govt. Securities: USD494.1bn



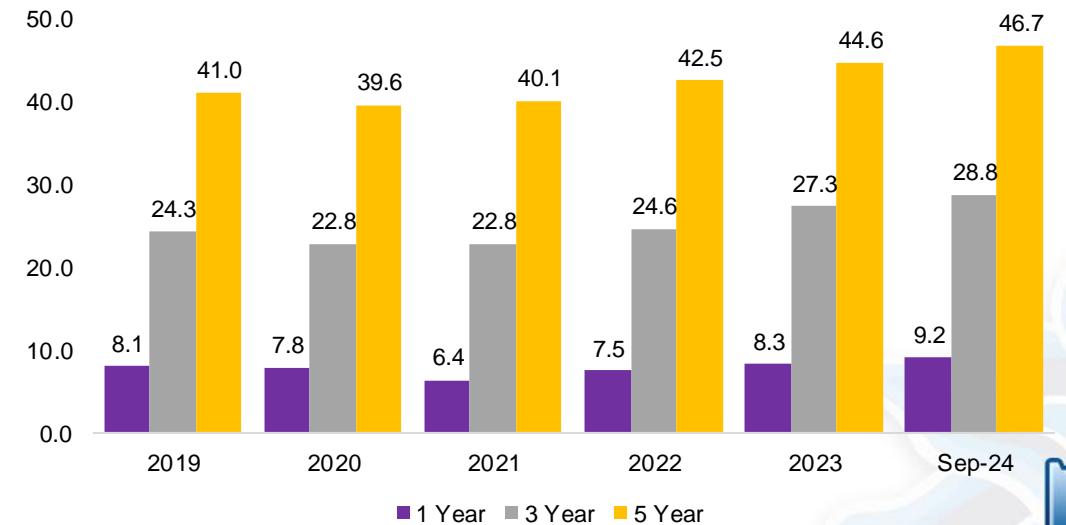
Stable Debt to GDP Ratio Over the Years



Weighted Average Debt Maturity (year)



Upcoming Maturities (Next 5 Years) (%)

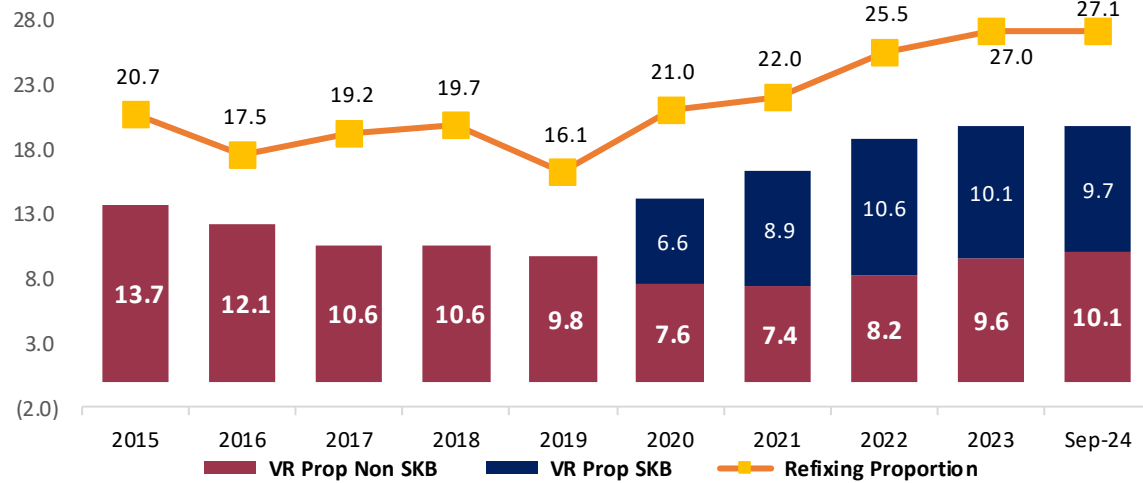


Well Balanced Maturity Profile with Strong Resilience Against External Shocks

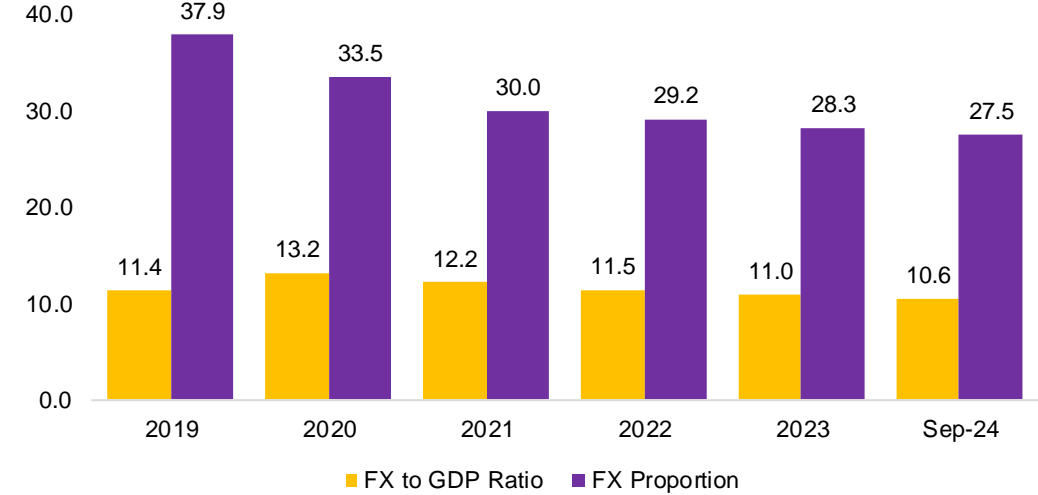
(as of 30th September 2024)



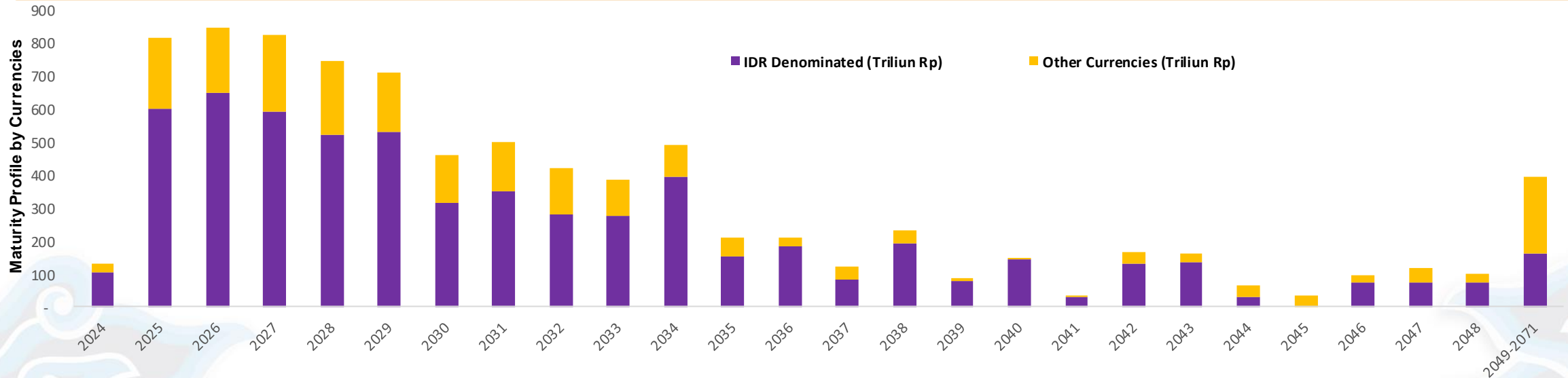
Interest Rate Risk is under control (%), the increase was driven by the SKB portion



Declining Exchange Rate Risks (%)



Debt Maturity Profile



Government Guarantee For Infrastructure Development

Reflects strong commitment to national infrastructure development



Government Guarantee Program

Credit Guarantee	<ul style="list-style-type: none"> • Power (Electricity) – Full credit guarantee for PT PLN's debt payment obligations under FTP 1 10.000MW and 35GW programs* • Clean water – Guarantee for 70% of PDAM's debt principal payment obligations • Toll road – Full credit guarantee for PT Hutama Karya's debt payment obligations for the development of Sumatra Toll Roads • Infrastructure - Full credit guarantee on SOE's borrowing from international financial institution & financing guarantee for PT SMI's local infrastructure • Public Transportation (Light Rail Transit) – Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development of LRT Jabodebek • Jakarta-Bandung High Speed Train – Full credit guarantee in order to fulfill obligation of sharing amount of capital into joint corporation or to financing the cost overrun of KCJB project.
Business Viability Guarantee (BVG)	<p>Power (Electricity) – Guarantee for PT PLN's obligations under Power Purchase Agreements with IPPs (off-take and political risk) under FTP-2 10.000MW and 35GW programs*</p>
PPP Guarantee	<p>Infrastructure – Guarantee for Government-related entities obligations (line ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements</p>
Political Risk Guarantee	<p>Infrastructure – Guarantee for infrastructure risk of National Strategic Projects (Presidential Decree No.58/2017) which are not covered by other type of guarantees</p>

Contingent Liabilities from Government Guarantee as of Q2 2024*

No	Central Government Guarantee for Infrastructure Programs	Exposure/ Outstanding (USD billion)
1	Coal Power Plant 10,000MW Fast Track Program (FTP 1)	0.12
2	Renewable energy, Coal and Gas Power Plant 10,000 MW (FTP 2)	4.08
3	Electricity Infrastructure Fast Track Program (35 GW)	5.79
4	Direct Lending from International Financial Institution to SOEs	2.09
5	Public –Private Partnerships (PPP)	6.39
6	Sumatera Toll Road	1.67
7	Light Rail Transit Jabodebek	1.34
8	Jakarta-Bandung High Speed Train	0.45
9	Clean Water Supply Program	0.01
10	Regional Infrastructure Financing	0.08
	Total	22.02

- Maximum new guarantee issuance for the period 2024-2027 is set at 0.6% of GDP per year.
- Starting from 2008 the Government has allocated a contingent budget with respect to these guarantees. The allocated fund is then transferred to a guarantee reserve fund. This reserve fund can be used to serve any claims that may arise from the guarantees.

*) MOF provides both credit guarantees and BVGs for 35GW program

**) Currency conversion of IDR16,421.00/USD1, IDR17,554.06/EUR1 and IDR 102.28/JPY1 (28 June 2024)

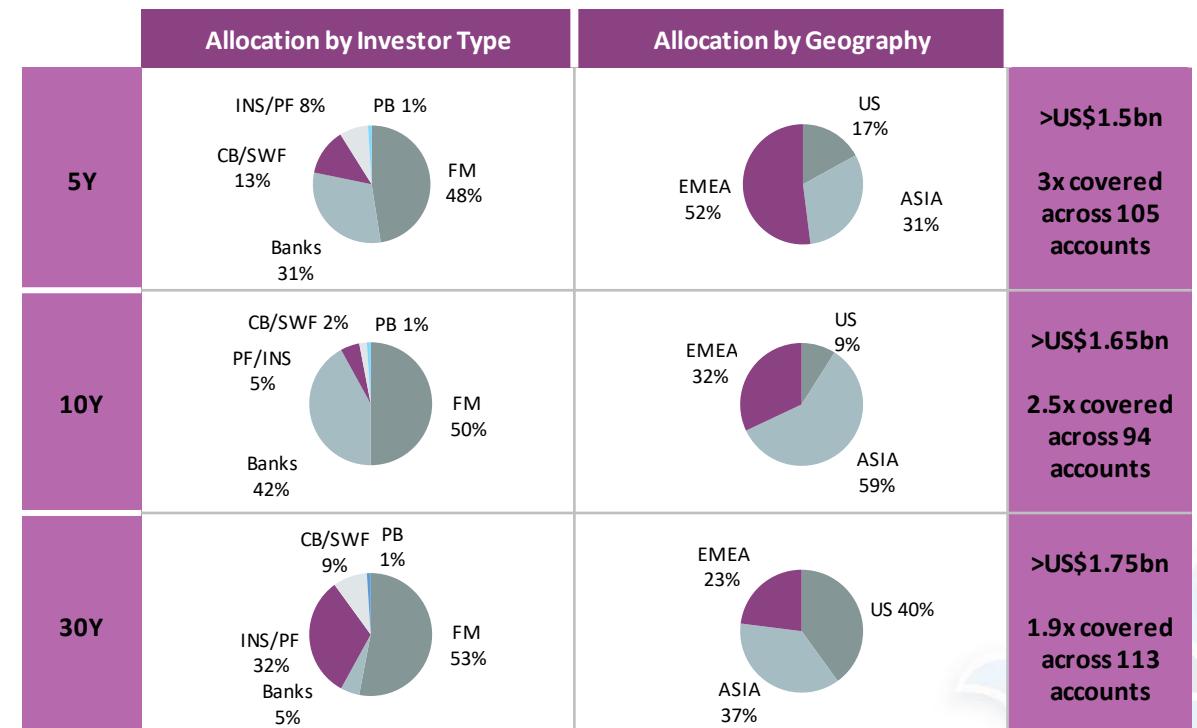
SEC14 Deal Review



Issuer	Republic of Indonesia		
Issuer Rating	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Format	SEC-Registered		
Pricing Date	January 3, 2024		
Settlement Date	January 10, 2024		
Issue Size	USD2.05 bn		
Tenor	Long-5 year	Long-10 year	Long-30 year
Maturity	March 10, 2029	February 10, 2034	February 10, 2054
Tranche Size	USD500 million	USD650 million	USD900 million
Coupon (p.a.)	4.400%	4.700%	5.100%
Reoffer Price	98.852	98.810	98.481
Reoffer Yield	4.650%	4.850%	5.200%
JLM	ANZ, BofA Securities, Deutsche Bank, Morgan Stanley dan UBS		
Listing	SGX-ST and Frankfurt Stock Exchange		
Use of Proceeds	Net proceeds from the sale of the Bonds will be used for the general purposes of the Republic		

Key Transaction Highlight

- Benefiting from the Republic's robust credit profile, the offering drew significant investor interest from the get-go, with a high quality orderbook allowing significant IPG-FPG tightening
- The long 5-year, long 10-year and long 30-year tranches were priced 25bps, 20bps and 25bps respectively inside of its initial price guidance, achieving flat to negative new issue concessions
- The Republic achieved the tightest spreads across all tranches compared to the Republic's past SEC-registered offerings
- Pin-point pricing resulted in a stable first day morning of trading at Asia open, with bonds trading around reoffer price



2024 Samurai Bonds Deal Review



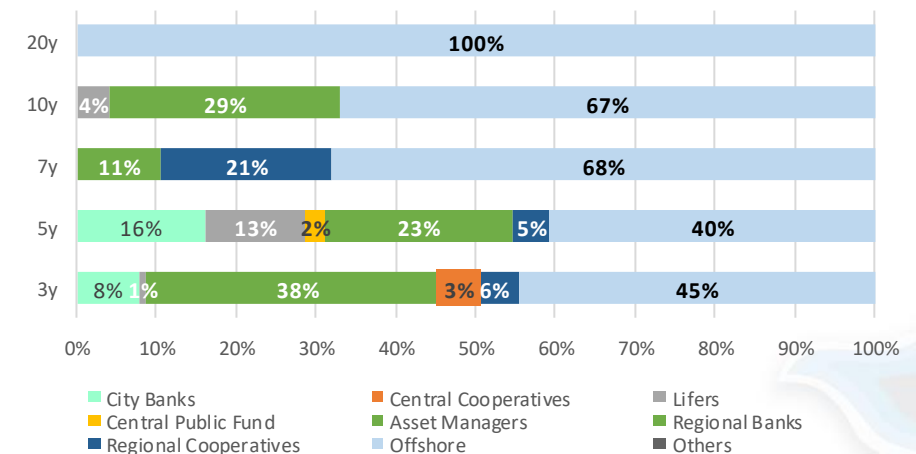
Issuer	Republic of Indonesia							
Bond Rating	Baa2 (Moody's), BBB (S&P), BBB (Fitch)							
Format	Samurai							
Pricing Date	May 17, 2024							
Settlement Date	May 27, 2024							
Total Size	JPY 200bn							
Tenor	3 years	5 years	7 years	10 years	7 years	10 years	10 years	
Maturity	May 27, 2027	May 25, 2029	May 27, 2031	May 26, 2034	May 27, 2031	May 26, 2034	May 27, 2044	
Tranche Size	JPY80.0bn	JPY88.0bn	JPY17.7bn	JPY19.3bn	JPY2.0bn	JPY6.8bn	JPY16.2bn	
Coupon (p.a.)	0.99%	1.33%	1.57%	1.91%	1.57%	1.91%	2.55%	
Reoffer Spread (bp)	MS+50	MS+70	MS+80	MS+92	MS+80	MS+92	MS+103	
JLM	Daiwa / Mizuho / Nomura / SMBC Nikko							

Blue Bond

Deal Highlight

- On May 17, the Republic of Indonesia ("RoI") successfully priced a JPY 200bn multi-tranche Samurai Bonds transaction with blue tranches, marking the tenth consecutive year to access to the Samurai market as well as RoI's second blue bonds following the inaugural issuance last year.
- The transaction marked a number of important milestones including:
 - The largest transaction size from RoI in the JPY bond markets with well oversubscribed orderbook
 - The largest issuance size from a sovereign issuer in the history of the Samurai market
 - The largest (JPY 25bn) and longest (20yr) blue bond issuance ever in the JPY bond markets
- The RoI has successfully priced 3yr and 5yr at spreads below those of the previous year and achieved the largest issue volume in 7yr and longer tranches, and issuance of 20 year for the first time since 2021. The successful transaction underscores the robust yen bond market and the strong investor base bolstered by RoI's annual issuances.

Investor Breakdown



2024 Global Sukuk Transaction Summary



Issuer	Perusahaan Penerbit SBSN Indonesia III		
Issue Format	144A / Reg S, Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$35 billion Trust Certificate Issuance Programme		
Issuer Ratings	Baa2 Stb (Moody's) / BBB Stb (S&P) / BBB Stb (Fitch)		
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Pricing Date	25 June 2024		
Issue Date	2 July 2024 (T+5)		
Tenor	5Y Sukuk	USD 10Y Sukuk	USD 30Y Sukuk (Green)
Maturity Date	2 July 2029	2 July 2034	2 July 2054
Tranche Size	USD 750 million	USD 1 billion	USD 600 million
Profit Rate	5.10% Fixed, Semi-annual, 30/360	5.20% Fixed, Semi-annual, 30/360	5.50% Fixed, Semi-annual 30/360
Re-Offer Price	100.00%	100.00%	100.00%
Reoffer Spread	UST + 83 bps	UST + 96 bps	UST + 111 bps
Reg S ISIN	USY68613AA90	USY68613AB73	USY68613AC56
144A ISIN	US71567TAA07	US71567TAB89	US71567TAC62
Use of Proceeds	The Obligor intends to use the net proceeds it receives from the issue of Sukuk to meet part of its general financing requirements. The Obligor intends to invest an amount equal to the net proceeds from the issue of the trust certificates exclusively to finance or re-finance expenditure directly related to "Eligible SDGs Expenditures with Green and Blue focus" as defined in the Obligor's SDGs Government Securities Framework.		
Other Details	USD200k/1k denoms., English / Indonesian Law		
Listing	SGX-ST and Nasdaq Dubai		
Joint Bookrunners	Citigroup (B&D), Dubai Islamic Bank, HSBC, Mandiri Securities and MUFG Securities		
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk		

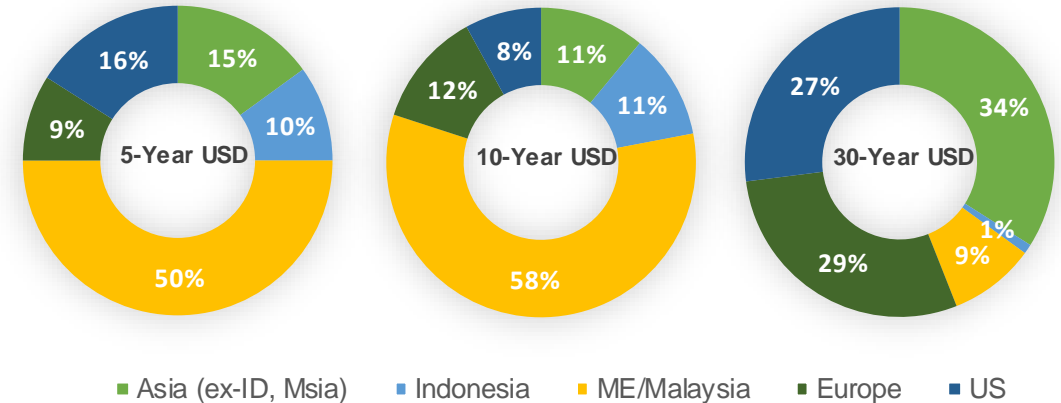
Deal Highlight

- Several notable achievements of this transaction include:
 - Negative NIC for the 5-year tranche, and a low NICs for the 10 and 30 years
 - Peak orderbook stood at US\$ 8.0 billion, at 3.42x cover allowing 30bps tightening across all tranches, the steepest tightening from Indonesian global bonds issuance this year
 - Higher allocation to Islamic/Middle Eastern investors for the 5 and 10 year compared to 2023 issuance, increasing the diversity of investor base of ROI's securities
 - Largest USD issuance from ASEAN issuers this year
- The 30-year Green Sukuk tranche is the seventh global Green Sukuk issued by the Republic, and the second since the Republic published its SDGs Government Securities Framework in August 2021.

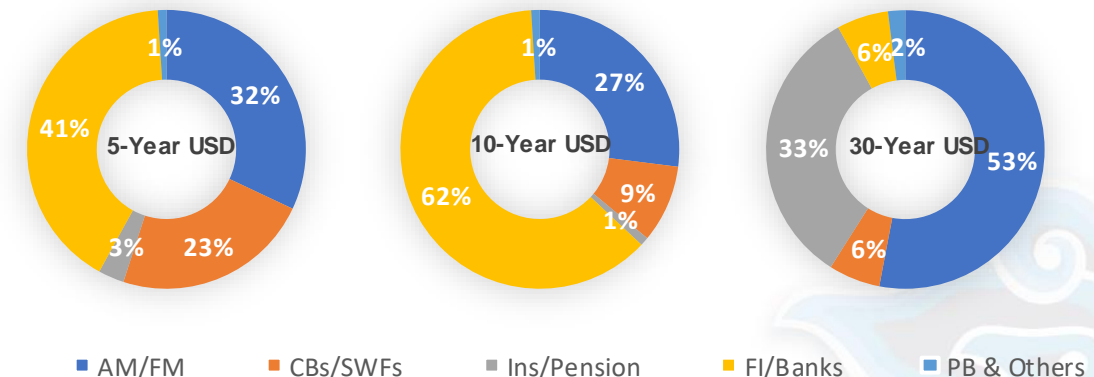
ORDERBOOK DISTRIBUTION

5-Year USD	10-Year USD	30-Year USD
US\$ 1.50bn+	US\$ 1.80bn+	US\$ 1.20bn+
From 52 accounts	From 59 accounts	From 76 accounts

INVESTORS BY GEOGRAPHY (ALLOCATION)



INVESTORS BY TYPE (ALLOCATION)



SEC15 Deal Review



September 3, 2024

US\$ 2.6 bn-equivalent



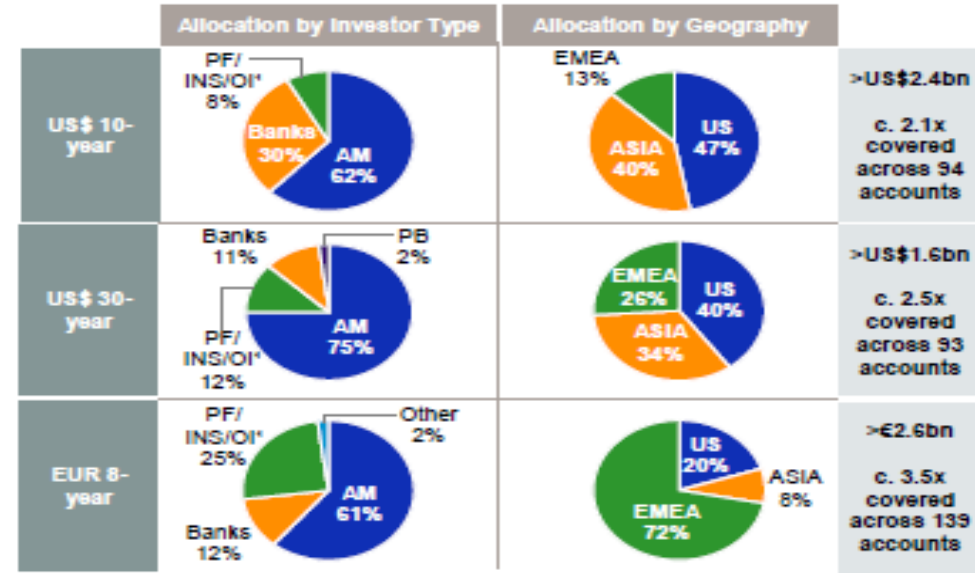
Baa2 Stable (Moody's) / BBB Stable (S&P) / BBB Stable (Fitch)

US\$1.15bn 4.750% due 2034, US\$650mm 5.150% due 2054, €750mm 3.650% due 2032

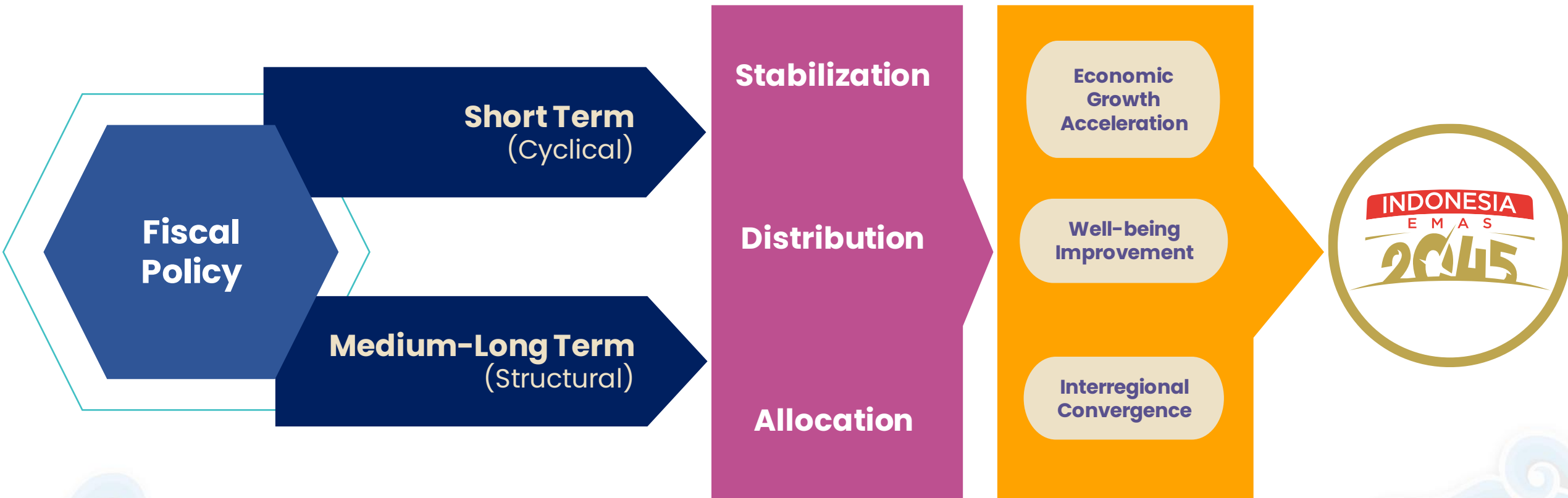
SEC Registered			
Format:	SEC Registered		
Issue Ratings:	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Tranche:	US\$ 10 Year	US\$ 30 Year	EUR 8 Year SDG
Issue Size:	US\$1.15bn	US\$650mm	€750mm
Settlement Date:	10 Sep 2024	10 Sep 2024	10 Sep 2024
Maturity Date:	10 Sep 2034	10 Sep 2054	10 Sep 2032
Initial Price Guidance:	5.150% area	5.500% area	MS+160 bps area
Final Price Guidance:	4.800% (#)	5.200% (#)	MS+130 bps area
Pricing:	4.800%	5.200%	MS+125 bps
Reoffer Price:	99.607	99.245	99.503
Reoffer Yield:	4.800%	5.200%	3.723%
Coupon:	4.750%	5.150%	3.650%
Denominations:	US\$200,000 / 1,000		EUR100,000/1,000
Use of Proceeds:	US\$ 10Y & 30Y: General Purpose EUR 8Y: The Republic intends to invest an amount equal to the net proceeds in projects that may qualify as Eligible SDGs Expenditures under Republic of Indonesia's ("the Republic") SDGs Government Securities Framework		
Listing:	SGX-ST and Frankfurt Stock Exchange		
Governing Law:	New York Law		

Key Transaction Highlights








- 🏆 Largest G2 currency bond issuance by Asia-ex-Japan sovereign issuers in 2024YTD
- 🏆 The second Sustainable Development Goals ("SDG") Bond in EUR issued by the Republic, after the first one in 2021, showcasing the Republic's continuous ESG commitment
- 🏆 The orderbook has been well supported by global high-quality and real-money accounts, with the final orderbook size reaching over US\$4 billion for the USD tranches in aggregate and over €2.6 billion for the EUR SDG tranche
- 🏆 The strong momentum of the orderbook allowed final pricing to tighten 35bps/30bps/35bps from IPG for the 10-year USD/30-year USD/8-year EUR SDG bonds respectively
- 🏆 The offering marked the return of the Republic to the EUR market since last EUR issuance in September 2021, resetting the Republic's EUR pricing curve



Source: Dealogic as of September 3, 2024; *OI refers to official institution



Macroeconomic Assumptions for the 2025 Budget

Indicator	Assumption		
	2024 Budget	2024 Outlook	2025 Budget
 Economic Growth (%)	5.2	5.1	5.2
 Inflation (% , yoy)	2.8	2.7	2.5
 10Y T-Bonds Rate (% , average)	6.7	6.9	7.0
 Exchange rate (Rp/US\$, average)	15,000	16,000	16,000
 Oil Price/ICP (USD/barel, average)	82	82	82
 Oil Lifting (tbpd)	635	596	605
 Lifting Gas (tboepd)	1,033	995	1,005

The 2025 Budget Posture



	RAPBN	% PDB	APBN	% PDB
A. Revenue	2.996,9	12,32	3.005,1	12,36
I. Tax Revenue	2.490,9	10,24	2.490,9	10,24
1. Tax	2.189,3	9,00	2.189,3	9,00
2. Custom and Excise	301,6	1,24	301,6	1,24
II. Non-Tax Revenue	505,4	2,08	513,6	2,11
III. Grant	0,6	0,00	0,6	0,00
B. Expenditure	3.613,1	14,86	3.621,3	14,89
I. Central Government Expenditure	2.693,2	11,08	2.701,4	11,11
1. Line Ministries Expenditure	976,8	4,02	1.160,1	4,77
2. Non-Line-Ministries Expenditure	1.716,4	7,06	1.541,4	6,34
II. Transfer to Region	919,9	3,78	919,9	3,78
C. Primary Balance	(63,3)	(0,26)	(63,3)	(0,26)
D. Surplus/(Deficit)	(616,2)	(2,53)	(616,2)	(2,53)
<i>% Surplus/ (Deficit) to GDP</i>	<i>(2,53)</i>	<i>(0,01)</i>	<i>(2,53)</i>	<i>(0,01)</i>
E. Financing	616,2	2,53	616,2	2,53

Maintaining Sustainability of Spending Priorities in the 2025 Budget to Support Development Agenda



Share to total spending



EDUCATION IDR724.3 T

- Increasing access and quality of education i.e. PIP, KIP College, BOS, BOP PAUD, scholarships (LPDP)
- Providing nutritious food for school children, renovating schools and developing superior schools
- Strengthening links & matches with the job market (vocational & certification)

20%



SOCIAL PROTECTION IDR503.6 T

- Continuing social security al. PKH, Basic Food Cards, PIP, College KIP
- Synergy and integration of social protection program
- Strengthening social security throughout life;
- Strengthening graduation from poverty i.e. Social protection based on empowerment

14%



INFRASTRUCTURE IDR399.3 T

- Development of agricultural infrastructure such as irrigation networks and dams
- Construction of integrated superior schools;
- Supporting infrastructure to support economic transformation (e.g. connectivity, downstreaming, food, energy)

11%



HEALTH IDR217.4 T

- Promotive and preventive efforts, accelerating the reduction of stunting and TB cases;
- Construction of quality hospitals, free health checks and effectiveness of the JKN program
- Strengthening technology and pharmaceutical independence
- Strengthening a reliable health system

6%



FOOD SECURITY IDR139.4 T

- Intensification and extensification of agricultural land, strengthening of agricultural infrastructure and infrastructure (eg, dams and irrigation)
- Food storage & increasing access to financing for farmers
- Strengthening national food reserves (food availability and affordability)

3.8%



LAW & DEFENCE IDR376.4 T

- Modernization of defense equipment;
- Strengthening ICT from Cyber threats;
- Support strategic industrial capabilities;
- Implementation of legal and security operational activities

10.3%



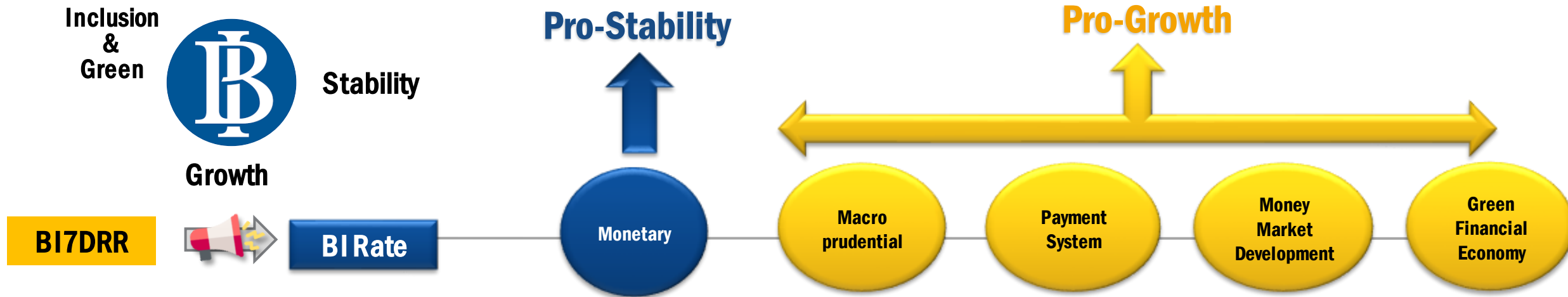
Section 5

Monetary & Financial Sector

*“Credible Monetary Policy and
Favorable Financial Sector”*

Bank Indonesia Policy Mix: October 2024

Maintaining Stability, Strengthening Economic Growth



The BI Board of Governors Meeting agreed on 15th-16th October 2024 decided to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75% respectively. This decision aligns with efforts to maintain the stability of the Rupiah exchange rate to ensure inflation remains controlled within the target range of $2.5 \pm 1\%$ in 2024 and 2025, while also supporting sustainable economic growth.



BI-Rate Lowered 25bps to 6.00%

1) Strengthening pro-market monetary operations strategy to attract sustained capital inflows, enhancing the stability of the Rupiah exchange rate and the effectiveness of monetary policy transmission by:

- Maintaining the interest rate structure of the Rupiah money market to ensure attractive returns for foreign portfolio investments in domestic financial assets;
- Optimizing Bank Indonesia's Rupiah Securities (SRBI), Foreign Exchange Securities (SVBI), and Foreign Exchange Sukuk (SUVBI);
- Strengthening competitive transaction strategies of term-repo and foreign exchange swap; and
- Enhancing the role of Primary Dealers (PD) to increase SRBI transactions in the secondary market and repo transactions among market participants.



Enhancing the strategy of Rupiah exchange rate stabilization through interventions in the foreign exchange market via spot transactions, Domestic Non-Deliverable Forward (DNDF) and Government Securities (SBN) in the secondary market



Implementing accommodative macroprudential policy to encourage credit/financing growth that supports sustainable economic development while maintaining financial system stability by:

- Strengthening the Macroprudential Liquidity Incentive Policy (KLM) to encourage credit/financing growth in the banking sector that supports job creation;
- Maintaining: (i) the Countercyclical Capital Buffer (CCyB) at 0%; (ii) the Macroprudential Intermediation Ratio (RIM) within 84-94%; (iii) the Loan to Value/Financing to Value (LTV/FTV) ratio for property credit/financing at a maximum of 100%, and minimum down payments for motor vehicle loans at 0%, effective from January 1 to December 31, 2025; and (iv) the Macroprudential Liquidity Buffer (PLM) at 5% with 5% repo flexibility, and the Sharia PLM ratio at 3.5% with 3.5% repo flexibility.



Enhancing transparency assessments of lending rate disclosures (SBDK) by deepening reporting on sector-specific loan interest rates covered under KLM.

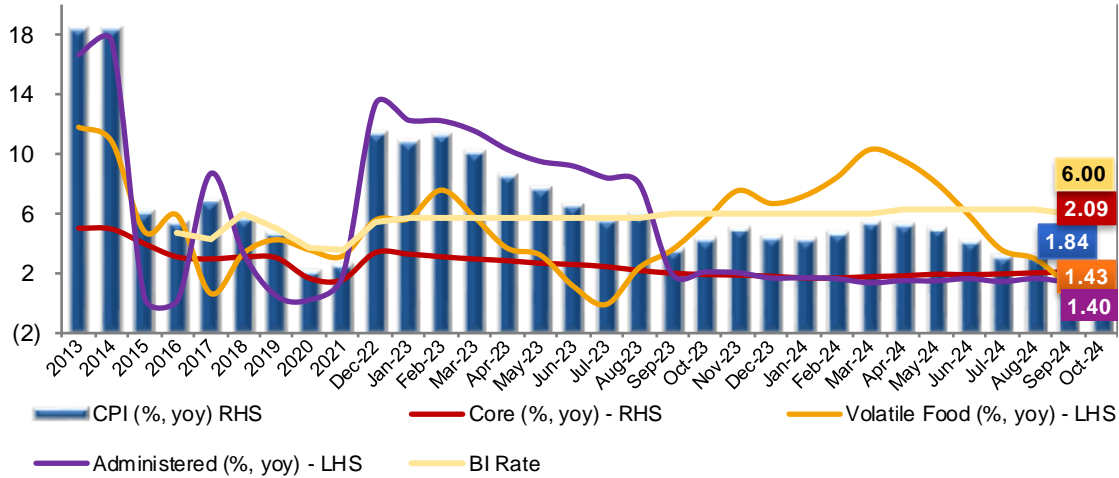


Strengthening the expansion of acceptance of payment system digitalization through the implementation of the 0% QRIS Merchant Discount Rate (MDR) for transactions of up to IDR 500,000 at Micro Business (UMI) merchants, effective from December 1, 2024, to support the purchasing power of the lower middle class

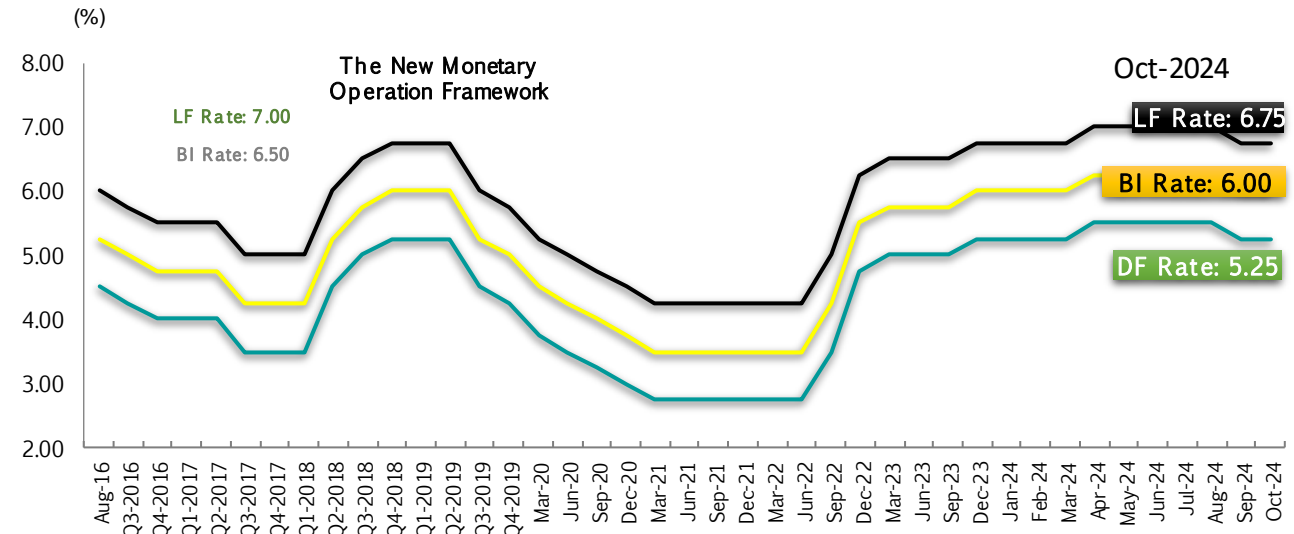
Manageable Monetary Environment Amid Heightened Global Uncertainty



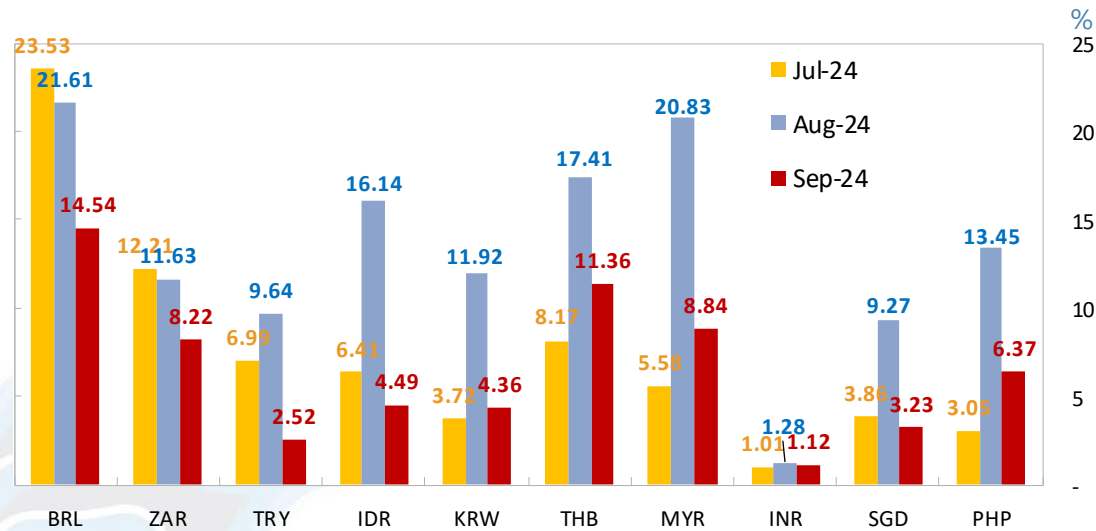
Well Maintained Inflation Ensured Price Stability



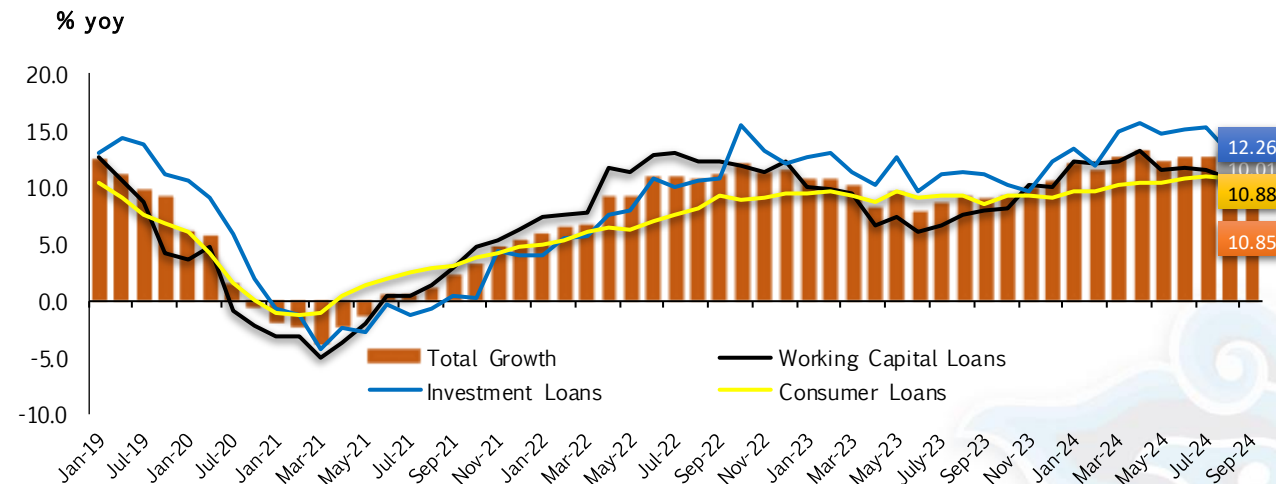
Strengthened Monetary Policy Framework



Rupiah Exchange Rate Volatility



Credit Growth Profile



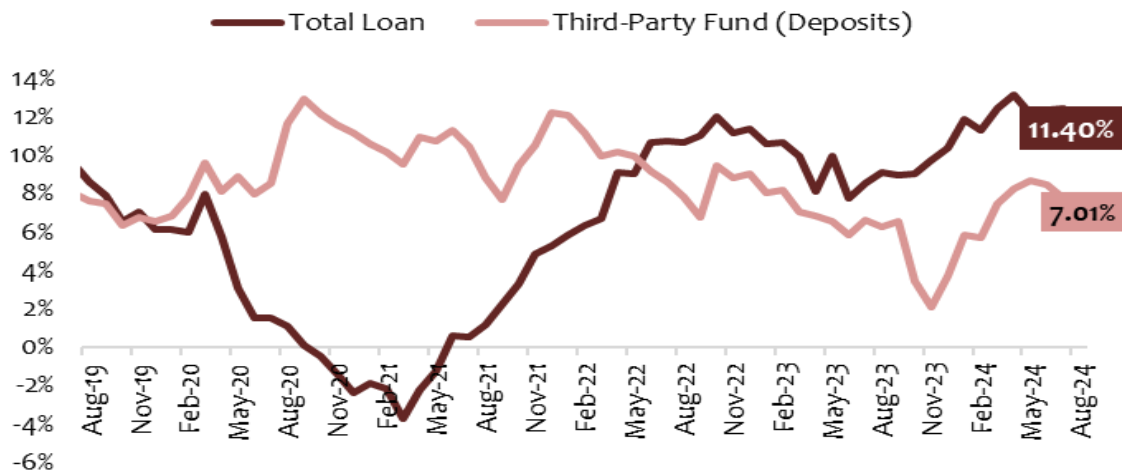
Banking Intermediation



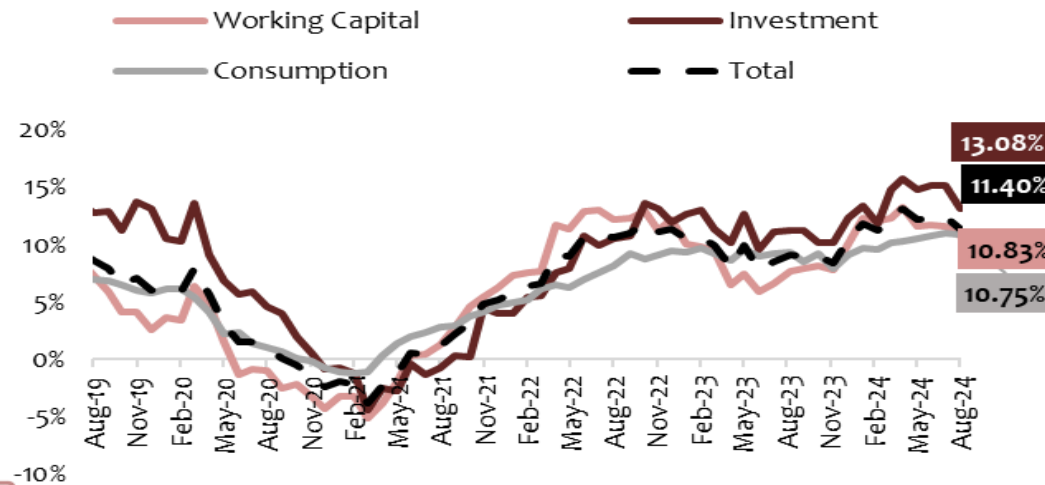
Despite global economic challenges, bank loans and third-party funds continue to grow, driven by increased demand for investment loans and corporation loans.



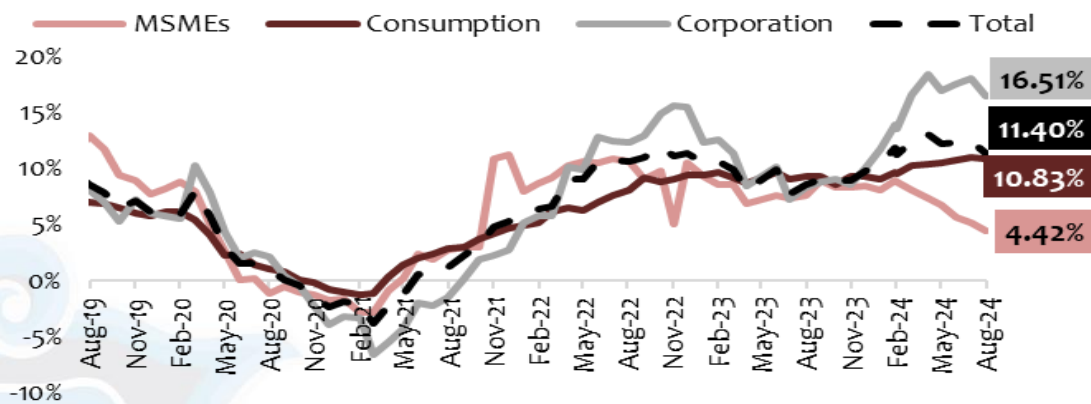
In **August 2024**, bank credit and third-party funds (total DPK) grew at a moderate rate by **11.40%** (yoy) and **7.01%** (yoy), respectively.



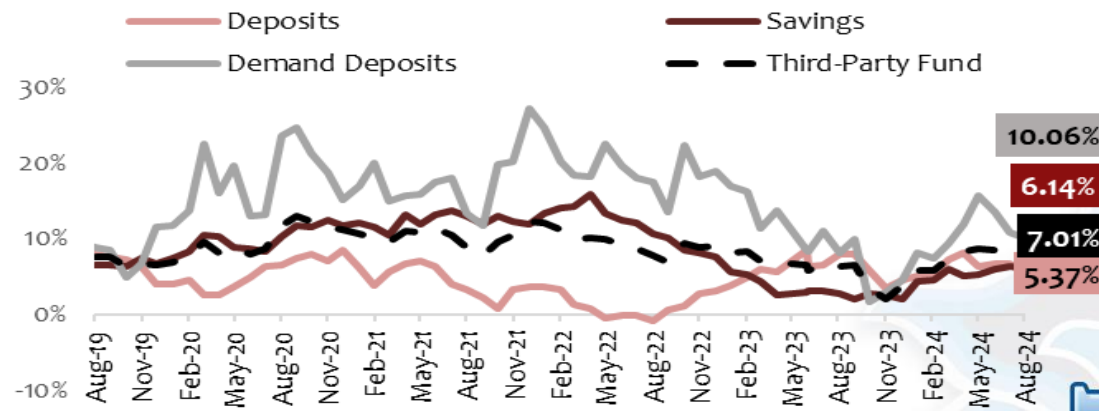
All types of loans maintained their positive trend in **August 2024**, with **investment** loans, in particular, grew by **13.08%** (yoy).



Loan growth continued to improve in **August 2024**, with major contribution from **Corporation loans**, with **16.51%** (yoy) growth.



Third-Party Funds' (Total Deposits) growth slowed down in **August 2024**, with **Demand Deposit** in particular, growing by **10.06%**



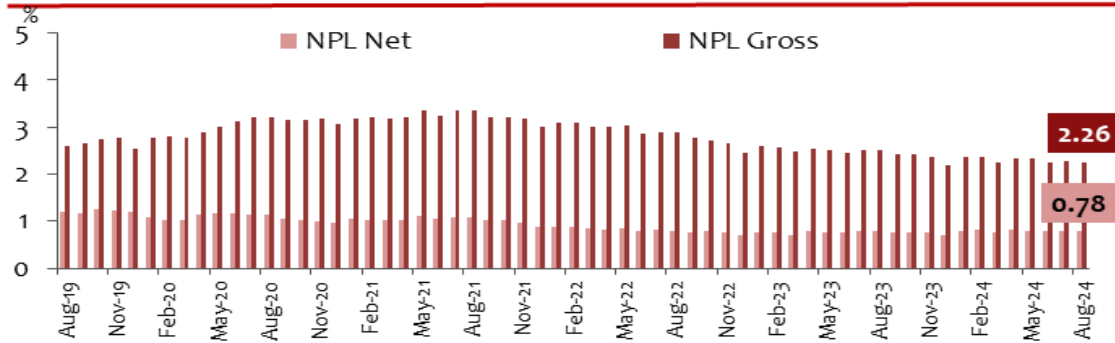
Banking Risk Profile and Profitability



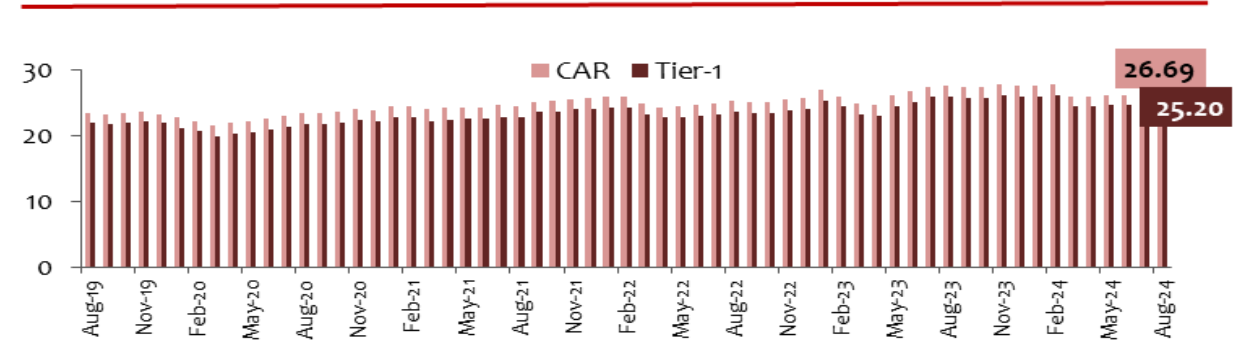
The banking industry has ample liquidity, resilient capitalization, and manageable credit risk, while maintaining a consistent level of profitability



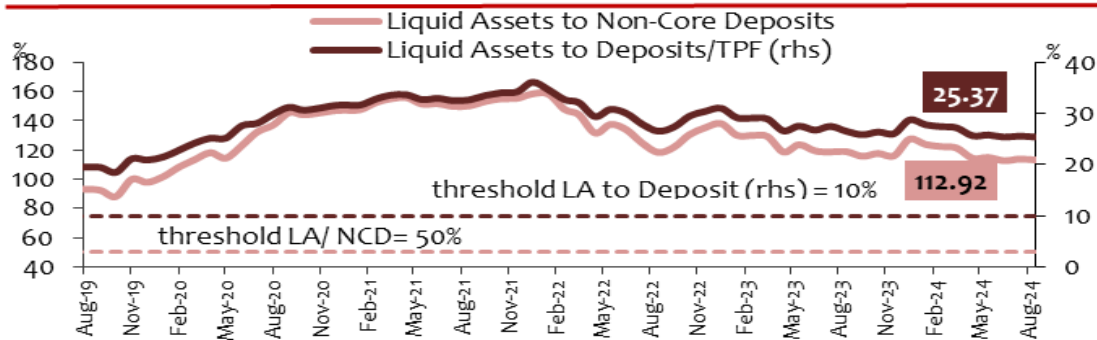
The banking NPL ratios were manageable in **August 2024**, recorded at **2.26% gross** and **0.78% net**, significantly below the threshold.



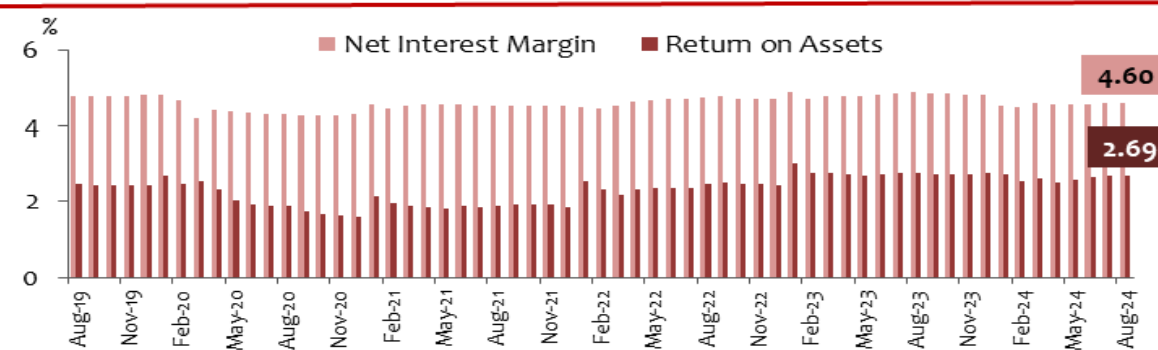
The banking sector's Capital Adequacy Ratio (CAR) was steady with a value of **26.69%** and Tier-1 capital stood at **25.20%** as of **August 2024**.



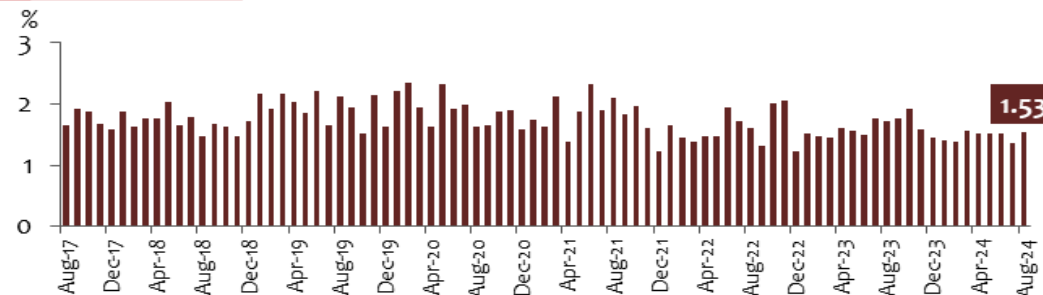
Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.



The banking industry's profitability remained steady with NIM at **4.6%** and ROA at **2.69%**, as of **August 2024**.



Net Open Position was maintained well below the maximum limit of 20% and stood at **1.53%** in **August 2024**.



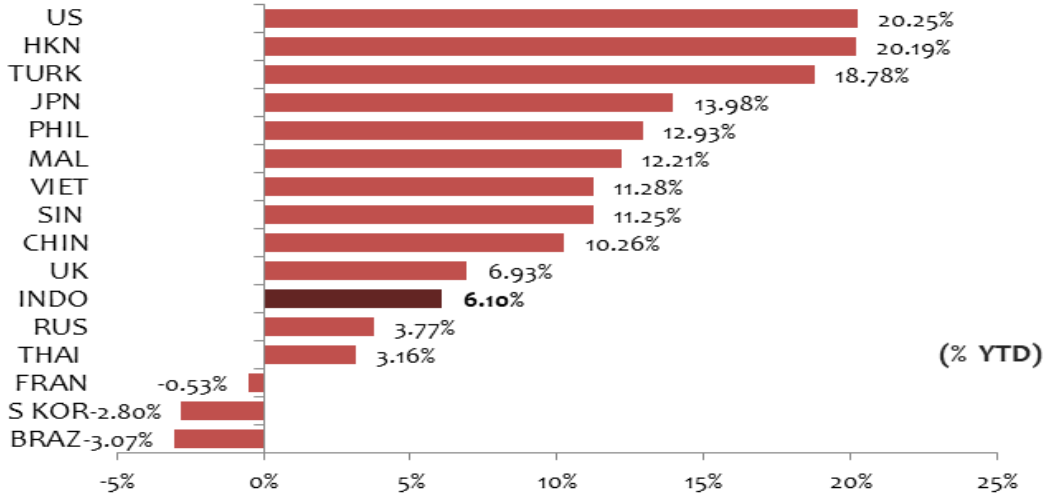
Domestic Capital Market Performance

Continued pressure on the global stock market impacts Indonesia's capital market



Stock Index performance in emerging markets have shown strong resilience, with majority of countries experiencing positive stock index growth, despite ongoing global uncertainties.

Stock Index Performance as of 24 October 2024 (compared to 29 Dec'23)



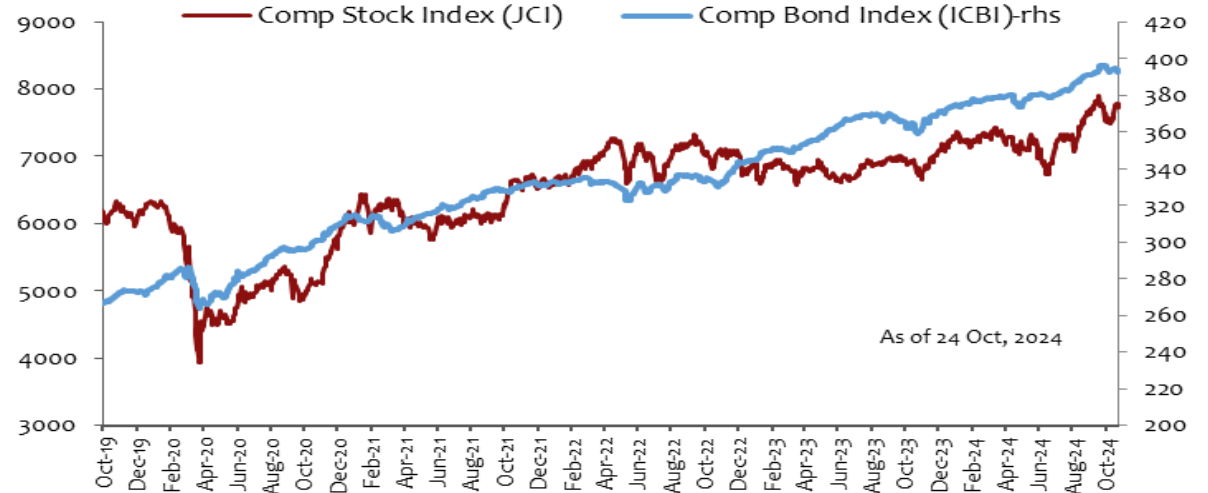
Indonesian government bond yields for 5-year and 10-year tenor moderated in **24 October 2024**. Meanwhile, Rupiah experienced a slight depreciation against the US dollar.



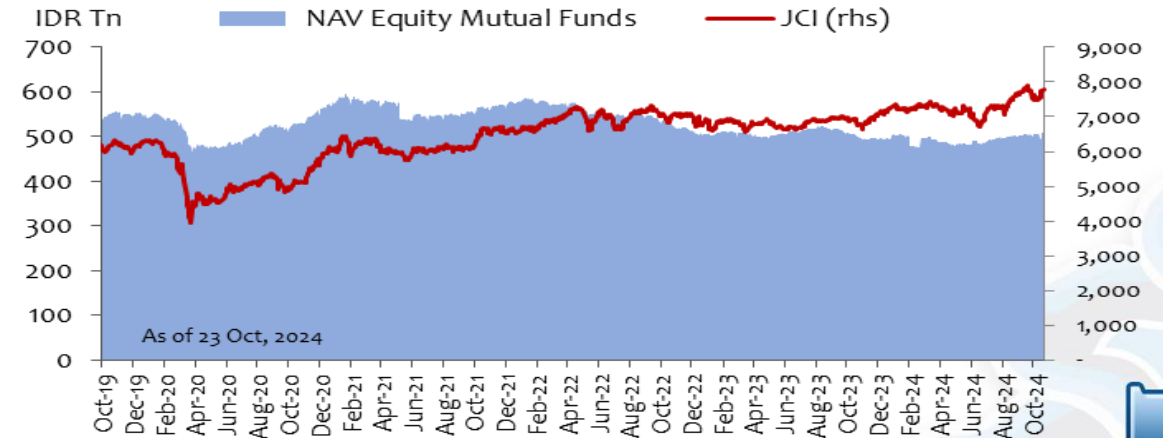
Source: Reuters, OJK



As of **24 October 2024**, both the composite bond market index and stock indices have continued to strengthened (YTD), reflecting growing investor confidence in the market.



The Net Asset Value (NAV) of equity mutual funds remained stable, reflecting a steady movement in the capital market.



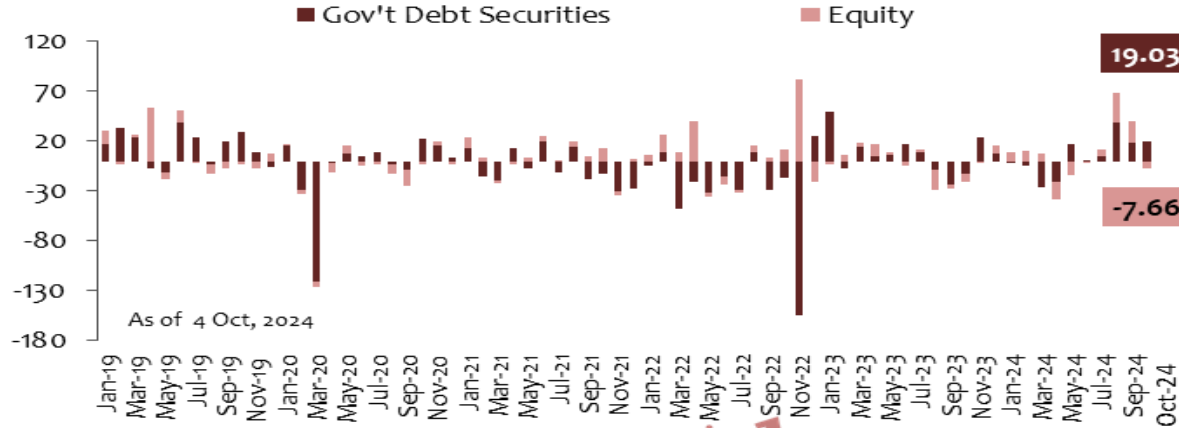
Domestic Capital Market Performance

Several capital market indicators remained positive



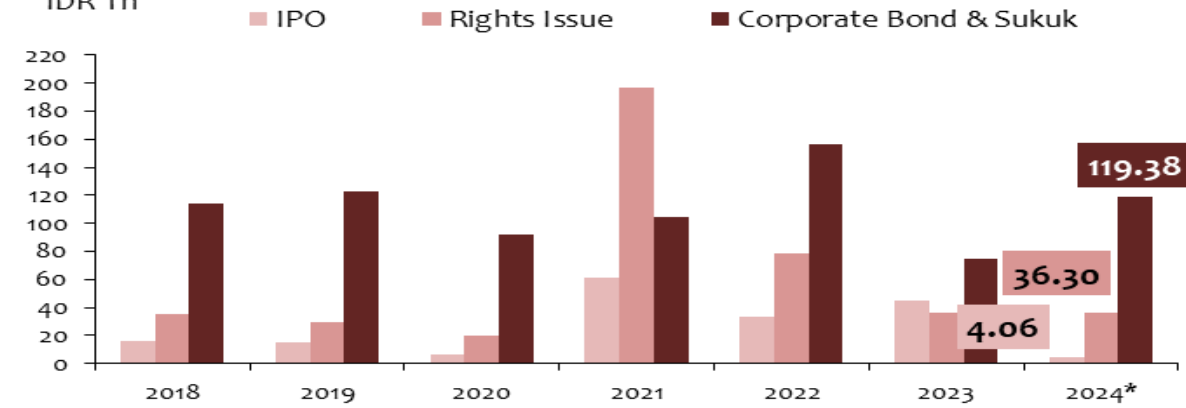
Non-resident portfolios of both equity market and government bonds recorded a **YTD net buy of IDR40.46 Tn** and **IDR47.87 Tn**, respectively, as of **4 October 2024**.

IDR Tn



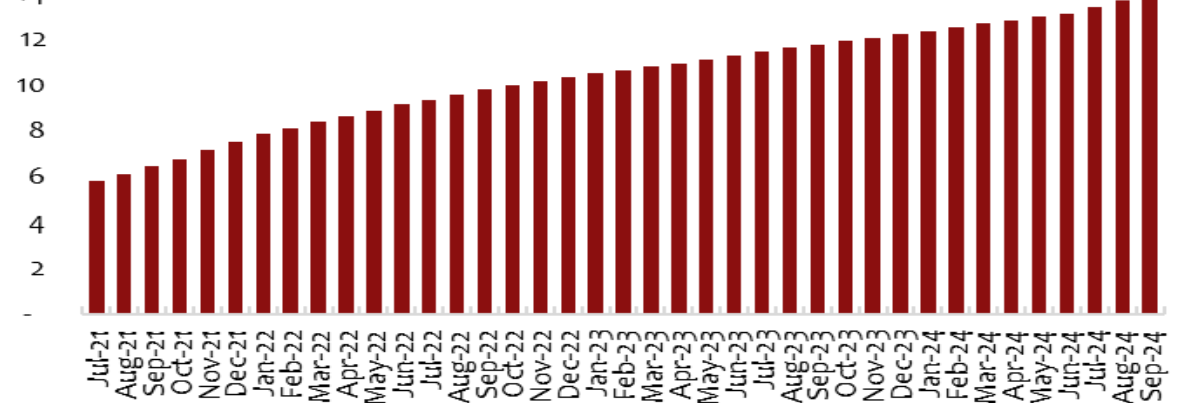
Total securities issuance reached IDR119.38 Tn (YTD) as of 4 October 2024.

IDR Tn



Capital Market Investors continued to grow to 13.95 million by the end of **September 2024**, representing a **18.89% (yoy) increase**.

Total Investor (million)

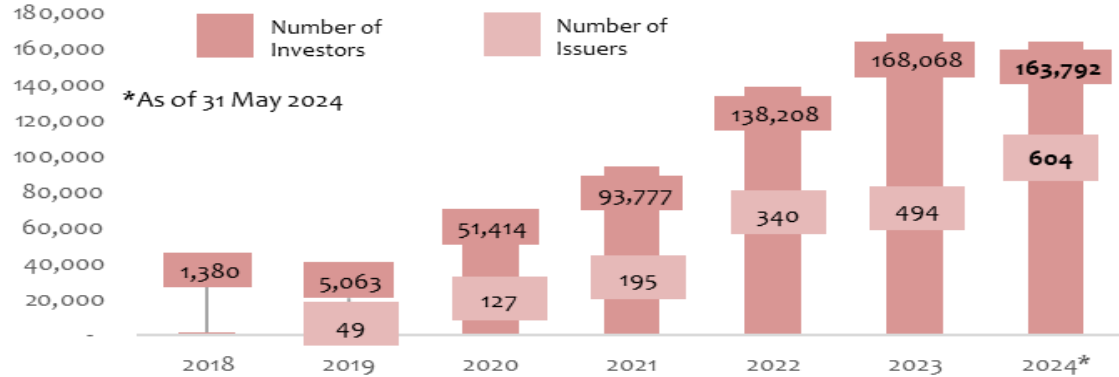


Securities Crowdfunding and Carbon Exchange

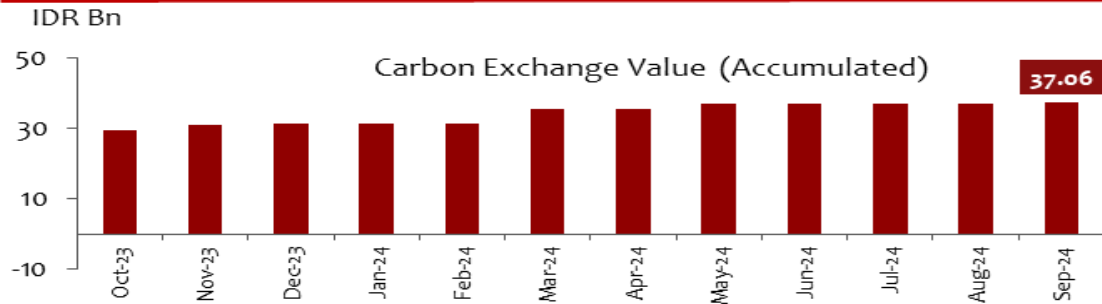
Securities Crowdfunding (SCF) and Carbon Exchange grew steadily



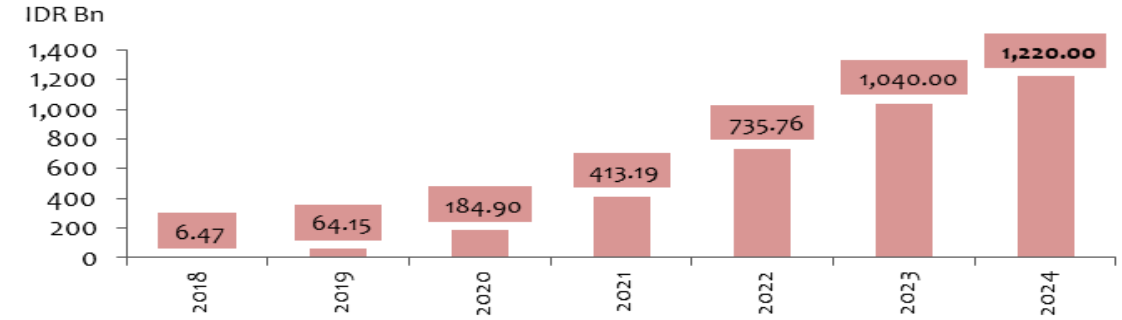
The total number of investors and issuers in Securities Crowdfunding increased to **163,792** and **604**, respectively, as of **30 September 2024**.



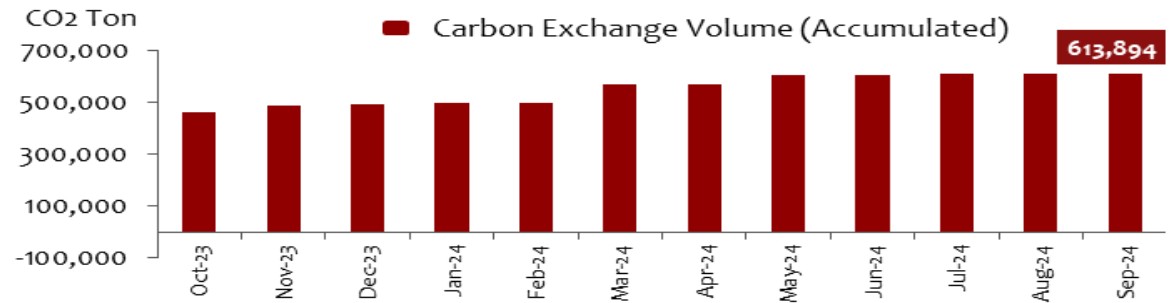
Since its launch in September 2023, the Carbon Exchange has achieved an accumulated value of **IDR37.06 billion** as of **September 2024**.



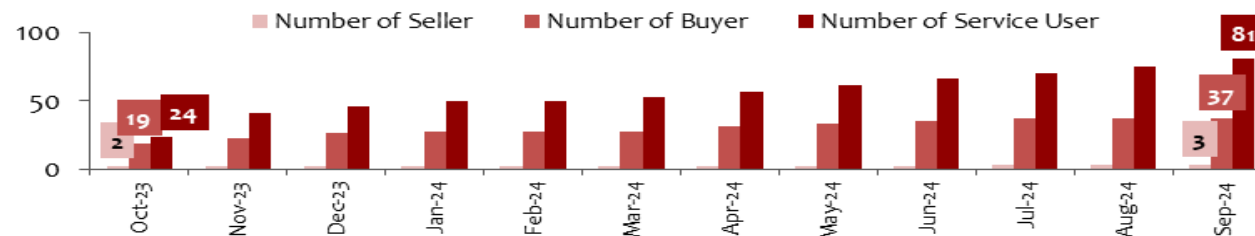
Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.22 Tn** as of **30 September 2024**.



The traded volume in Carbon Exchange recorded a total of **613,894 CO2 Ton** as of **September 2024**.



The number of service users in Indonesia's Carbon Exchange increased from 24 in October 2023 to **81** in **September 2024**.



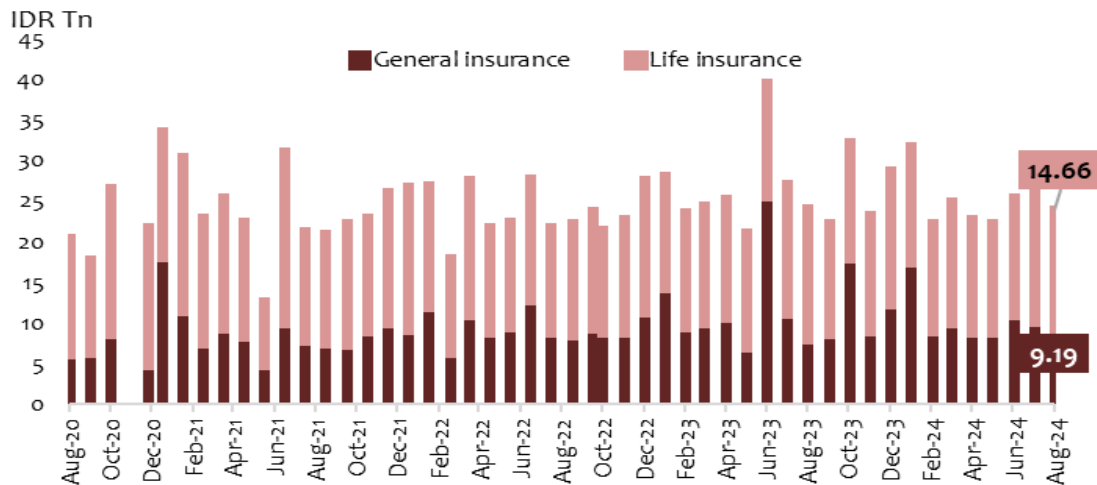
Insurance Sector



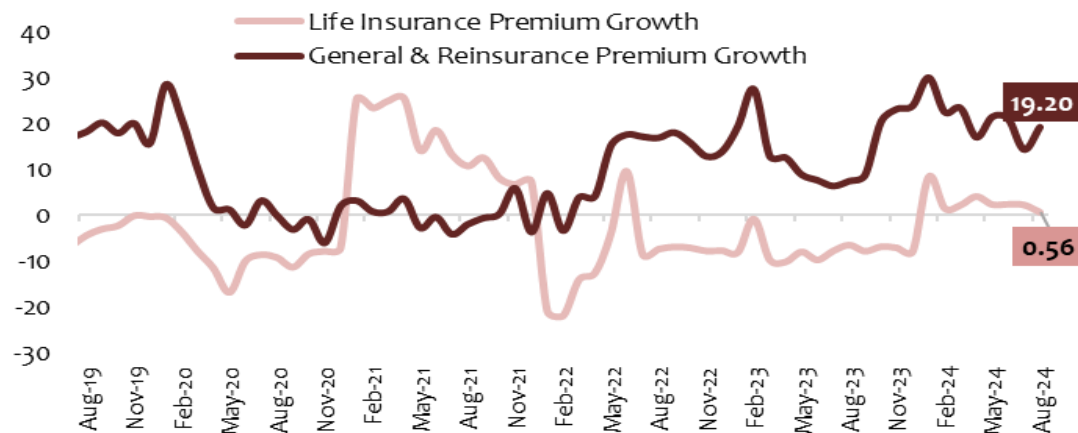
Insurance sector remain positive, shown by adequate performance and manageable risks.



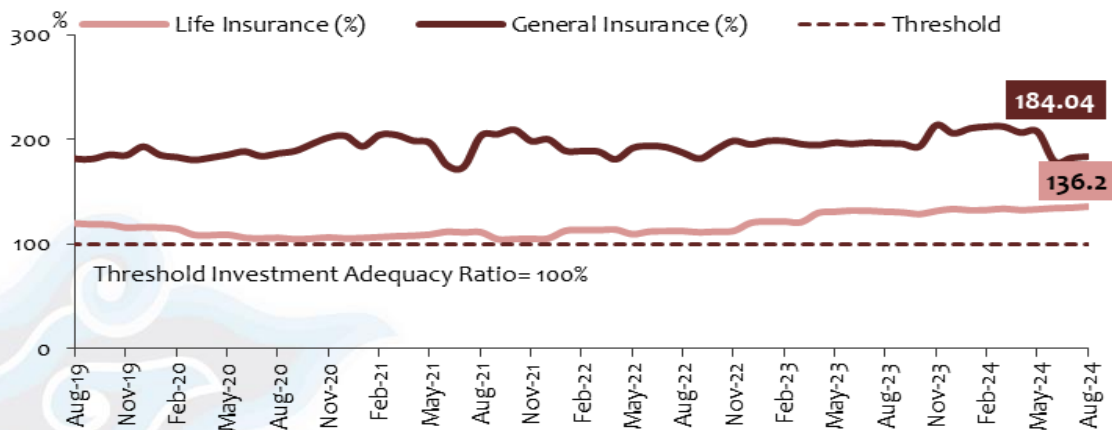
In **August 2024**, insurance premiums marked a total increase of **IDR23.85 Tn** (mtm) with General and Life insurance added premiums at **IDR9.19 Tn** and **IDR14.66Tn**, respectively.



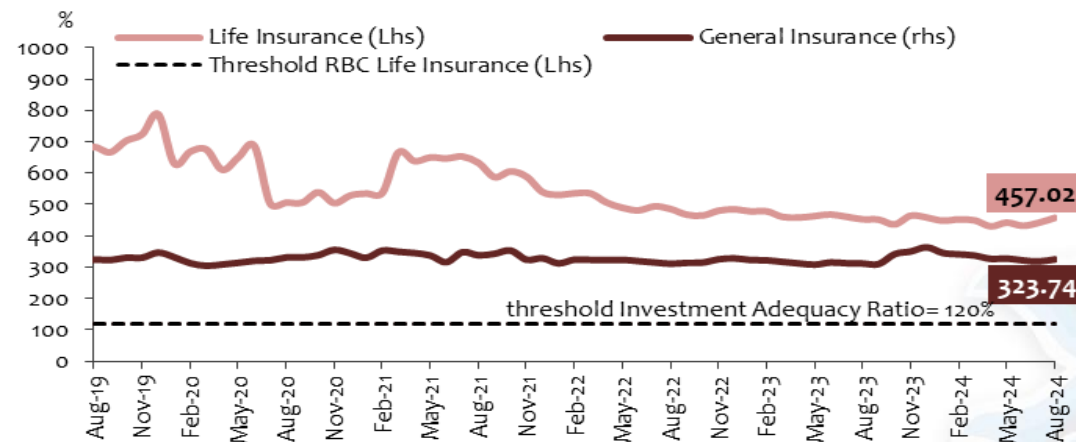
General & Reinsurance Premium Growth recorded a slight decrease to **19.2%** in **August 2024**, while Life Insurance experienced a modest rise of **0.56%**.



In **July 2024**, the Investment Adequacy Ratio of both Life Insurance and General Insurance maintained above the threshold of **136.2%** and **184.04%**, respectively.



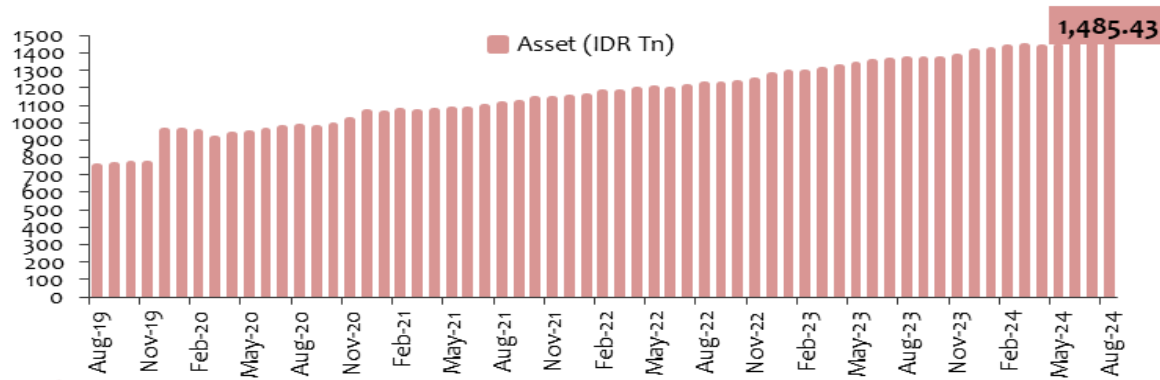
Risk-Based Capital (RBC) of the insurance industry remained well above the minimum threshold with Life Insurance at **457.02%** and **General Insurance at 323.74%** in **August 2024**.



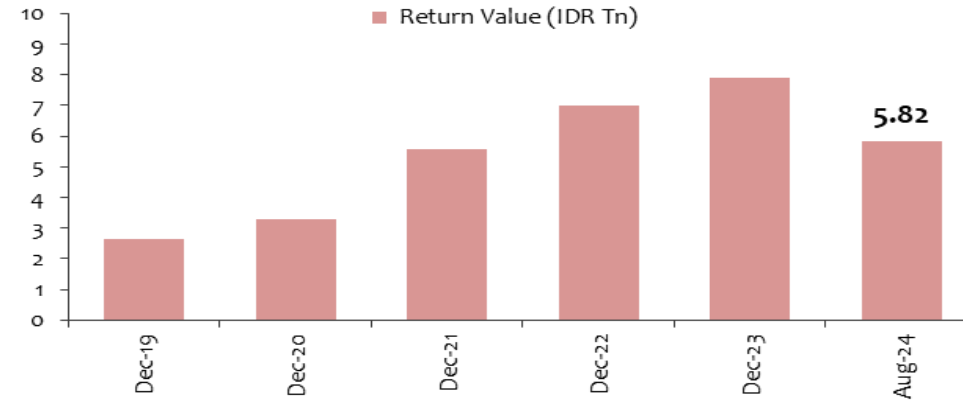
Pension Funds and Guarantee Institutions Performance



In August 2024, Pension funds total asset increased to **IDR1,485.43 Tn.**



In August 2024, Guarantee Institutions Accumulated Return Value increased at **IDR5.82 Tn YTD.**



Number of Participants in Pension Funds reached to **28.57 Million** in August 2024.

Pension Funds	Dec-21	Dec-22	Dec-23	Apr-24	May-24	June-24	July-24	Aug-24
Number of Participants (Million)	26.23	27.27	28.09	28.30	28.29	28.39	24.48	28.57



In August 2024 Guarantee Asset Value reached **IDR47.9 Tn** and grew by **7.36%** (yoy).

Guarantee Institutions	Dec-21	Dec-22	Dec-23	Apr-24	May-24	June-24	July-24	Aug-24
Assets Value (IDR T)	36.90	39.12	46.41	47.61	47.07	47.29	47.57	47.9
Growth YoY	46.66%	6.00%	18.64%	12.58%	8.95%	8.01%	6.57%	7.36%

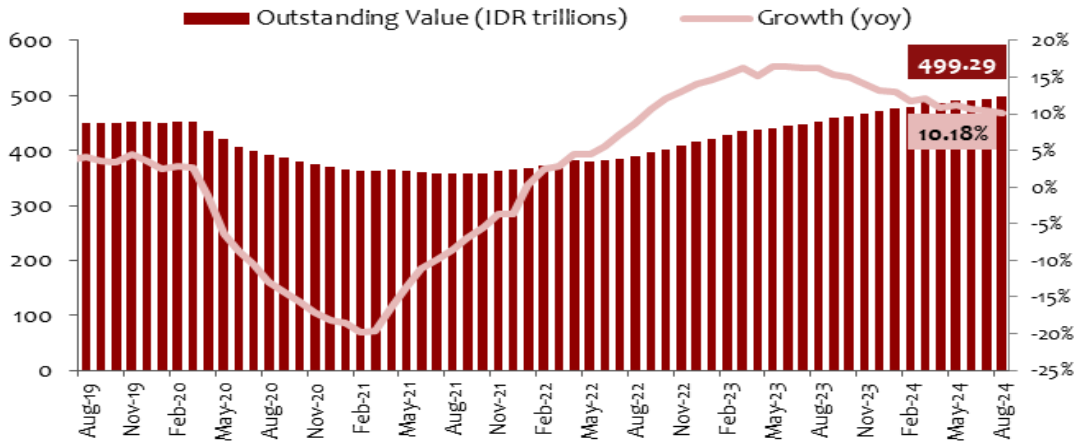
Financing, P2P Lending, Venture Capital, Microfinance Institutions



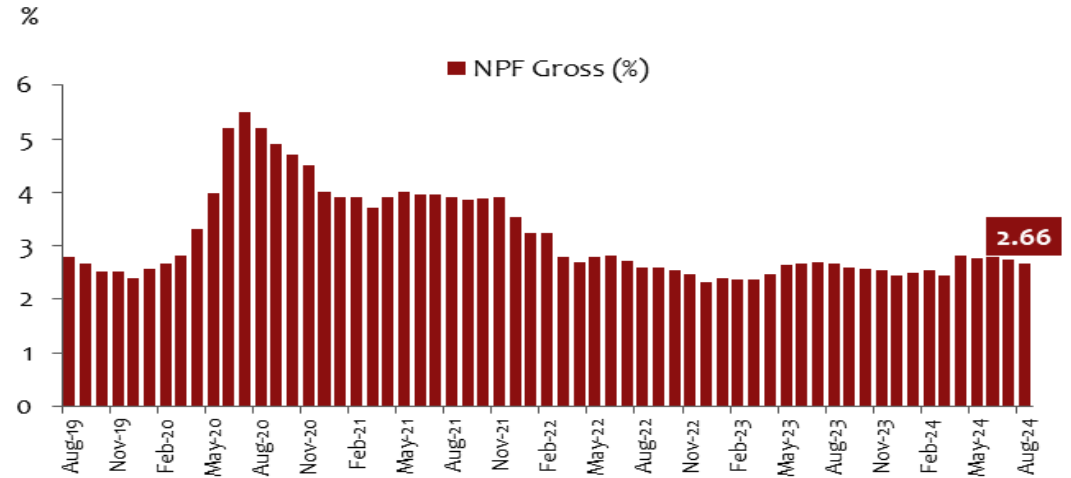
The performance of financing institutions continue to improve, as shown by growing net financing, a stable gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio.



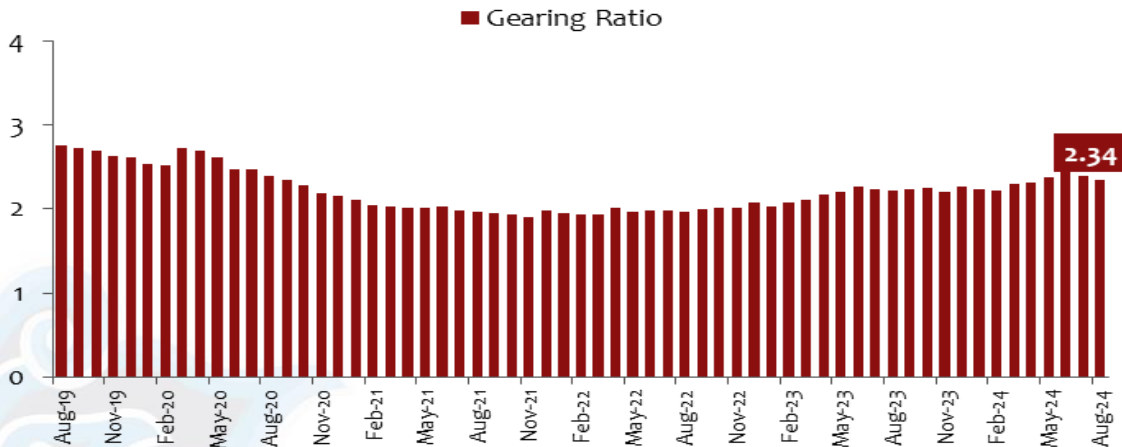
In **August 2024**, net financing continued to grow at a moderate level by **10.18% (yoy)** to **IDR499.29 Tn**.



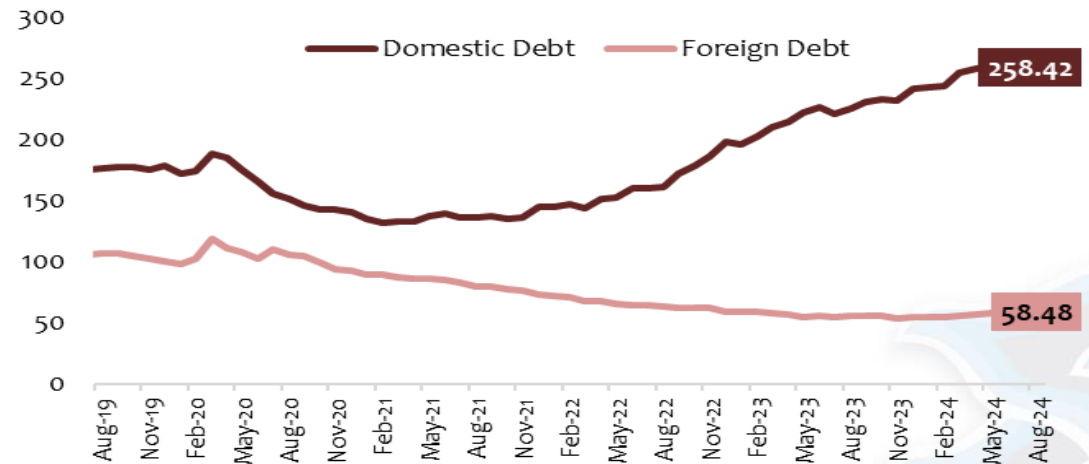
The Gross Non-Performing Financing (NPF) ratio of financing institutions remained manageable at **2.66%** in **August 2024**, well below the 5% threshold.



The gearing ratio of financing institutions stood at **2.34 times** below the 5 times threshold in **August 2024**.



The debt exposure of financing institutions includes domestic debt of **IDR258.42 Tn** and foreign debt of **IDR58.48 Tn**, as of **August 2024**.



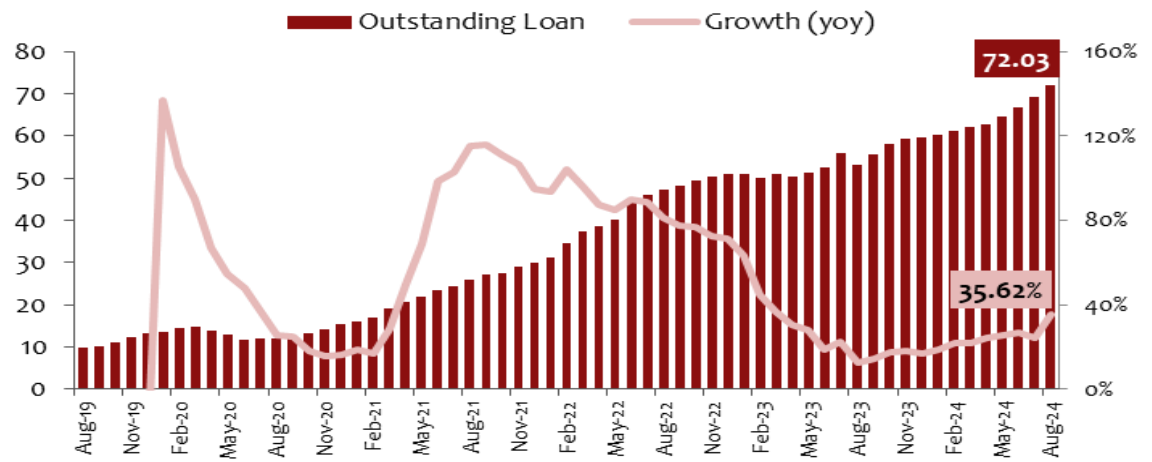
Financing, P2P Lending, Venture Capital, Microfinance Institutions



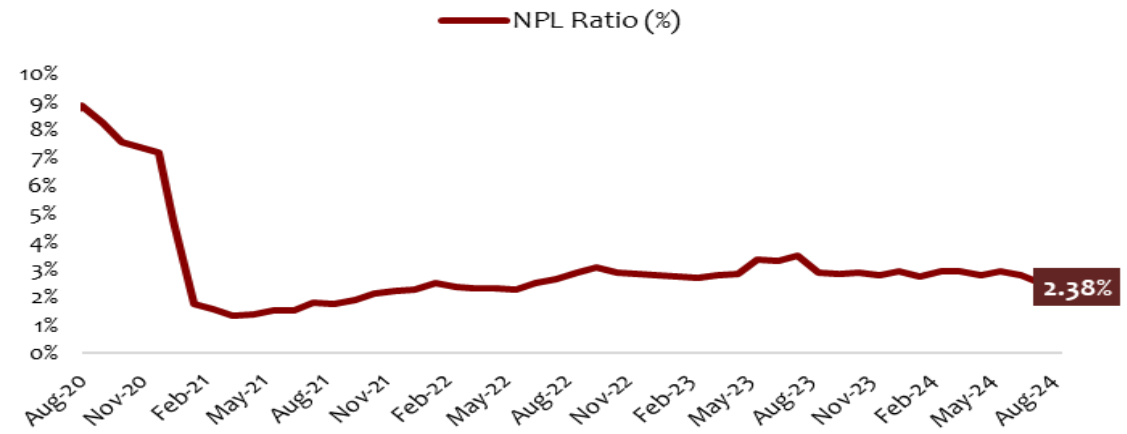
Peer to Peer Lending (P2PL) Fintech intermediation remains positive with a manageable NPL ratio



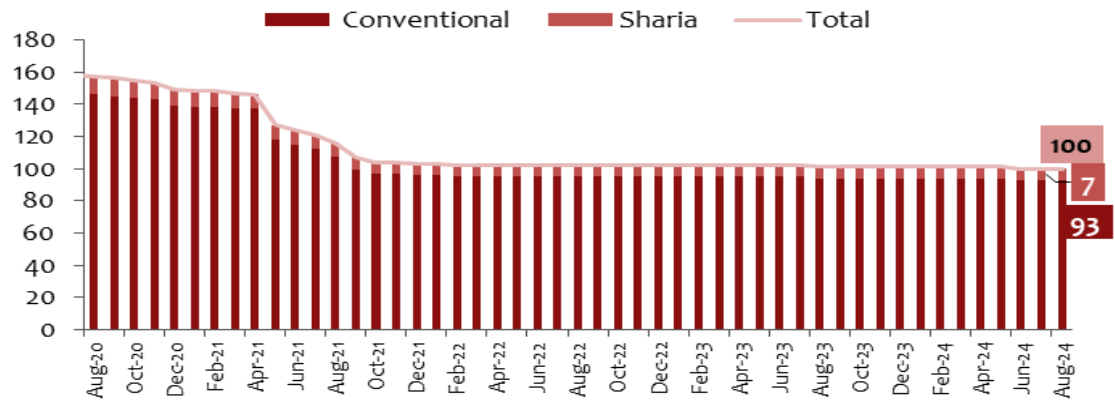
The outstanding loan of P2PL Fintech increased to **IDR72.03 Tn** or grew by **35.62%** (yoy) as of **August 2024**.



The Non-Performing Loan ratio (TWP90) of P2PL Fintech remained manageable at **2.38%** in **August 2024**.



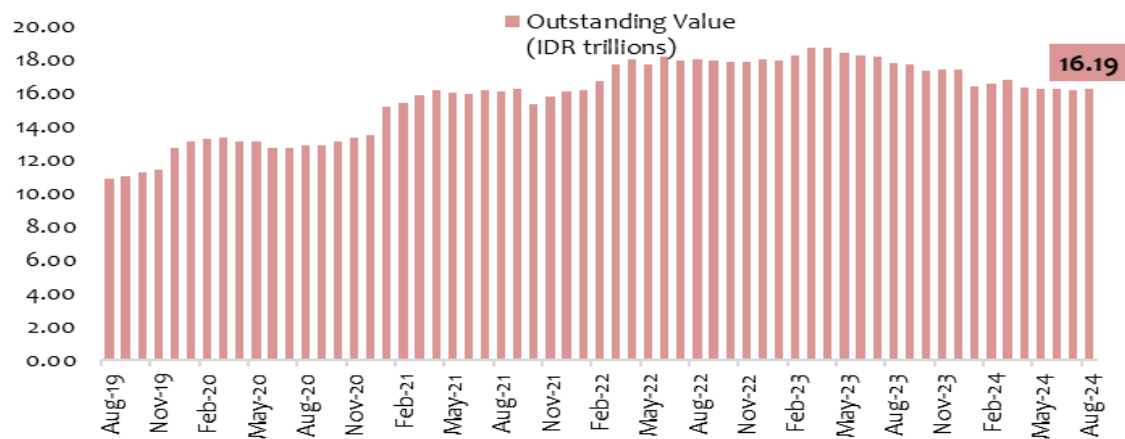
There are total of **100** fintech platforms, consisting of **93 conventional** platforms and **7 sharia** platforms in **August 2024**.



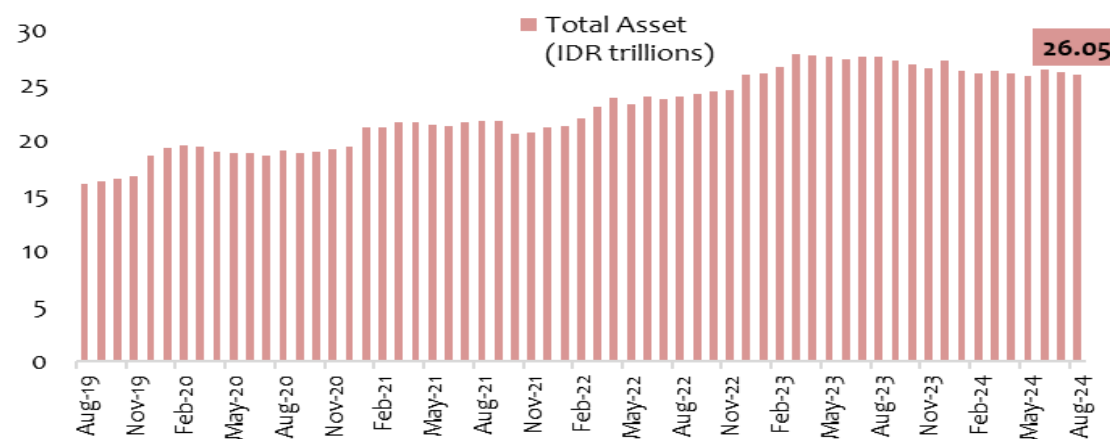
Financing, P2P Lending, Venture Capital, Microfinance Institutions



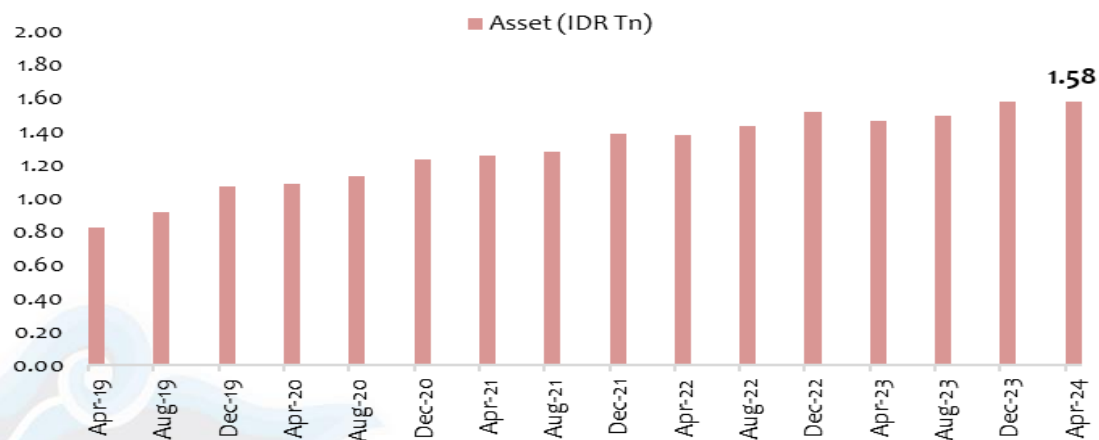
The venture capital corporation experienced stable performance, with financing reaching **IDR16.19 Tn** as of **August 2024**.



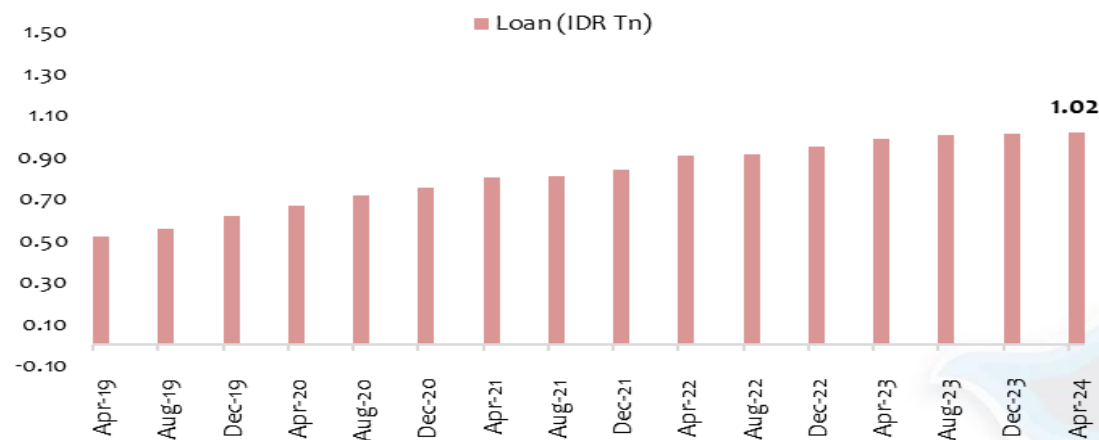
Total assets in the venture capital corporation reached **IDR26.05 Tn** in **August 2024**, reflecting a steady position.



Microfinance assets remained stable at **IDR1.58 Tn**, with growth of **7.72% (yoy)** in **April 2024**.



Microfinance loans remained stable at **IDR1.02 Tn** in **April 2024**.





Based on OJK Regulation No. 3/2024 concerning the Regulatory Sandbox, the number of sandbox applications reached **7** (YTD), with **1** accepted participants as of **August 2024**.

FSTI (Sandbox)	Dec-20	Dec-21	Dec-22	Dec-23	Aug-24
Number of Sandbox Applications Request	114	71	87	52	7
Number of Sandbox Participants	28	14	20	18	1

	Dec-22	Dec-23	Apr-24
Number of Registered FSTIs	98	80	52



In **August 2024**, the crypto-assets market recorded a total transaction value of **IDR 48 Tn**. However, the accumulated value for the year has reached **IDR 392.09 Tn**.

Crypto-assets	Dec-23	Mar-24	May-24	June-24	July-24	Aug-24
Transactions (IDR Tn)	27.25	20.16	49.80	40.85	42.34	48.00
Number of Investors (Million)	18.51	19.75	19.75	20.24	20.59	20.90



Financial Literacy, Consumer Protection and Illegal Financial Activities



From **1 January to 31 September 2024**, OJK conducted **3,141** financial education activities, reaching **4.355.176** participants nationwide.



Sikapi Uangmu, published **308** financial education contents, attracting **1,118,631** viewers, and **91,911** users accessed the Learning Management System for Financial Education (LMSKU)

Financial Education	3,141 Activities	Sikapi Uangmu	308 Contents
	4,355,176 Participants		1,118,631 Viewers
Team for Acceleration of Regional Financial Access (TPAKD)	540 TPAKDs 494 District/Municipalities	Financial Education Learning Management System (LMSKU) OJK	91,911 Access
	97.83% District/Municipalities		73,707 Certificates



From 1 January to **31 September 2024**, OJK, as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has suspended a total of **2,741** illegal financial entities.



By **31 September 2024**, OJK had received **22,907** service requests through the Consumer Protection Portal Application (APPK) with a resolution rate of **87.29%**.

Number of Illegal Investment	241
Number of Illegal Online Lending	2,500
Total Number of Illegal Financial Entities	2,741

Number of Service Requests	288,233
Number of Service Requests on Consumer Protection Portal Application (APPK)	22,907
Banking	8,004
Fintech	8,626
Financing Institutions	4,968
Insurance	1,002
Capital Market and other NBFIs	307
Service Requests Resolution	87.29%



Section 6

Structural Reforms

“Consistent implementation of reform agenda and progressive infrastructure”



- Indonesia's Accession Roadmap has been handed over at the May 2024 Meeting **INDONESIA IS THE FIRST OECD MEMBER CANDIDATE IN ASEAN**
- After the adoption of the Accession Roadmap, Indonesia will conduct **Self-Assessment** and submit an **Initial Memorandum** describing the policy conditions and standards of the Indonesian Government compared to the OECD.

Structural Reform through OECD Membership (Domestic Reform Catalyst)

Increase policy transparency and predictability

Support for the implementation of **reforms and transformation of the domestic economy** through access to experts, data and statistics, best practices, and participation in peer review.

Indonesia participates in discussing global standards

Participate in **global policy decisions** (global debates) through participation in discussions on global policies, standard-setting, and governance architecture.

Regulatory reform in line with OECD guidelines and standards

Encourage efficiency through efforts to harmonize policies at the global level for economic and resource efficiency and create a level playing field for the business world.

Increasing Indonesia's potential to become a quality and sustainable investment destination through the implementation of Environmental, Social, Governance aspects

Reputation and credibility excellence, to increase investor confidence through the implementation of **policy standards** that have been implemented by OECD member countries.

- Stronger **anti-corruption policy instruments**.
- **Transparency of the Tax Sector.** Increased funding for development. Tax optimization of multinational companies operating in Indonesia.
- **Public sector procurement becomes more transparent** so the state budget is more efficient.
- **Better corporate governance and SOEs** so that SOEs can contribute more to the national economy.

Best Practices from Recently Joined Countries

<p>Costa Rica</p> 	<p>The 2021 budget deficit fell to 5% of GDP thanks to the implementation of OECD standard fiscal rules.</p>
<p>Colombia</p> 	<p>Reduce bribery practices abroad with the implementation of the OECD Anti-Bribery Convention.</p>
<p>Chile</p> 	<p>SOE reform: increasing the independence of the board of directors, transparency, and accountability.</p> <p>After joining the OECD in 2010, there was an increase in the value of GDP and FDI to Chile.</p>

Policy Continuation is Reflected in National Development Planning

1 The Development Agenda Will Still Proceed as Planned

7 DEVELOPMENT AGENDA 2020-2024

1. Strengthening Economic Resilience for Quality and Fair Growth
2. Developing Regions to Reduce Gaps and Ensure Equity
3. Increasing Quality and Competitive Human Resources
4. Mental Revolution and Cultural Development
4. Strengthening Infrastructure to Support Economic Development and Essential Services
5. Building the Living Environment, Increasing Disaster Resilience, and Climate Change
6. Strengthening Political, Legal and Human Rights Stability and Transforming Public Services

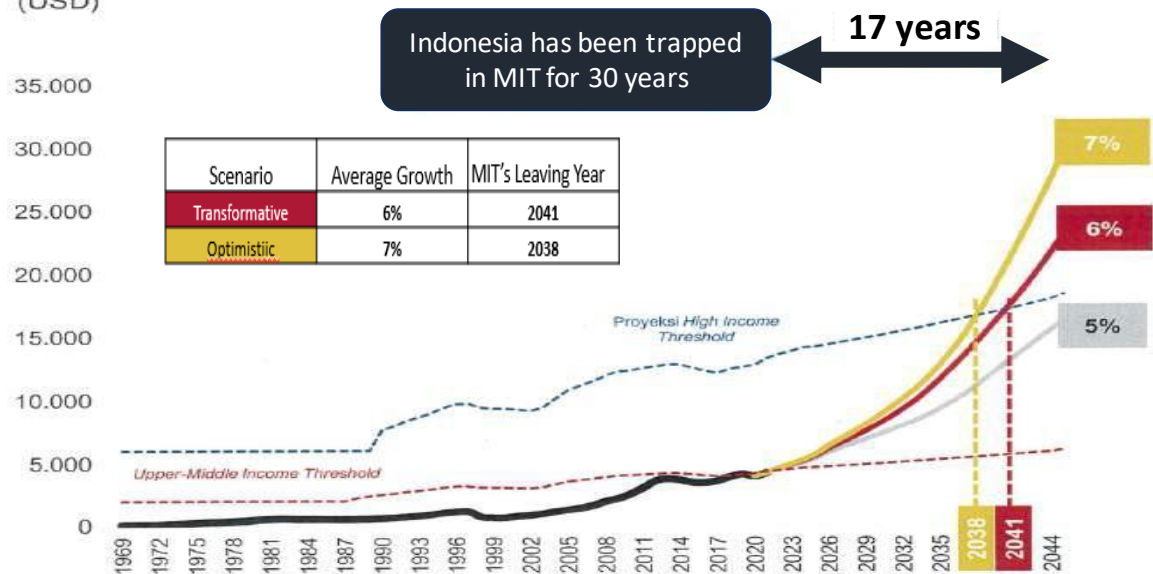
GOVERNMENT WORK PLAN 2024

SUPPORTED BY 2024 STATED BUDGET (Law 19/2023)

RPJPN 2025 - 2045 → RPJMN (PHASE I 2025-2029) AND IN THE SHORT TERM THROUGH THE ANNUAL RKP AND APBN POLICY

2 Transforming the Indonesian Economy to Achieve Vision 2045

Proyeksi GNI per Capita Indonesia (USD)



ECONOMIC TRANSFORMATION

1. Science and Technology, Innovation and Economic Productivity
2. Green Economy Implementation
3. Digital Transformation
4. Domestic and Global Economic Integration
5. Cities as Centers of Economic Growth



Semi Social Assistance Scheme Recipients (2020-2022)

16.425.419 Recipients (<i>Batch 1-47</i>)*	Rp40,17 Trillion Incentives
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Normal Scheme Recipients (2023)

1.142.924 Recipients (<i>Batch 48-62</i>)*	Rp626 Billion Incentives
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Batch 1-69 Applicants and Recipients

>53 millions Verified

19.647.596
Total Recipients

18.800.682
Effective Recipients

514 Cities/Districts
38 Provinces

Implementation in 2024 (Normal Scheme)

Recipients:

1.232.339 Effective recipients of Normal Scheme PRakerja (*Batch 63-69*)*

971.123 Completed Courses	911.176 Receive Incentives	Rp579 Billion Incentives Distributed
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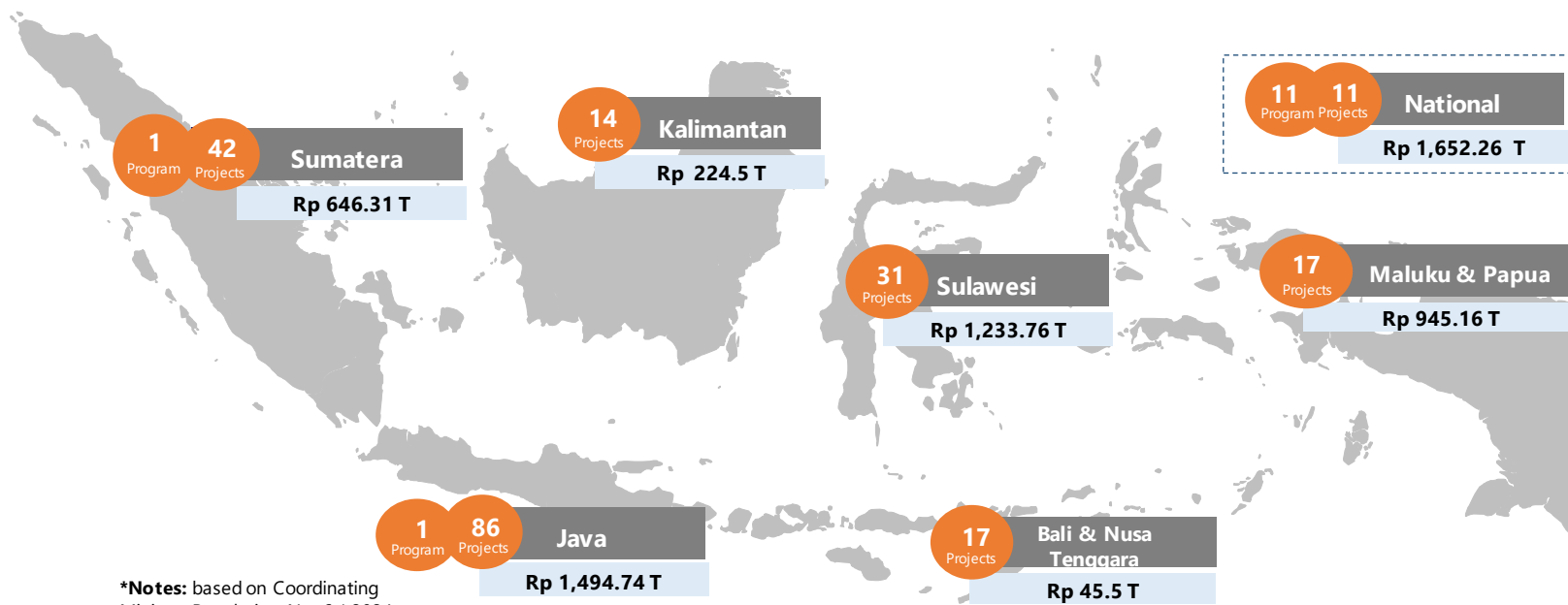
Courses Progress

226 Training Institution 1.268 Courses	117 Online	1.021 Webinar	130 LMS
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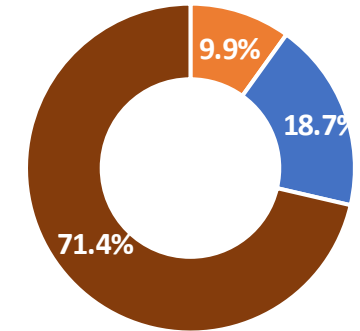
The National Strategic Project (PSN)



Based on Coordinating Minister Regulation Number 6 of 2024, there are **218 Projects** and **15 Programs** as PSN with an estimated total investment value (CapEx) of **IDR 6.24647 trillion**



Est. Total Investment Value (Construction)



State Budget SOE Budget Private

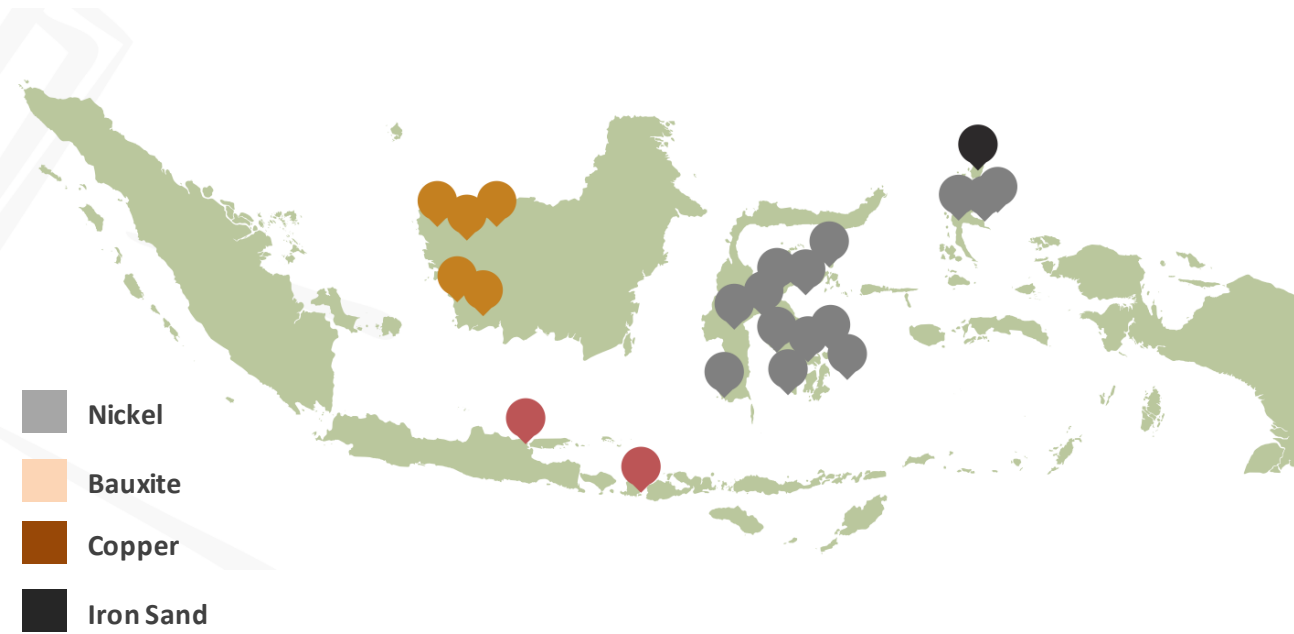
*Notes: based on Coordinating Minister Regulation No. 6 / 2024

PSN covers 14 sectors and 15 Program in total



Source: KPPIP, December 2023

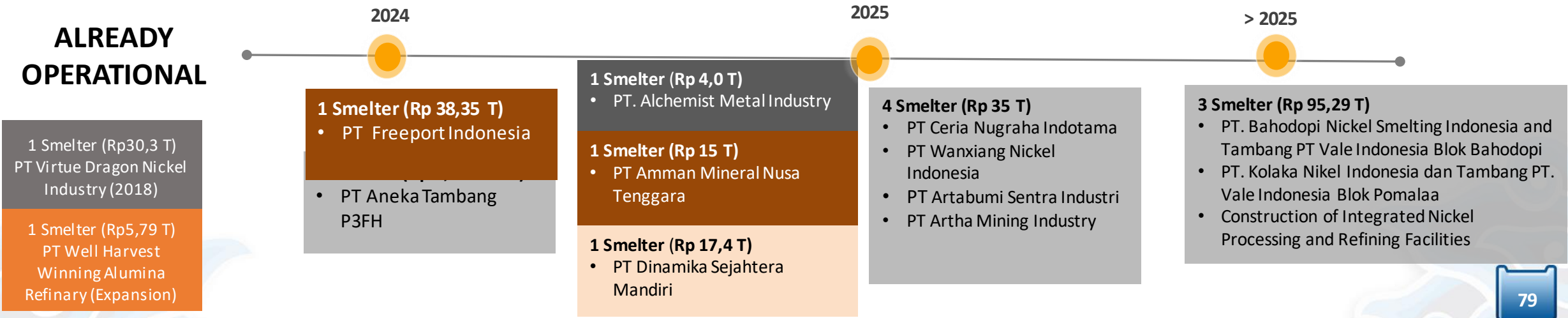
National Strategic Project to the Processing of Critical Minerals



On the National Strategic Projects (PSN) list, there are **16 Mineral Smelters** with an estimated investment value reaching IDR 248.75 Trillion, and the total output is as follows:

THE SMELTER PRODUCT OUTPUTS	
NICKEL	2.570.630 FeNi
BAUXITE	3.000.000 SGA
COPPER	680.000 Chatode
IRON SAND	1.600.000 Iron Pig

Target Operasional Smelter



Road Map Towards Net Zero Emissions: Supply and Demand



2025: Emission Reduction 231.2 Million tons CO2

Supply:

- Solar Power Plant/PLTS utilization roof
- Accelerate waste to energy
- Biomass Power Plant (PLTBm) small scale
- Cofiring for Steam Power Plant (PLTU)
- Additional Water-Power Plant (PLTA)

(inline with RUPTL 2021-2030)

Demand:

- Induction Cooktop 8.1 million Household
- Dimethyl ether replace LPG for RT
- Implementation of 300 thousand electric cars and 1.3 million electric motorbikes
- Gas Network for 5.2 million SR
- Mandatory biodiesel 30% year 2025

2035: Emission Reduction 388 Million tons CO2

Supply:

- Green Hydrogen from New Renewable Energy (EBT) start in 2031
- Battery Energy Storage System (BESS) massive in 2034
- Capacity installed for Geothermal Power Plant (PLTP) 11 GW in 2035

Demand:

- Induction Cooktop for 28.2 million household
- 9.3 million electric cars and 51 million electric motorbikes
- Gas network utilization for 15.2 million SR
- Biofuel used is maintained at 40%
- Implementation of Energy Management and SKEM

2050: Emission Reduction 1043.8 Million tons CO2

Supply:

- Green hydrogen For replacing gas natural fossil for high temperature heating process start from 2041
- Primary energy from EBT is higher than total fossil-based primary energy

Demand:

- Induction Cooktop for 46.6 million household.
- Use of 50.2 million electric cars and 163 million electric motorbikes.
- Gas network utilization for 22.7 million SR
- The use of biofuels in the industrial and transportation sectors is maintained at 40%



2021 – 2025

Supply:

- Additional power plant after 2030 only from EBT.
- Pump storage start in 2025.

Demand:

- Induction Cooktop for 18.1 million household
- 2 million electric cars and 13 million electric motorbikes
- Gas Network for 10.2 million SR
- Biofuels in the industrial and transportation sectors to 40%
- Energy Management and SKEM for 11 RT equipment

2030: Reduced emissions of 327.9 million tons

2026 – 2030

2031 – 2035

Supply:

- Nuclear use for electricity starting in 2039
- The development of Variable Renewable Energy (VRE) in the form of PLTS is increasingly massive, followed by PLTB both on shore and off-shore starting in 2037.

Demand:

- CCS for the cement and steel sectors starting from 2036
- Low carbon fuel for shipping
- Use of induction stoves for 37.9 million households.
- 23 million electric cars and 101 million electric motorbikes
- Gas Network for 20.2 million SR
- Biofuels in the industrial and transportation sectors are maintained at 40%

2040: Reduced emissions of 629.4 million tons of

2036 – 2040

2041 – 2050

Supply:

- Emissions in the electricity sector will reach zero and emissions of 129 million tons of CO₂-e in the industrial and transportation sectors
- Stop using gas for electricity

Demand:

- Use of CCS in Industry 13 million tons of CO₂
- Induction stove of 54.3 million.
- 175 million electric motorbikes and 65 million electric cars
- Gas network utilization for 22.7 million SR
- Projected demand for electricity consumption is 1,942 TWh and electricity consumption per capita is 5,862 kWh/capita

2060: Reduced emissions of 1798 million tons of CO2



Innovative technology low-emission like CCS/CCUS can be applied to certain condition of fossil power plants to speed up subtraction emission in transition to energy which more-clean and more-greener.

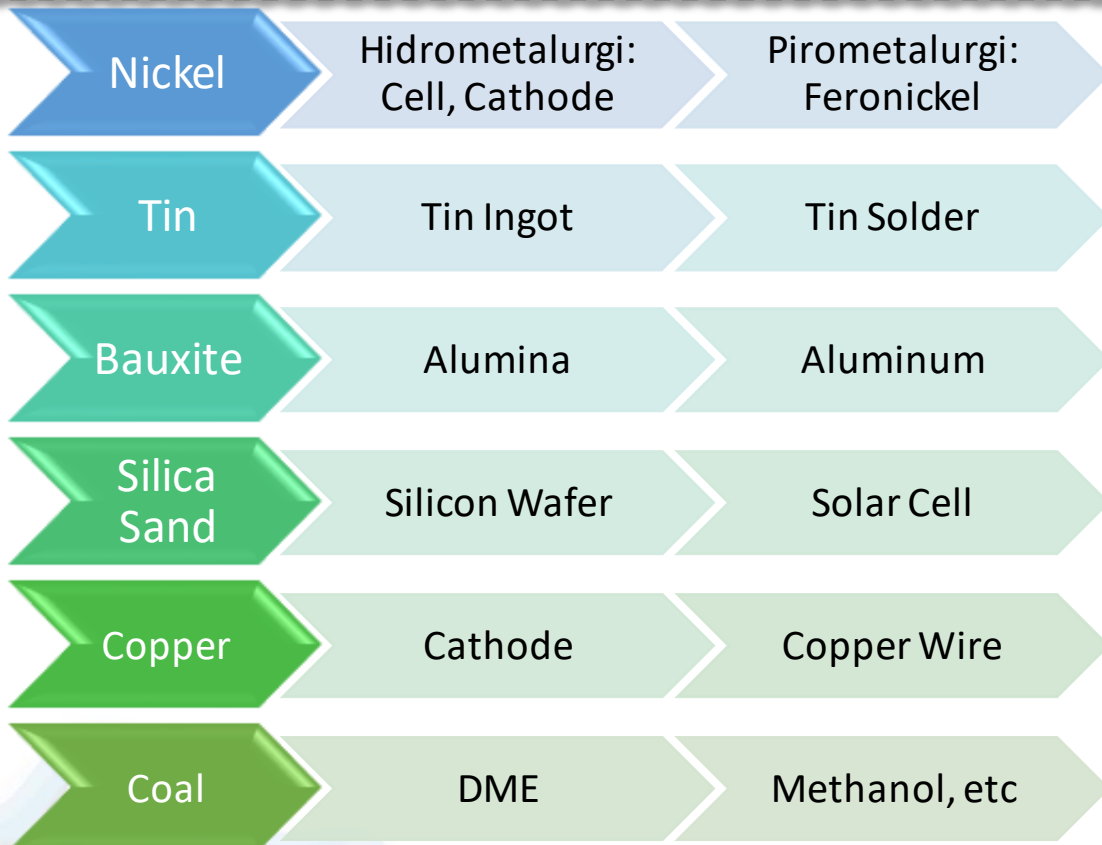
*)PLTU on Wilus PLN and Non-PLN: Maximum 30 year And IPP 25-30 year (in accordance PPA)

Downstreaming: Transformation from Primary Sector Industry to Value-Added Industry

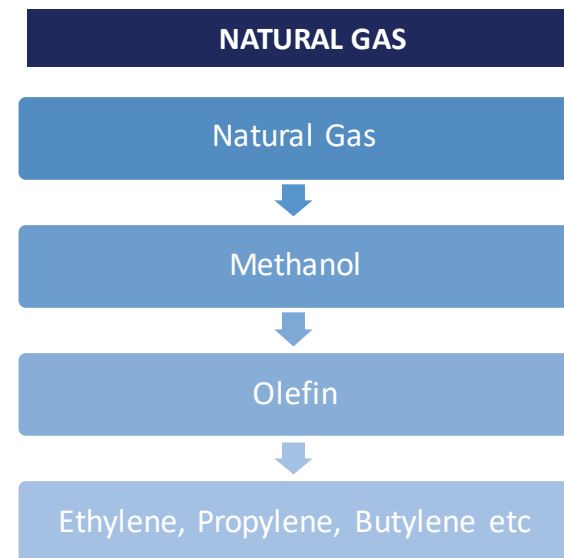


The industrial downstream program is intended to get a multiplier effect or multiple impacts from industrial downstream activities that have been proven to be real, including increasing the added value of domestic raw materials, attracting investment in the country, generating large foreign exchange from exports, and increasing the number of labor absorption. The downstream program includes the following commodities:

MINERALS AND COAL

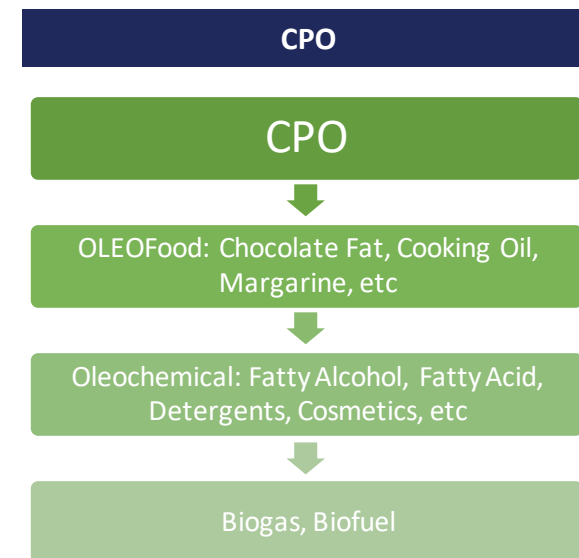


OIL AND GAS



The downstream petrochemical industry is considered a strategic sector because it produces the main raw materials such as methanol, and ammonia to support downstream producers.

AGRICULTURE



Downstreaming in the palm oil industry has been going on since 2007, with a variety of downstream products of 54 types. At the beginning of 2024, there will be 179 types

Natural Resources Downstreaming Policy Requires a Total Investment of USD 545.3 Billion

Source: Ministry of Industry, Energy and Mineral Resources, 2022



Indonesia's Increasing Role in the Global Semiconductor Supply Chain

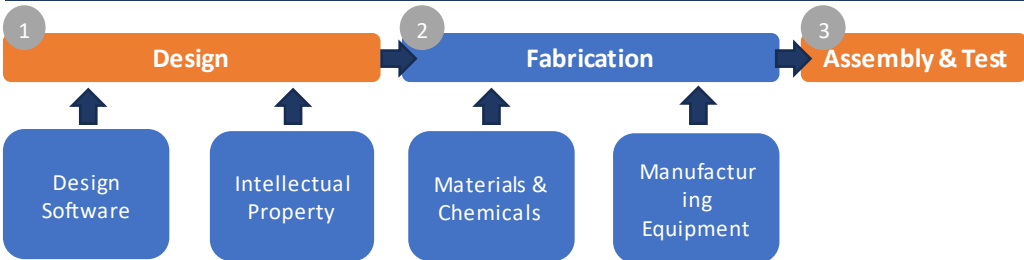


International Technology Security and Innovation (ITSI) Fund – DOS Amerika Serikat

- The United States offered Indonesia to join as one of the partners (offers were given to 7 partner countries) in the International Technology Security and Innovation (ITSI) Fund to strengthen semiconductor supply chains during the Indonesian Ambassador's meeting in Washington D.C with the US Department of State (US DOS) on June 8, 2023. Total funding from US DOS is USD500 million or with an allocation of USD100 million per year for five years.
- In the initial stage, US DOS cooperated with the OECD to conduct a semiconductor ecosystem review which is an evaluation of the feasibility of the ATP downstream ecosystem (Assembling, Testing, and Packaging) of the semiconductor industry.

DOMESTIC SEMICONDUCTOR PRODUCT INDUSTRY ECOSYSTEM

Semiconductor Products Industry Supply Chain



Orange box: The industry already exists in Indonesia
Blue box: The industry does not yet exist in Indonesia

Currently, Indonesia only has 3 industries that play a role in the semiconductor supply chain, namely in the design and assembly and test sectors

Integrated Circuit (IC) Design House

Semiconductor Assembly & Test



PT. Tata Sarana Mandiri



PT. Xirka Darma Persada



PT. Infineon Technologies
 Batam - Export Orientation
 Production capacity 22 million units/week and plans to increase to 150 million units/week in 2030)

DOMESTIC INDUSTRY DEMAND FOR SEMICONDUCTORS

Mobile Phones and Laptop Production 2022

Mobile Phones: 40.2 million units
 Laptop: 4 juta unit

Solar Capacity Target

Solar capacity target 2030: 4680 MWP
Semiconductors act one of them as a constituent component in the inverter in the solar panel unit.

Produksi Home Appliances 2022

Total production realization: 125.03 million units.

KBL BB Production Target

KBL BB 4 wheels and more in 2035 target: 1 million units
 Two and three wheeled KBL BB target by 2035: 12 million units

INCENTIVES AND FACILITIES

Tax Holiday

Through Perka BKPM No.7 of 2020, the semiconductor manufacturing industry (KBLI 26120) can receive a tax holiday

Tax Allowance

Perka BKPM No.7 of 2020, The semiconductor manufacturing industry (KBLI 26120) can receive tax allowances.

Super Deduction

RnD activities to focus on research on electronics, laptop computers, ICT, smart cards, electronic components and ICT components and vocational activities

Special Economic Zones

Nongsa SEZ in Batam; Gresik SEZ in East Java, and Kendal SEZ in Central Java.

OPPORTUNITIES AND DIRECTIONS OF SEMICONDUCTOR ECOSYSTEM DEVELOPMENT

Strengthening and establishing fables start-ups in 2024 in accordance with the use case specific needs of the industry in Indonesia.

Human Resource development partnerships supporting fables, front-end and back-end industries from 2024.

Inviting the United States semiconductor industry to invest in Indonesia (Batam) starting from **the back-end industry to build demand and ecosystem by 2024**, according to the specificity of their respective businesses

The creation of a semiconductor ecosystem that supports **investment in the front-end industry (wafer fabrication) is expected to be established by 2026**

Description: The front-end industry includes foundry (wafer fabrication) while the back-end industry includes the OSAT industry (Assembly and packaging, and Testing & Measurement).

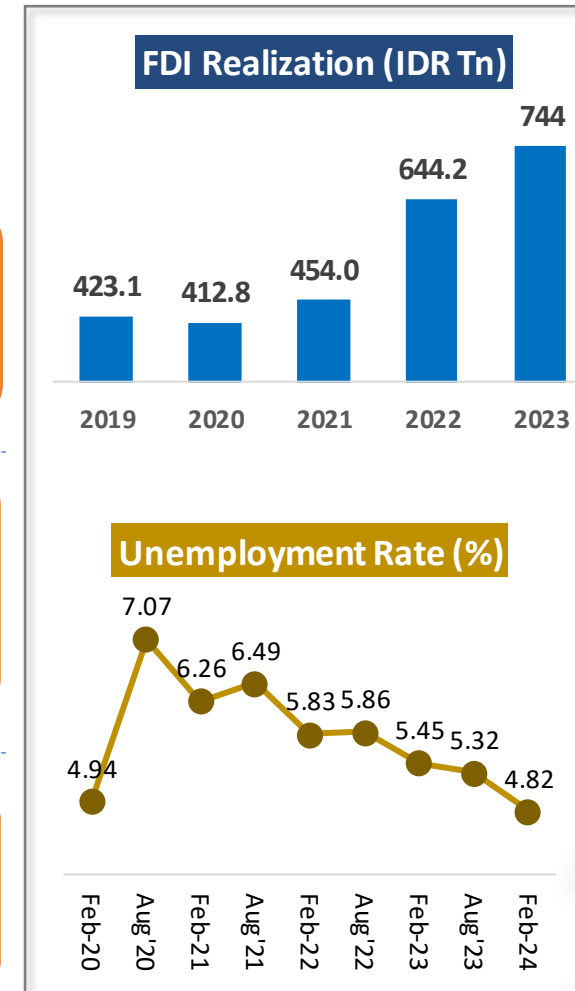
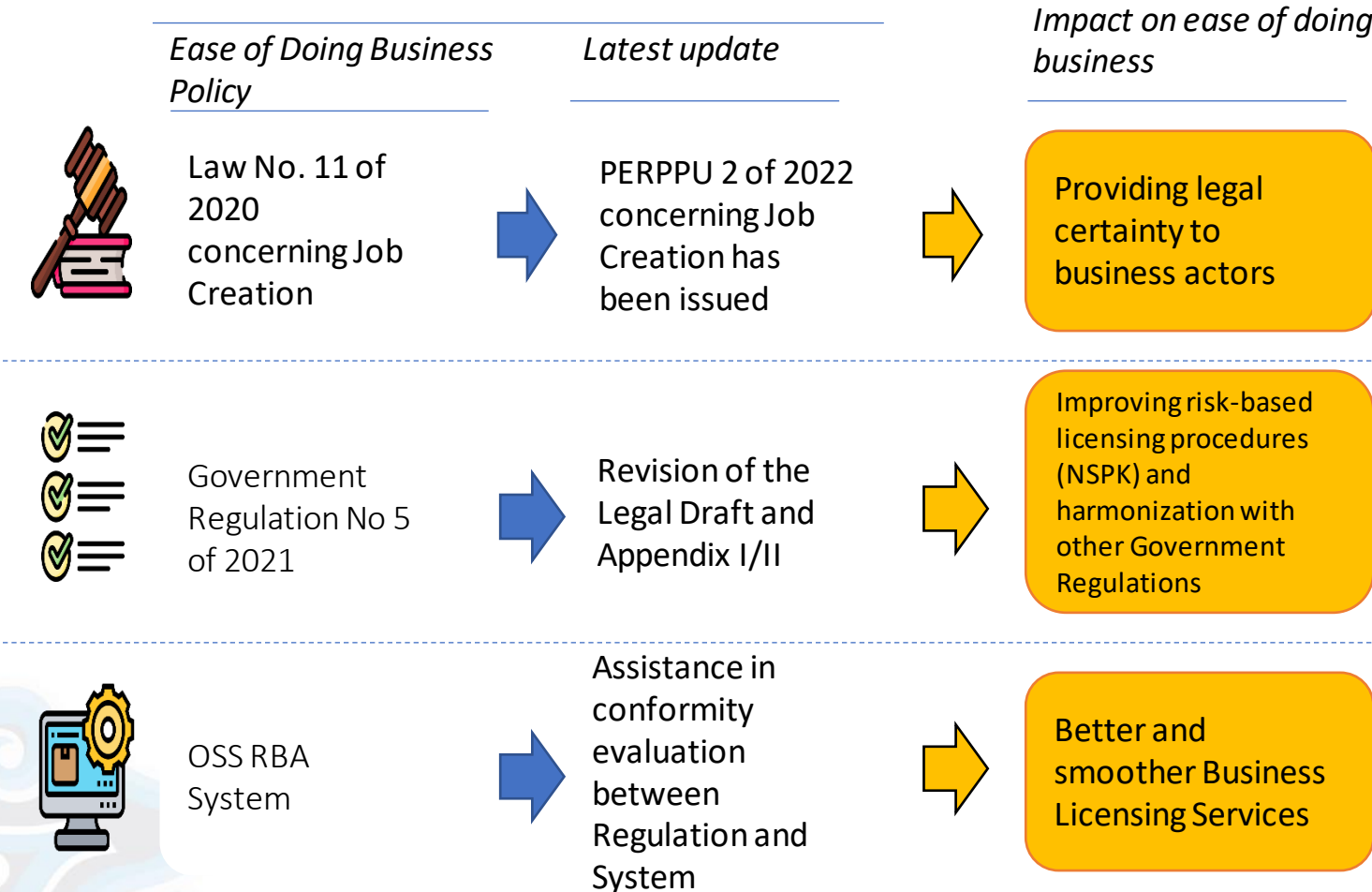
Semiconductor Product HS Code (BTKI 2017 and 2022): 85414010; 85414021; 85414022; 85414029; 85414090; 85415000; 85419000; 85429000; 85414100; 85414200; 85414300; 85414900; 85415100; 85415900

The Government Focuses on Regulations and Procedures for Ease of Doing Business



Improvement in regulations in the context of structural reforms to the Job Creation Law and its derivative regulations can provide legal certainty to business actors.

Streamlining Administrative Procedures and a Positive Investment Climate





Ex-ante Licensing (satisfying all requirements in advance) is effectively replaced by **ex-post licensing (the requirements are checked afterward)**, which will be particularly advantageous for low- and medium-risk businesses.

Starting a Business



The Government implemented OSS-RBA on **August 9, 2021**, based on Regulation 5 of 2021.

Low Risk

Medium Risk

High Risk

Business Identification Number Issued = 9,536,922
Period August 4, 2021 – June 27, 2024

Based on Business Actor:

- Business Entity = 885,249
- Individual = 8,294,637

Based on Investment Type:

- FDI = 29,848
- DDI = 9,150,038

Based on Business Scale:

- Micro = 8,885,226
- Small = 212,545
- Medium = 26,264
- Large = 55,851

Action Plans

Short - Medium-term

- Accelerate the reduction of Ex Ante licenses toward Ex Post compliance (Risk-Based Approach)
- Towards technical regulations for risk management – Third Party System
- Establish OSS as a national portal for business licenses with legal security

Long-term

Speed up better development approach (e.g., climate change, etc.)

Doing Business

RISK-BASED TARGETING – Optimizing Effectiveness and Cost of Monitoring:

- Resource and time limitations
- Focus on critical hazards that are more likely to arise
- Consider random inspections because blanket inspections are not appropriate, resulting in excessively costly (for countries and businesses)

INSPECTION:

- Based on the risk
- Inspection is carried out to ensure the implementation of operational and commercial activities according to business standards
- Exception in the implementation of supervision for Micro and Small Enterprises
- Implementation of inspections can be carried out by certified professionals (third parties).

The Progress of Development Monitoring/IPSNection Subsystem

Of the 44 modules in the monitoring (inspection) subsystem:

- 36 modules have been completed/embedded in the OSS RBA (go-live)
- 8 modules are still in the process of User Acceptance Testing (UAT)

Investment Realization Q3 2024



Investment Realization, Q3: **Rp 431.48 Trillion**

↑ 15.24% (YoY)
↑ 0.72% (QoQ)

26.15% from the target **Rp 1,650.0 Triliun** (President Target)

33.36% from the target **Rp1,239.3 Triliun** (Strategic Plan Target)



Indonesian Labor Absorption

650,172 People



Source: Ministry of Investment (BKPM)

Investment Realization in the Third Quarter of 2024

Top 5 Realization Based on Subsector



1 Transportation, Warehouse, and
Telecommunication
Rp 58.04 T (13.45%)



2 Metal, Metal Goods,
Except Machinery, and
Equipment Industry
Rp 55.87 T (12.95%)



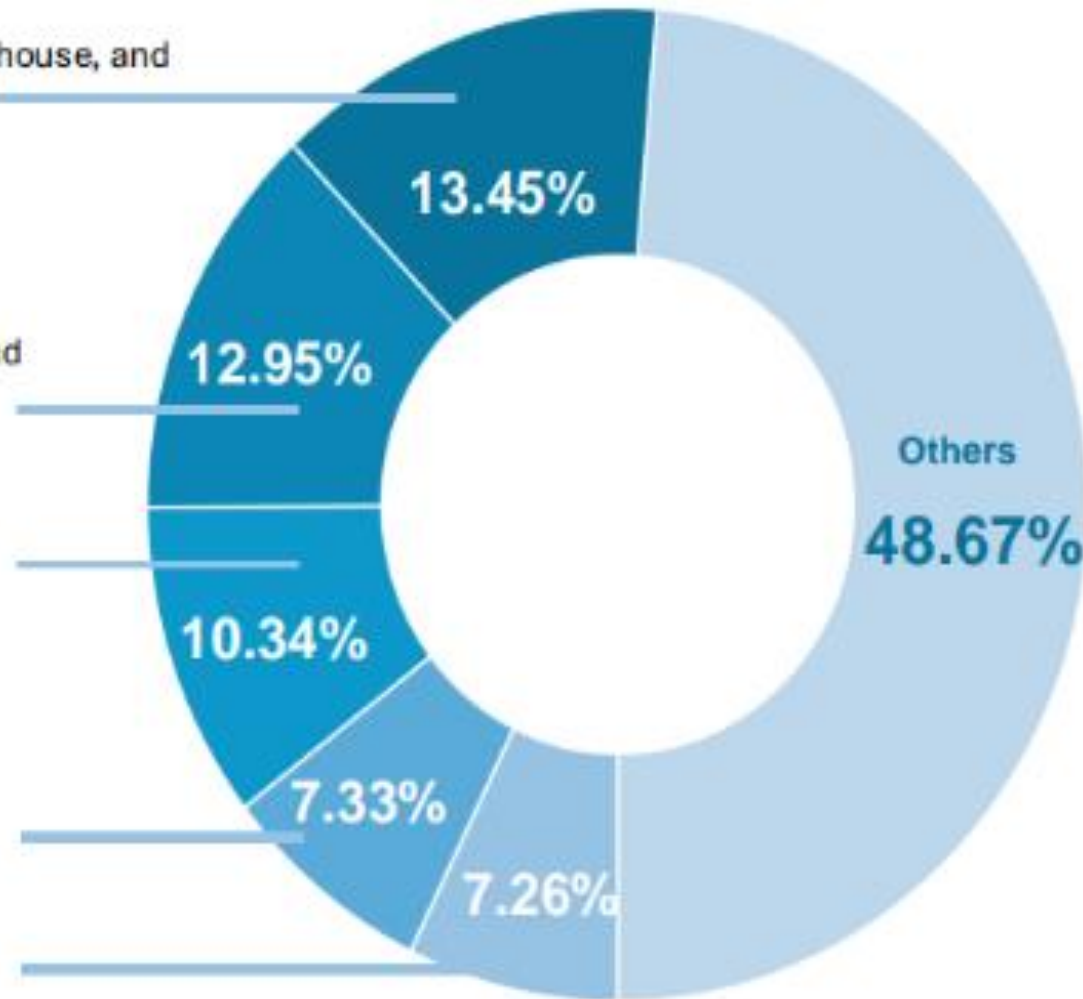
3 Mining
Rp 44.64 T (10.34%)



4 Chemical and
Pharmacy Industry
Rp 31.61 T (7.33%)



5 Food Industry
Rp 31.30 T (7.26%)



Investment Realization Based on Country of Origin January – September 2024



US\$
5.50 B



Singapore

US\$
2.24 B



Hongkong, China

US\$
1.86 B



China

US\$
0.99 B



Malaysia

US\$
0.84 B



United States of
America

Notes: B = Billion; Exchange Rate 1 US\$ = Rp 15.000,00

 **Labuan Bajo**

