



# MACROECONOMIC BOOKLET

*'Higher Risk from Stubborn Inflation'*

**July 2023**

Office of Chief Economist



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# Latest Development – Global

## Global Growth Potentially Slowing Down

### United States: *Expecting for slowdown*

- Inflation eased to 4.0% yoy in May-23, driven mostly by a decline in energy prices. Core inflation slowed to 5.3% yoy, supporting the Fed's decision to pause monetary tightening cycle in Jun-23.
- Unemployment rate increased to 3.7% in May-23. Yet, the jobless rate remained historically low and suggested the labor market remained tight.
- The Fed left FFR unchanged at 5.00 – 5.25% in the Jun-23 FOMC meeting but hinted that it may go to 5.75% by year-end if inflation do not slow down more.

### Eurozone: *Persistent inflation, too high for too long*

- Inflation eased to 5.5% yoy in Jun-23, as energy price tumbled, and food prices rose at softer pace. Yet, it remained significantly above 2.0% target with core inflation rising to 5.4% yoy in Jun-23.
- The ECB raised the key rate by another 25 bps to 4.00% during the Jun-23 meeting to combat stubborn inflation. This marked the eighth consecutive rate hike, albeit the bloc entered a recession in 1Q23.
- Manufacturing PMI continued to go down to 43.4 in Jun-23. Output experienced the most significant contraction since Oct-22, and total new order intakes declined at the strongest pace in eight months.

### Asia Pacific: *Signs of flagging recovery*

- The PBoC slashed its one-year LPR by 10 bps to 3.55% in the Jun-23 meeting. This easing decision was taken as a stimulus to support the economic recovery amid strong signs of recovery slowdown.
- Japan's manufacturing PMI was back to contraction zone (49.8) in Jun-23. Both output and new orders shrank, with new export orders falling at the steepest pace amid weak demand from mainland China.

Global Economic Indicators	Apr-23	May-23	Jun-23
<b>United States</b>			
Inflation rate (% yoy)	4.9	4.0	
Unemployment rate (%)	3.4	3.7	
Policy rate (%)	5.00	5.25	5.25
<b>Eurozone</b>			
Inflation rate (% yoy)	7.0	6.1	5.5
Policy rate (%)	3.50	3.75	4.0
Manufacturing PMI	45.8	44.8	43.4
<b>Asia Pacific</b>			
China's policy rate (%)	3.65	3.65	3.55
Japan's Manufacturing PMI	49.5	50.6	49.8

# Latest Development – Indonesia

## Disinflation comes early

- **BI left BI-7DRRR unchanged again at 5.75% in the Jun-23 meeting to maintain stability and support growth.** It was consistent with the monetary policy stance to ensure that inflation remains under control within the target range of 2 – 4% for the remainder of 2023.
- **Monthly inflation hiked 0.14% mom in Jun-23.** This increase was primarily driven by heightened demand, particularly for food and air transportation services during the long holidays of Eid al-Adha celebration. **Annual inflation continued to decrease to 3.52% yoy in Jun-23.** This decline was primarily driven by the least significant increase in food prices, alongside ongoing moderation in transportation fares.
- **Core inflation decreased to a 13-month low of 2.58% yoy in Jun-23.** However, on a monthly basis, core inflation strengthened from 0.06% mom in May-23 to 0.12% mom, indicating that public demand or purchasing power remained relatively resilient.
- **Trade surplus recorded USD0.44 billion surplus in May-23 and marking a surplus for 37<sup>th</sup> straight month.** Yet, it was the smallest trade surplus since Apr-20. **Export recorded growth of 0.96% yoy,** supported by export of vehicle, machinery, and electrical and mechanical equipment. **Import surged by 14.35% yoy,** supported by capital goods import.
- **Banks' intermediation function continued to record a solid growth.** Loan growth accelerated to 9.39% yoy in May-23. Deposits growth eased to 6.55% yoy. Liquidity in the banking industry remained loose, with LDR at 82.1%. Money supply (M2) growth slowed to 6.1% yoy. Asset quality remained strong, with NPL at 2.52% in May-23.

Economic Indicators	Apr-23	May-23	Jun-23
<b>BI-7DRRR (%)</b>	5.75	5.75	5.75
<b>CPI Inflation</b>			
Inflation rate (% yoy)	4.33	4.00	3.52
Inflation rate (% mom)	0.33	0.09	0.14
Core inflation rate (% yoy)	2.83	2.66	2.58
<b>Trade</b>			
Export (% yoy)	-29.40	0.96	
Import (% yoy)	-22.32	14.35	
Trade balance (USD bn)	3.94	0.44	
<b>Bank</b>			
Loan (% yoy)	8.08	9.39	
Deposit (% yoy)	6.82	6.55	
LDR (%)	80.9	82.1	
M2 (% yoy)	5.55	6.10	
NPL (%)	2.53	2.52	

# GLOBAL ECONOMIC UPDATE



# GDP in Several Countries

Several countries have already showed notable slowdown in growth in the first quarter

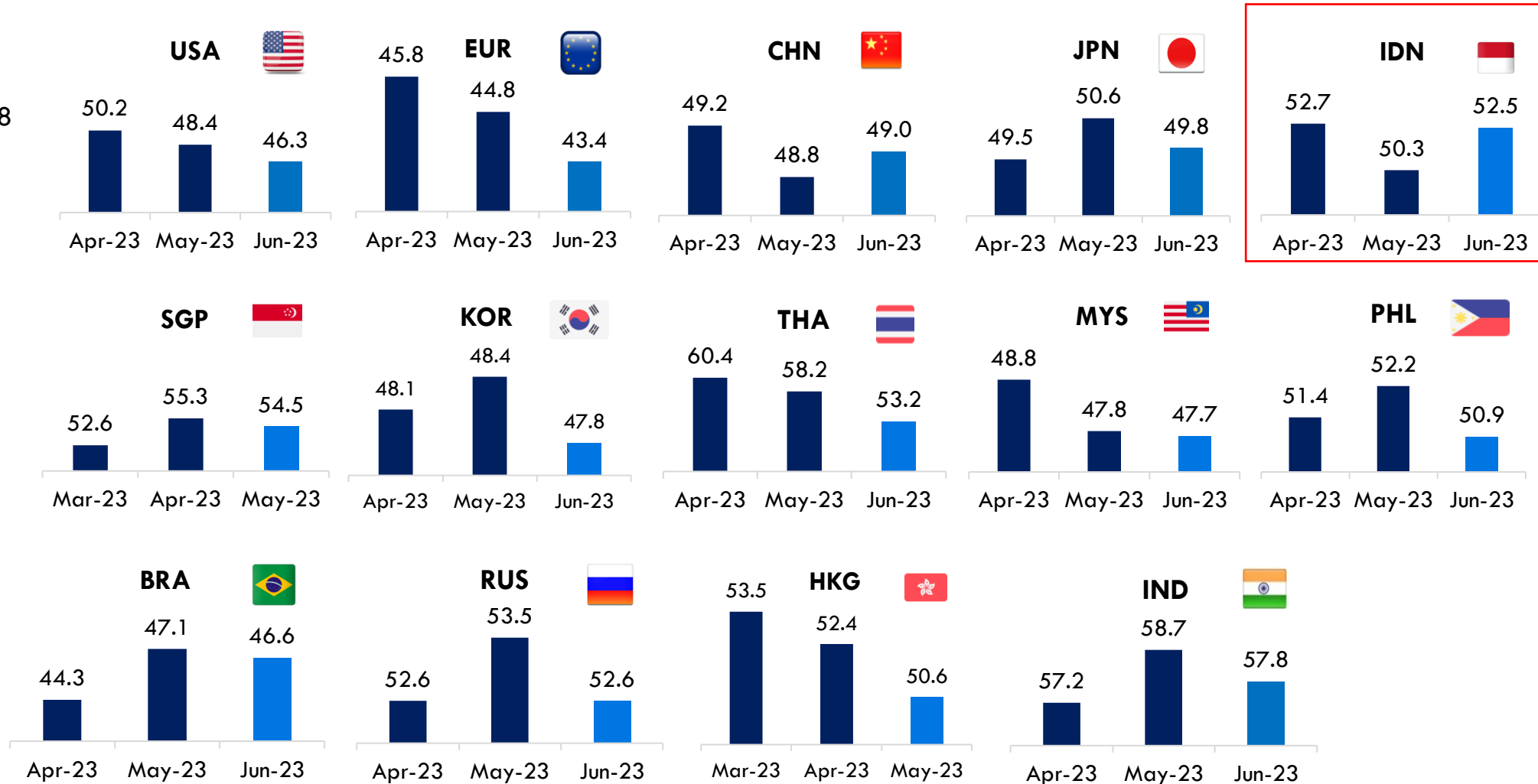
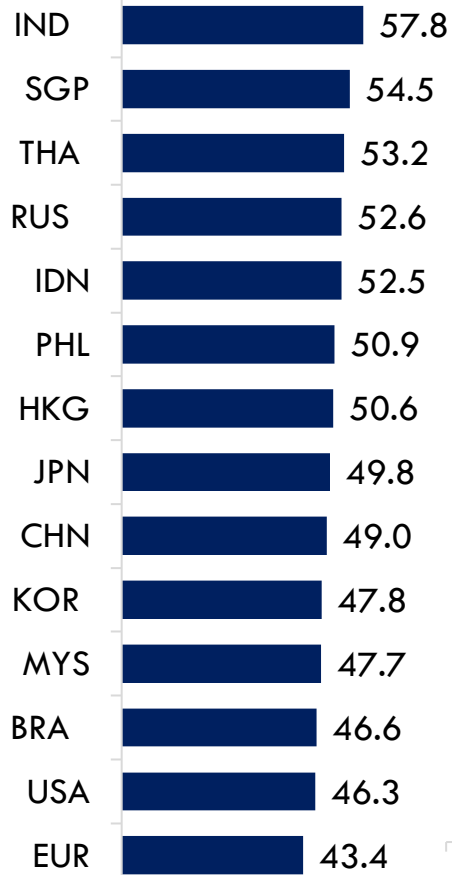
(GDP growth, % yoy)

Countries	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	4Q22	1Q23	2Q23F	3Q23F	4Q23F
US	2.2	2.9	2.3	-2.8	5.9	2.1	1.1	0.7	2.0	0.9	1.8	2.0	1.1	0.4
Euro Zone	2.6	1.8	1.6	-6.1	5.3	3.5	0.6	1.0	1.7	1.8	1.0	0.5	0.4	0.7
Japan	1.7	0.7	-0.4	-4.3	2.3	1.0	1.2	1.1	1.0	0.4	1.9	0.7	1.3	1.3
UK	2.5	1.7	1.6	-11.0	8.5	4.3	0.2	0.9	1.5	0.6	0.2	0.2	0.4	0.3
China	6.9	6.7	6.0	2.2	8.4	3.0	5.5	4.8	4.6	2.9	4.5	7.5	5.0	5.4
South Korea	3.2	2.9	2.2	-0.7	4.1	2.6	1.2	2.2	2.5	1.6	0.9	0.8	1.0	1.9
Russia	1.8	2.8	2.2	-2.7	5.6	-2.1	0.5	1.2	1.2	-2.7	-1.8	2.4	1.7	1.5
India	8.3	6.8	6.5	3.9	-5.8	9.1	7.0	6.1	6.4	4.5	6.1	7.3	6.2	5.9
Brazil	1.3	1.8	1.2	-3.3	5.2	2.9	2.1	1.5	1.9	1.9	4.0	2.3	1.4	1.7
<b>Indonesia</b>	<b>5.1</b>	<b>5.2</b>	<b>5.0</b>	<b>-2.0</b>	<b>3.7</b>	<b>5.3</b>	<b>5.0</b>	<b>5.0</b>	<b>5.2</b>	<b>5.0</b>	<b>5.0</b>	<b>4.9</b>	<b>5.0</b>	<b>4.9</b>
Malaysia	5.7	4.7	4.3	-5.6	3.1	8.7	4.2	4.5	4.5	7.1	5.6	4.2	3.1	3.6
Thailand	4.2	4.2	2.1	-6.2	1.6	2.6	3.6	3.8	3.4	1.4	2.7	3.1	3.4	5.1
Singapore	4.5	3.4	0.9	-4.1	9.1	3.7	1.5	2.6	2.7	2.1	0.4	1.5	1.8	2.3
Philippines	6.9	6.3	6.1	-9.5	5.7	7.6	5.5	6.0	6.4	7.1	6.4	6.4	5.1	4.7
Australia	2.4	2.8	2.0	-1.8	5.3	3.7	1.5	1.5	2.3	2.7	2.3	1.6	1.1	0.7

# Global Manufacturing PMI

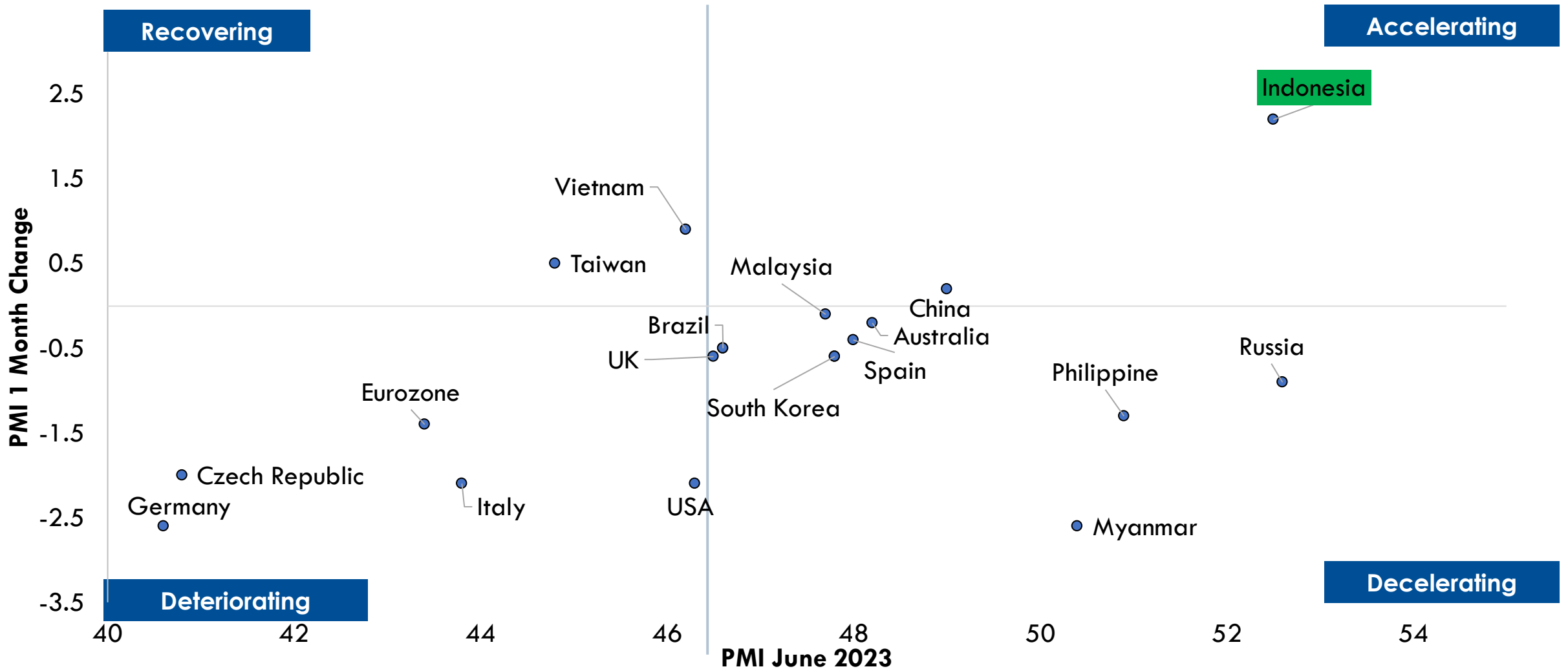
PMI Index for most countries showing a decline, suggesting weakening manufacturing performance

## Manufacturing PMI May-23



# Global Manufacturing PMI











Rising number of countries experiencing deteriorating or decelerating in the Manufacturing PMI



# Global Economic Outlook

Growth slowdown expected to continue throughout 2023

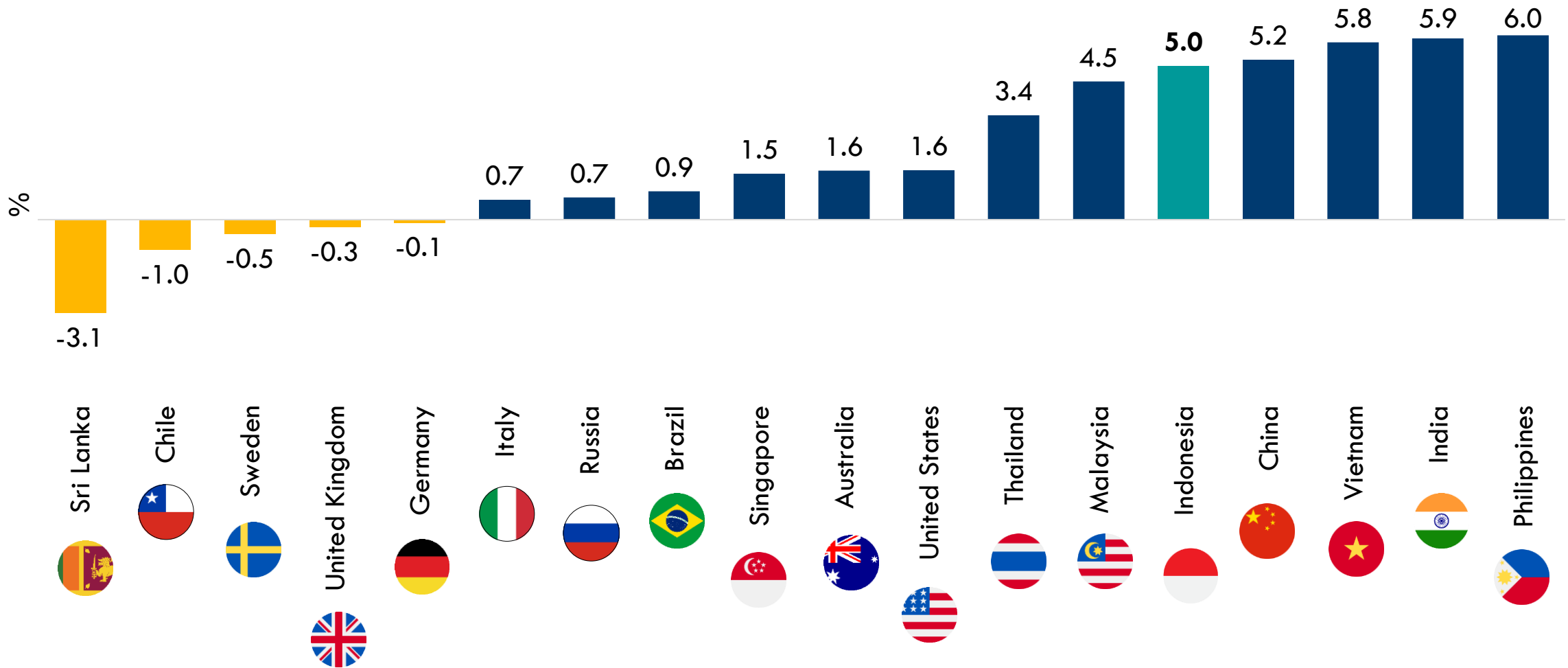
(GDP growth, %)

Countries / Area	2019	2020	2021	2022	IMF		World Bank		Bloomberg		OECD	
					2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
World 	2.8	-2.8	6.3	3.4	2.8	3.0	2.1	2.4	2.6	2.7	2.7	2.9
US 	2.3	-2.8	5.9	2.1	1.6	1.1	1.1	0.8	1.1	0.8	1.6	1.0
Euro Zone 	1.6	-6.1	5.3	3.5	0.8	1.4	0.4	1.3	0.6	1.0	0.9	1.5
Indonesia 	5.0	-2.0	3.7	5.3	5.0	5.1	4.9	4.9	5.0	5.0	4.7	5.1
Japan 	-0.4	-4.3	2.3	1.1	1.3	1.0	0.8	0.7	1.0	1.1	1.3	1.1
China 	6.0	2.2	8.4	3.0	5.2	4.5	5.6	4.6	5.5	4.9	5.4	5.1
India 	6.5	3.9	-5.8	9.1	5.9	6.3	6.3	6.4	7.0	6.0	6.0	7.0
Russia 	2.2	-2.7	5.6	-2.1	0.7	1.3	-0.2	1.2	-1.2	1.4	-1.5	-0.4
Brazil 	1.2	-3.3	5.2	2.9	0.9	1.5	1.2	1.4	1.1	1.6	1.7	1.2
ASEAN-5 	4.9	-3.4	3.4		4.5	4.6	-	-	-	-	-	-

Source : IMF, Apr-23 World Economic Outlook; World Bank, Jun-23 Global Economic Prospect; OECD, Jun-23 Economic Outlook; Bloomberg as of 4-July-23

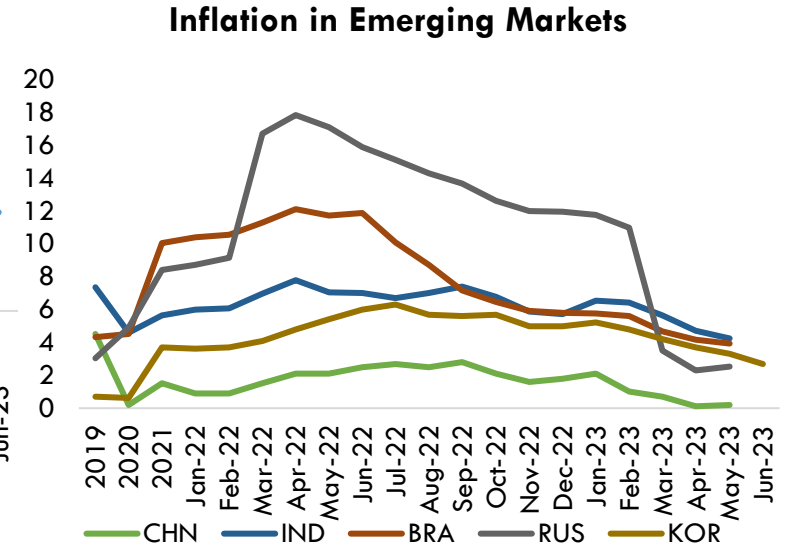
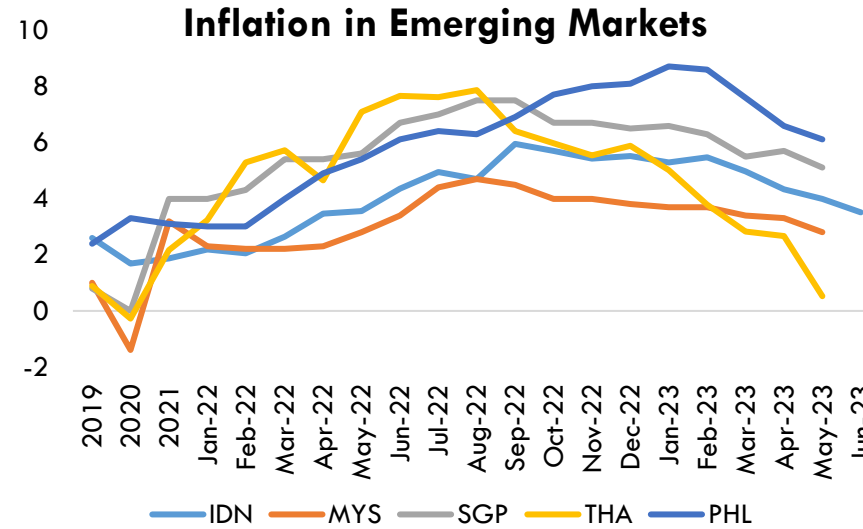
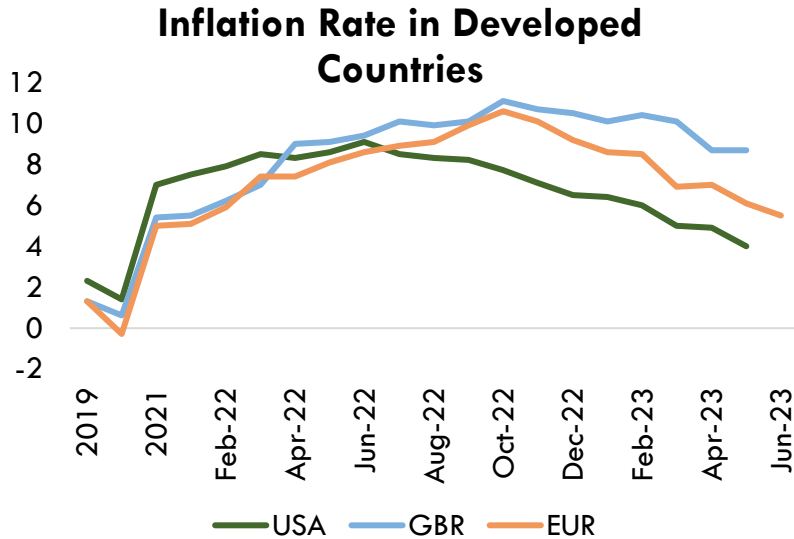
# IMF's 2023 Economic Growth Projection

IMF forecasted Indonesia's GDP to grow by 5.0% in 2023



# Global Inflation

Inflation is starting to ease in most countries due to the effect of rising interest rates



Period	USA	GBR	EUR
2020	1.40	0.60	-0.30
2021	7.00	5.40	5.00
2022	6.50	10.50	9.20
May-23	4.00	8.70	6.10
June-23	-	-	5.50

Period	IDN	MYS	SGP	THA	PHL	CHN	IND	BRA	RUS	KOR
2020	1.68	-1.40	0.00	-0.27	3.30	0.20	4.59	4.52	4.91	0.60
2021	1.87	3.20	4.00	2.17	3.10	1.50	5.66	10.06	8.39	3.70
2022	5.51	3.80	6.50	5.89	8.10	1.80	5.72	5.79	11.94	5.00
May-23	4.00	3.30	5.10	0.53	6.10	0.20	4.25	3.94	2.51	3.30
June-23	3.52	2.80	-	-	-	-	-	-	-	2.70

Source: Bloomberg, as of 04-July-23

# Inflation Forecast in Several Countries

Average inflation is mostly expected to ease in 2023

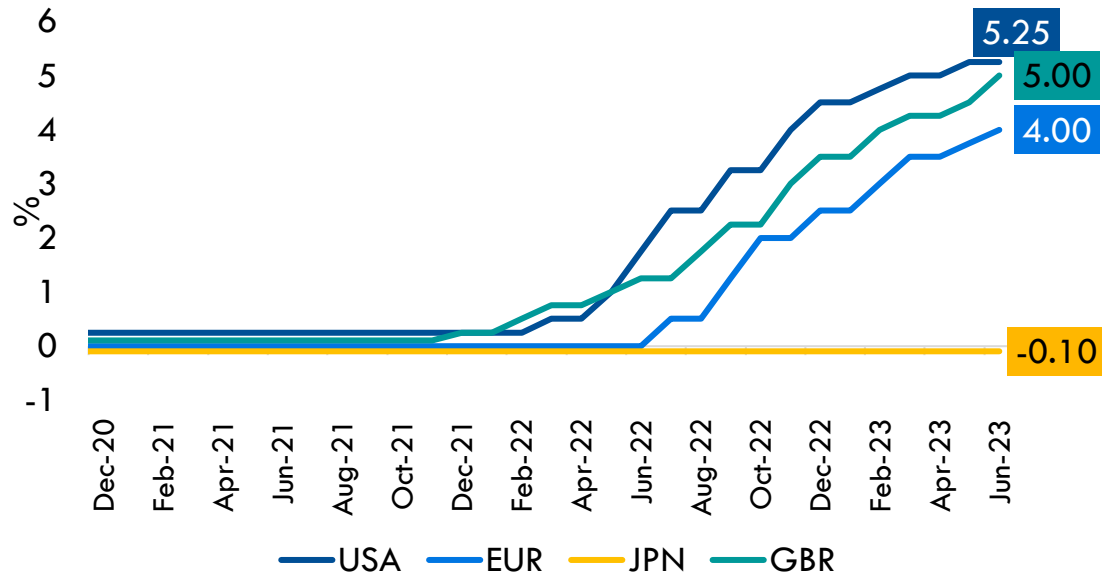
(Inflation Rate, % yoy)

Country/Area	2017	2018	2019	2020	2021	2022	2023F	1Q23	2Q23F	3Q23F	4Q23F
<b>Indonesia</b>	<b>3.8</b>	<b>3.2</b>	<b>2.8</b>	<b>2.0</b>	<b>1.6</b>	<b>4.2</b>	<b>4.0</b>	<b>5.2</b>	<b>4.0*</b>	<b>3.5</b>	<b>3.2</b>
Malaysia	3.8	1.0	0.7	-1.1	2.5	3.4	3.0	3.6	3.1	2.5	2.4
Singapore	0.6	0.4	0.6	-0.2	2.3	6.1	5.0	6.1	5.1	4.2	3.7
Thailand	0.7	1.1	0.7	-0.8	1.2	6.1	2.5	3.9	2.1	2.0	2.0
Philippines	2.9	5.2	2.4	2.4	3.9	5.8	5.7	8.3	6.2	4.9	3.7
China	1.6	2.1	2.9	2.5	0.9	2.0	1.2	1.3	0.2	0.6	1.2
India	3.3	4.0	3.7	6.6	5.1	6.7	5.2	6.2	4.5	5.0	5.2
Brazil	3.5	3.7	3.7	3.2	8.3	9.3	5.0	5.3	3.6	5.4	5.2
Russia	3.7	2.9	4.5	3.4	6.7	13.8	5.3	8.8	2.7	4.1	4.9
South Korea	2.0	1.5	0.4	0.5	2.5	5.1	3.3	4.7	3.2	2.7	2.7
Japan	0.5	1.0	0.5	0.0	-0.3	2.5	2.8	3.6	3.2	2.7	2.0
US	2.1	2.5	1.8	1.2	4.7	8.0	4.1	5.8	4.1	3.5	3.2
UK	2.7	2.5	1.8	0.9	2.6	9.1	7.2	10.2	8.3	6.6	4.5
Euro Zone	1.5	1.8	1.2	0.3	2.6	8.4	5.4	8.0	6.2*	4.8	2.9

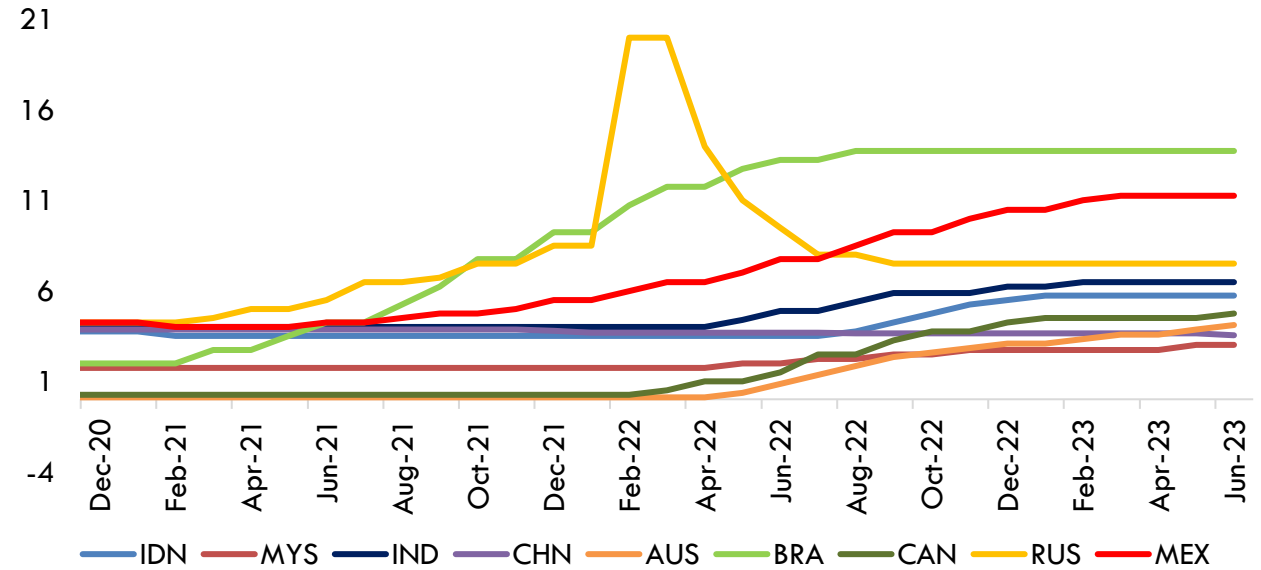
# Global Policy Rates

Most central banks have started to soften policy rate increase amid moderating inflation

### Developed Countries



### Emerging Market



Month	USA	EUR	JPN	GBR
Dec-22	4.50	2.50	-0.10	3.50
Jan-23	4.50	2.50	-0.10	3.50
Feb-23	4.75	3.00	-0.10	4.00
Mar-23	5.00	3.50	-0.10	4.25
Apr-23	5.00	3.50	-0.10	4.25
May-23	5.25	3.75	-0.10	4.50
Jun-23	5.25	4.00	-0.10	5.00

Date	IDN	MYS	IND	CHN	BRA	RUS	MEX
Dec-22	5.50	2.75	6.25	3.65	13.75	7.50	10.50
Jan-23	5.75	2.75	6.25	3.65	13.75	7.50	10.50
Feb-23	5.75	2.75	6.50	3.65	13.75	7.50	11.00
Mar-23	5.75	2.75	6.50	3.65	13.75	7.50	11.25
Apr-23	5.75	2.75	6.50	3.65	13.75	7.50	11.25
May-23	5.75	3.00	6.50	3.65	13.75	7.50	11.25
Jun-23	5.75	3.00	6.50	3.55	13.75	7.50	11.25

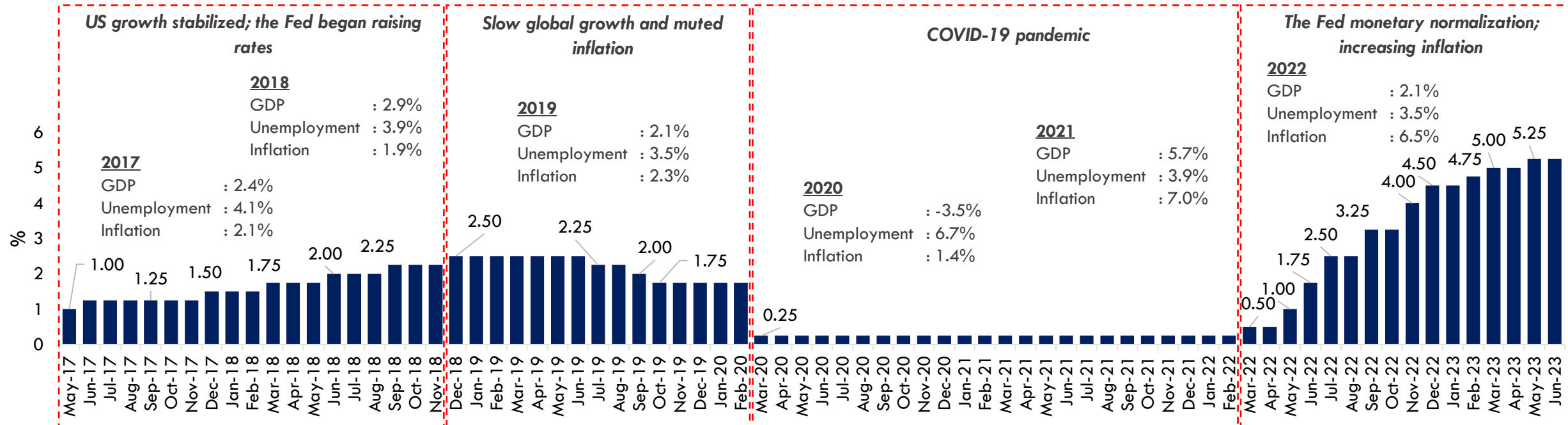
Source: Bloomberg, as of 4-July-23

# The Fed's Economic Projection

The Fed paused FFR hike in the Jun-23 FOMC meeting, but hinted there may be two more hikes this year

Indicators	2023		2024	2025	Long-run
	Jun-23 FOMC Projection	As of 4-Jul-23	Jun-23 FOMC Projection		
<b>GDP</b>	1.0%	1Q23 = 1.6% yoy or 1.1% qoq	1.1%	1.8%	1.8%
<b>Unemployment</b>	4.1%	May-23 = 3.7%	4.5%	4.5%	4.0%
<b>PCE Inflation</b>	3.2%	May-23 = 3.8%	2.5%	2.1%	2.0%
<b>Policy Rate</b>	5.75%	Jun-23 = 5.25%	4.75%	3.50%	2.5%

Fed Funds Rate:



# Fed Meeting Target Rate Probabilities

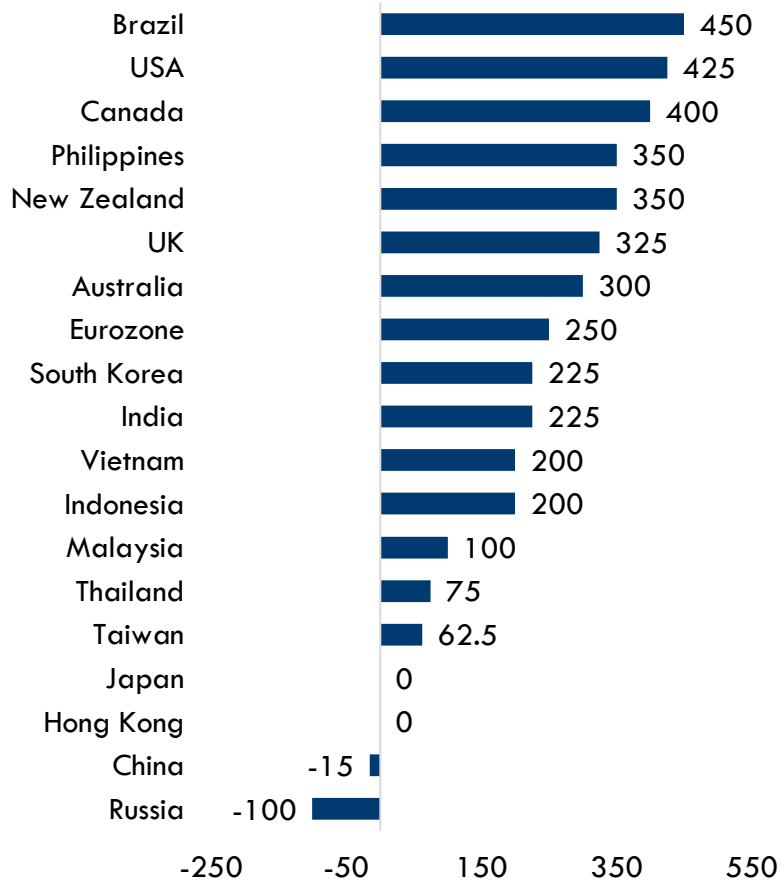
Market expects that the Fed will hike further in July 2023 to ease inflation

FOMC Meeting Date	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
7/26/2023				0.0%	0.0%	0.0%	0.0%	0.0%	13.8%	86.2%	0.0%
9/20/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.8%	70.3%	19.0%
11/1/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.9%	54.2%	32.8%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	16.2%	50.4%	27.8%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	6.3%	27.5%	42.9%	20.0%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	3.0%	15.6%	34.3%	32.8%	12.4%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.2%	2.5%	13.3%	30.8%	33.1%	16.3%	3.6%
6/19/2024	0.0%	0.0%	0.0%	0.1%	1.2%	7.3%	21.0%	31.8%	25.6%	10.7%	2.1%
7/31/2024	0.0%	0.0%	0.1%	0.9%	5.7%	17.5%	29.1%	27.2%	14.5%	4.3%	0.7%
9/25/2024	0.0%	0.0%	0.7%	4.6%	14.7%	26.3%	27.7%	17.6%	6.8%	1.5%	0.2%
11/6/2024	0.0%	0.4%	2.6%	9.5%	20.3%	27.0%	22.7%	12.3%	4.2%	0.9%	0.1%
12/18/2024	0.3%	1.9%	7.4%	17.0%	24.9%	24.0%	15.5%	6.7%	1.9%	0.3%	0.0%

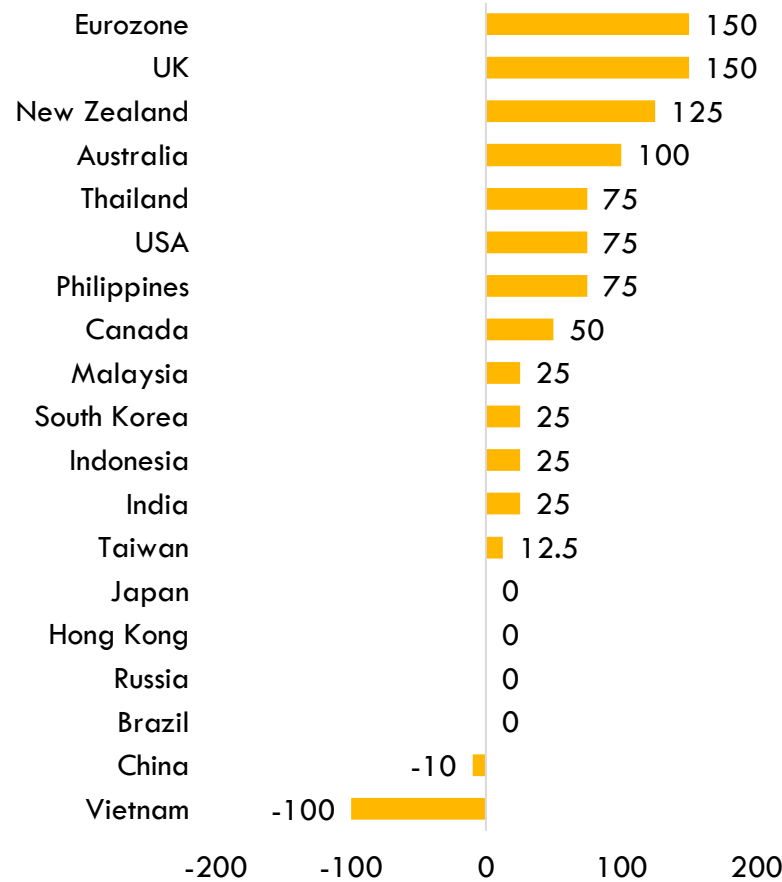
# Expectation on Policy Rate

Most central banks are expected to continue increasing policy rates in 2023, but in a moderate way

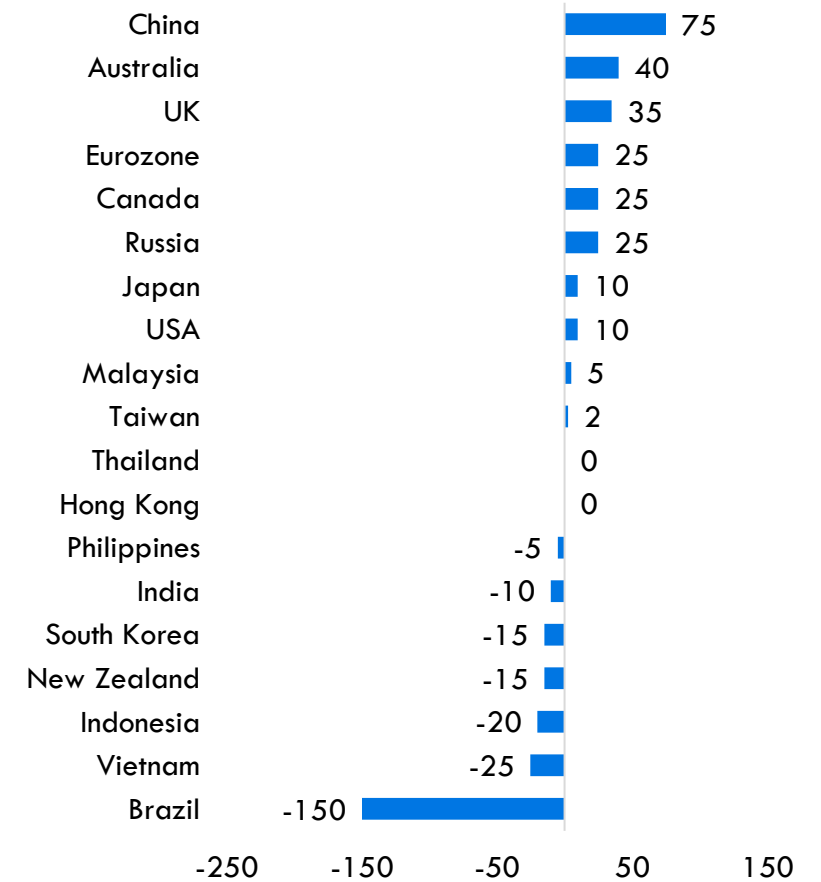
**Policy Rate Change in 2022 (bps)**



**Policy Rate Change in YTD 2023 (bps)**



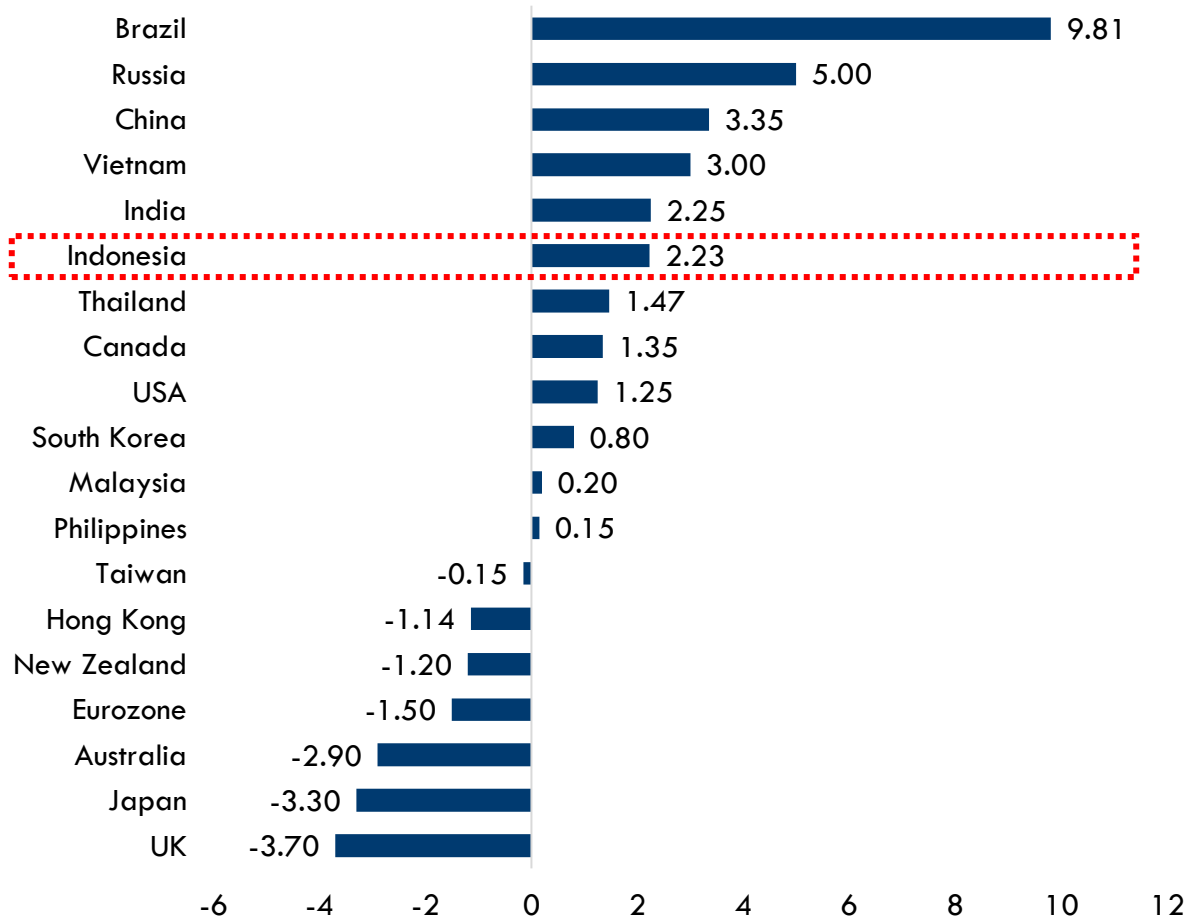
**Expectation on Policy Rate Change in remainder of 2023 (bps)**



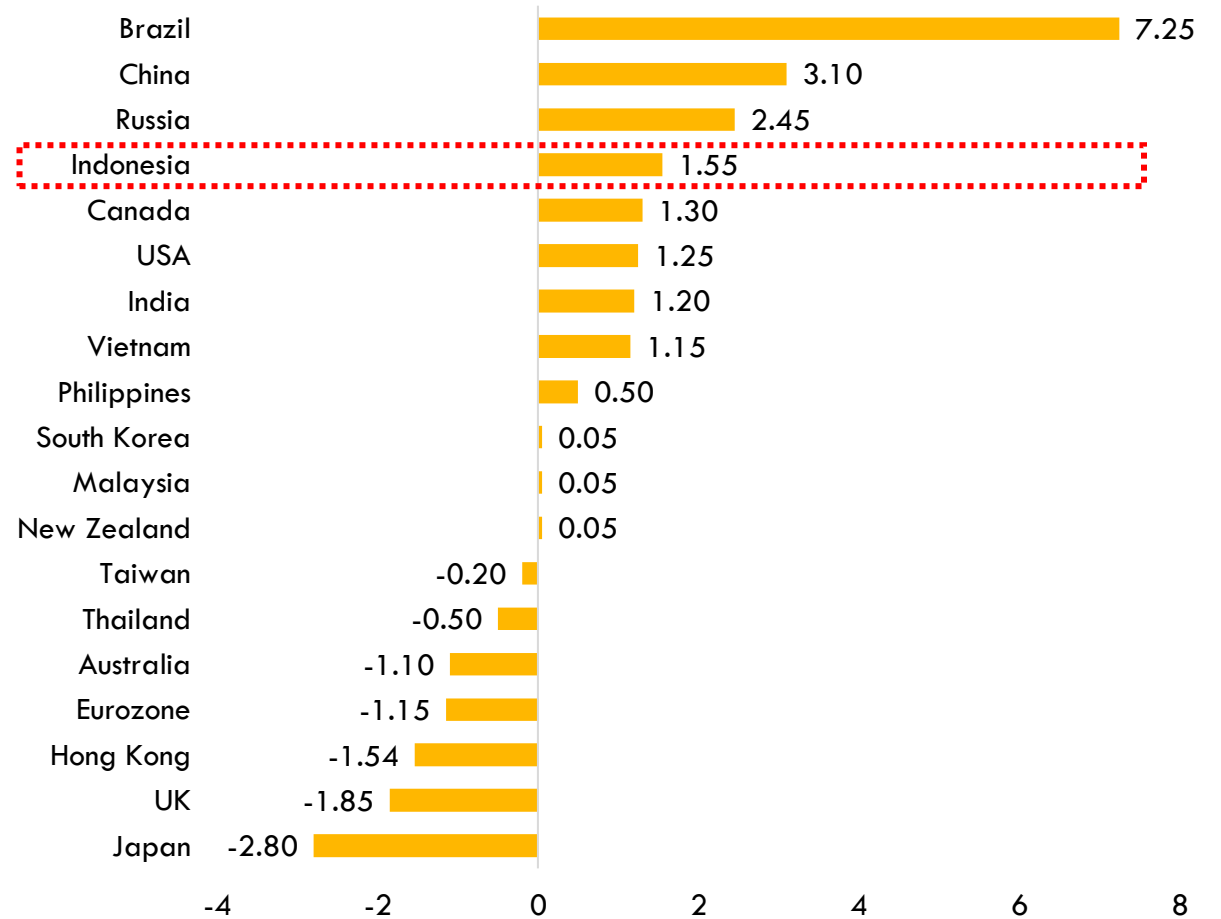
# Real Policy Rate

Indonesia's real return rate in 2023 is projected to remain attractive

Real Policy Rate\* (%)



Expected Real Policy Rate\*\* in 2023 (%)

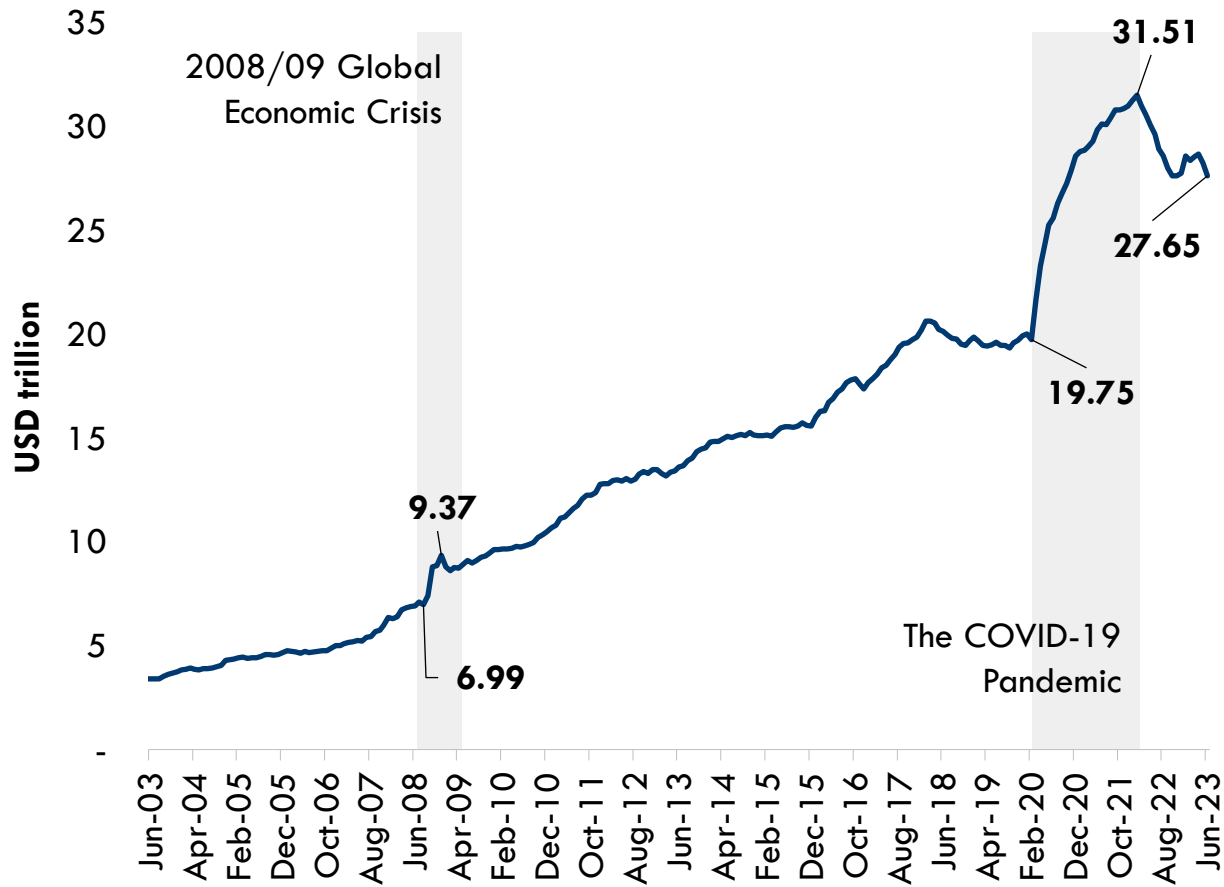


Note: \*) Current policy rate – current inflation; \*\*) Expected policy rate – expected inflation in 2023

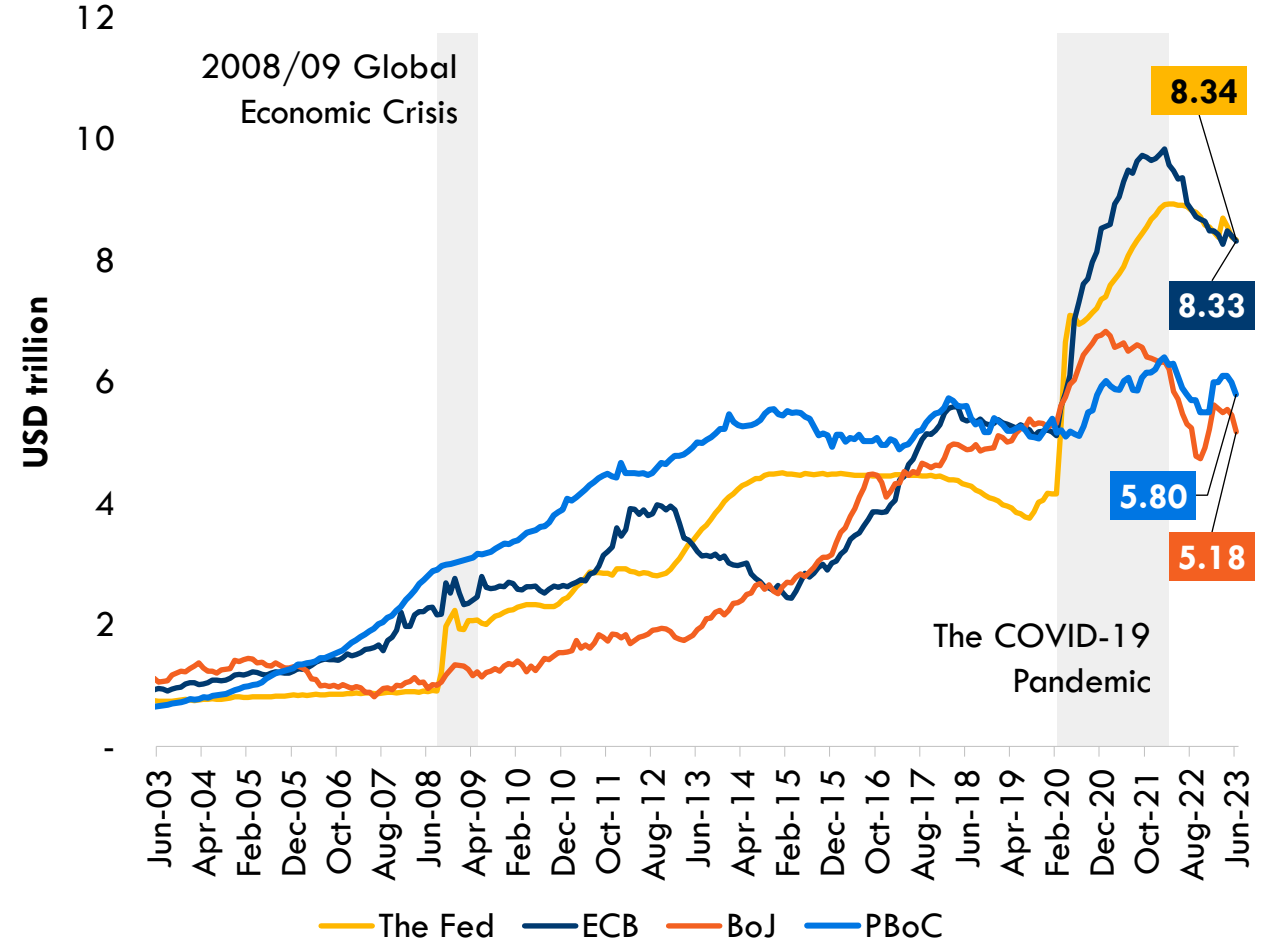
# Balance Sheet of Major Central Banks

Global liquidity continued to decline in Jun-23 amid stubborn global inflation

**G4 CB Total Assets**



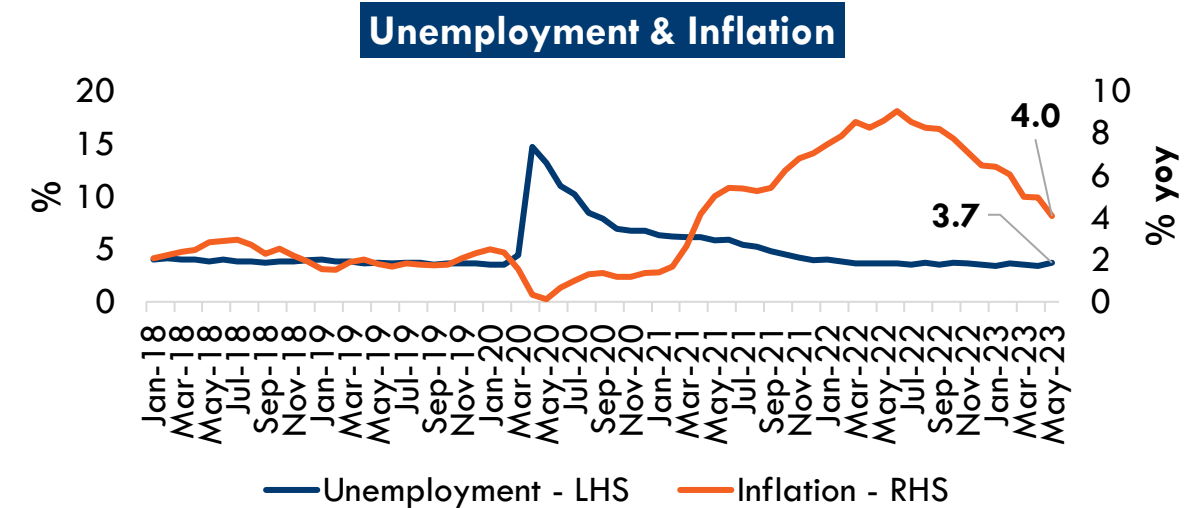
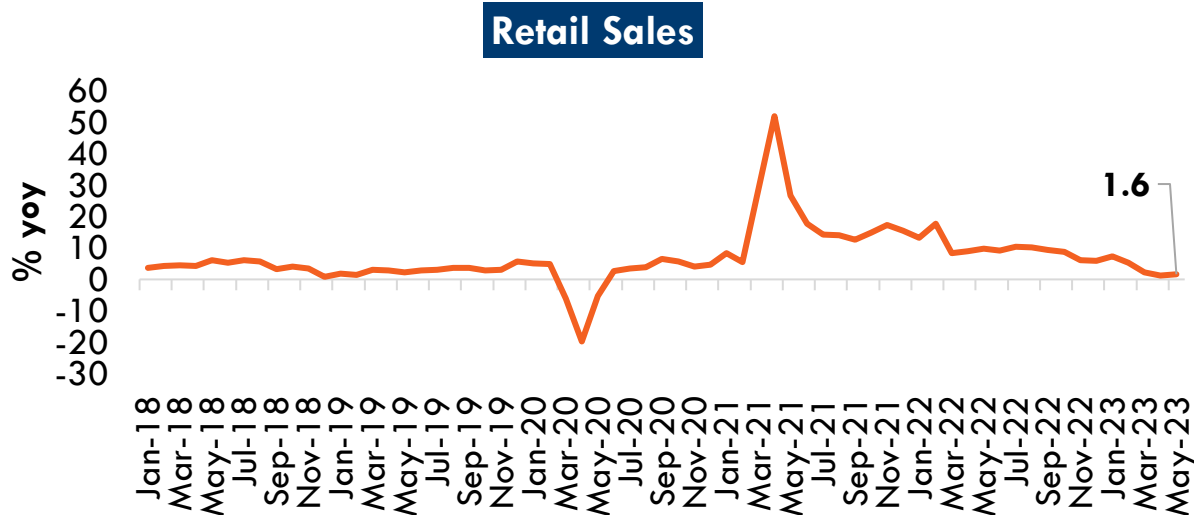
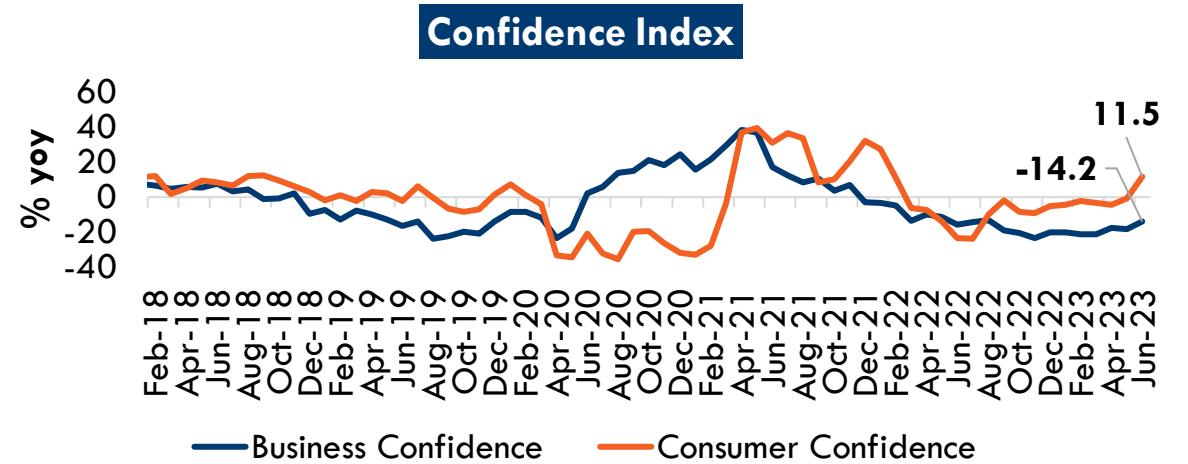
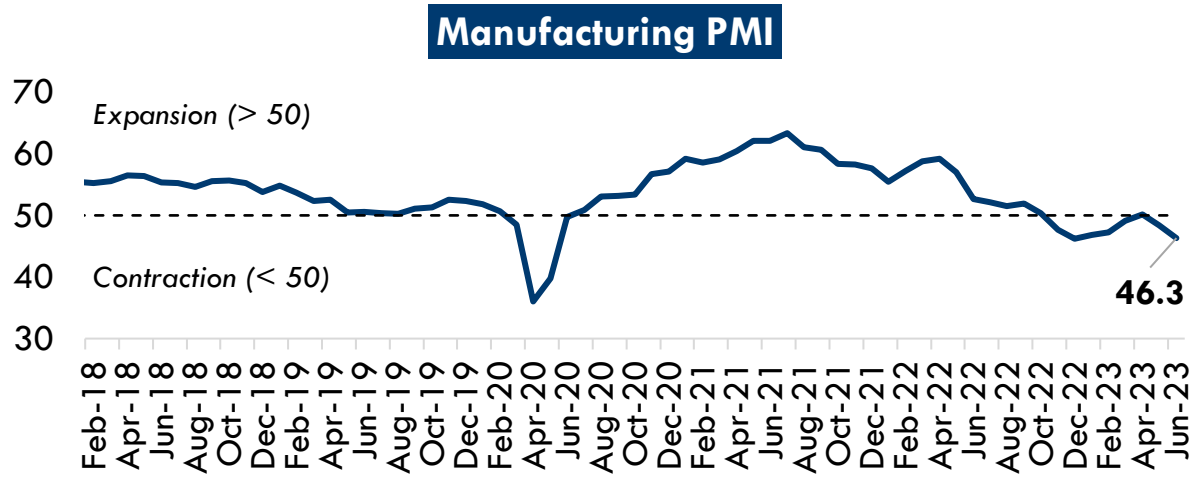
**CB Total Assets**



Source: The Fed, ECB, BoJ, & CEIC, as of 4-Jul-23

# US Leading Economic Indicators

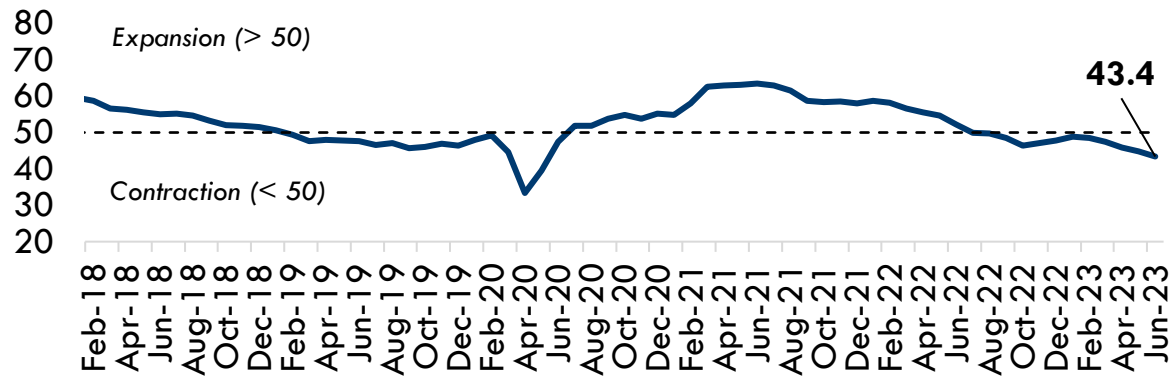
Economic activities eased, with early resilience giving way to considerable slowdown amid monetary tightening



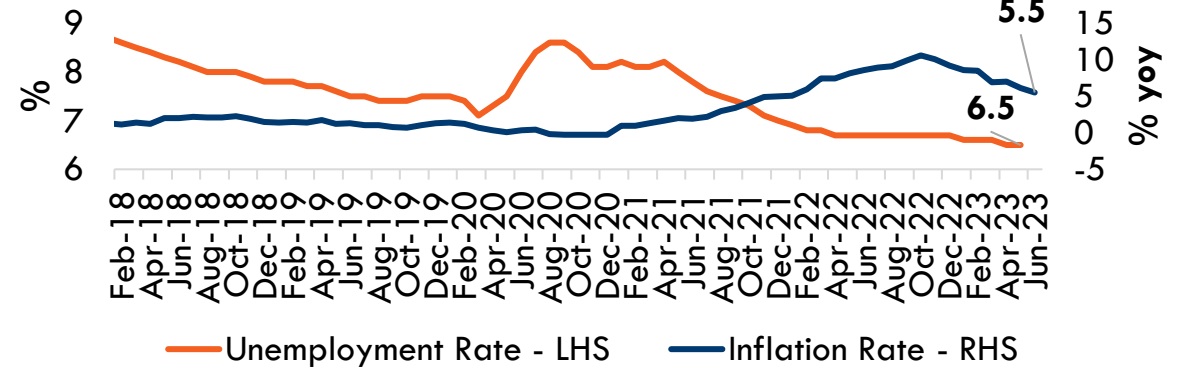
# Eurozone's Leading Economic Indicators

High inflation persists, reflecting the strength of labor market and broadening price pressures

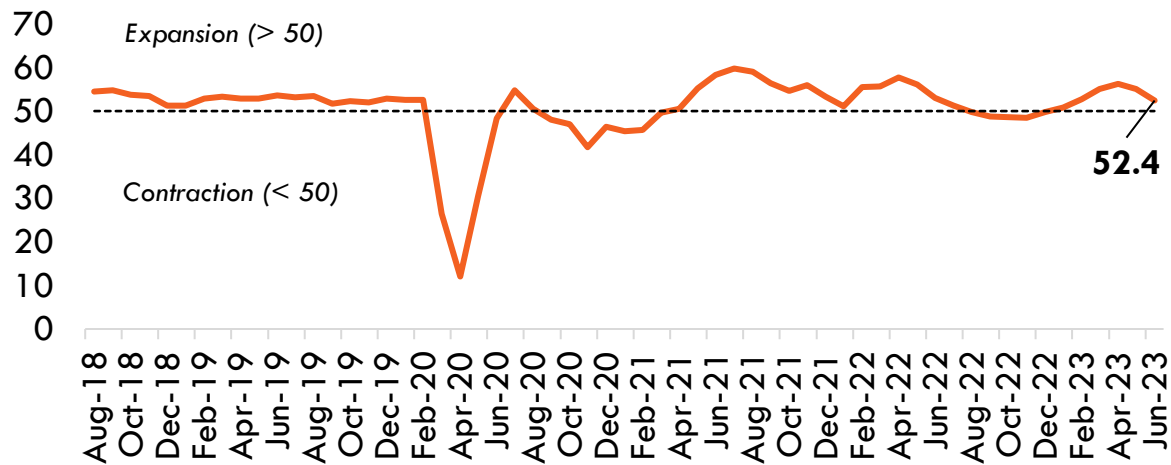
### Manufacturing PMI



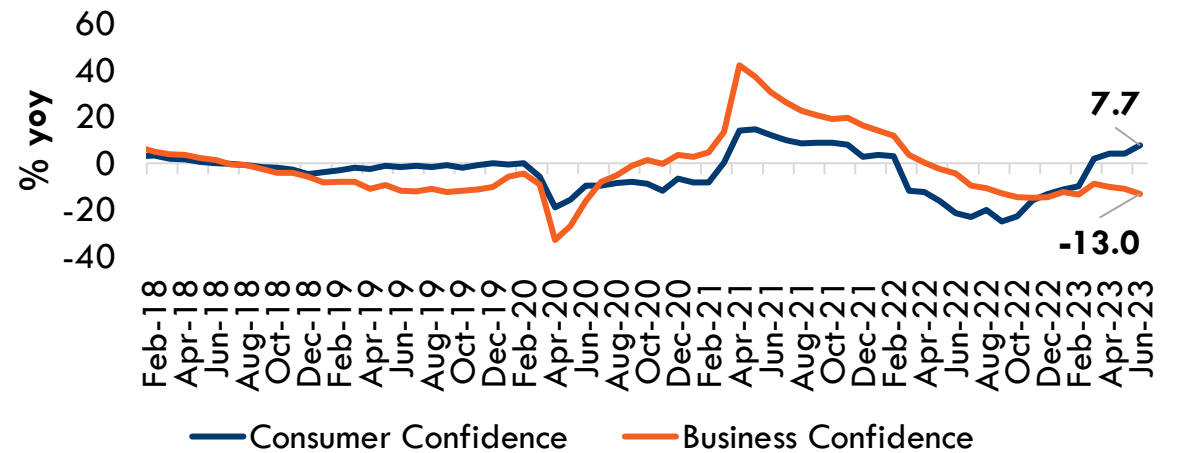
### Unemployment & Inflation



### Service PMI



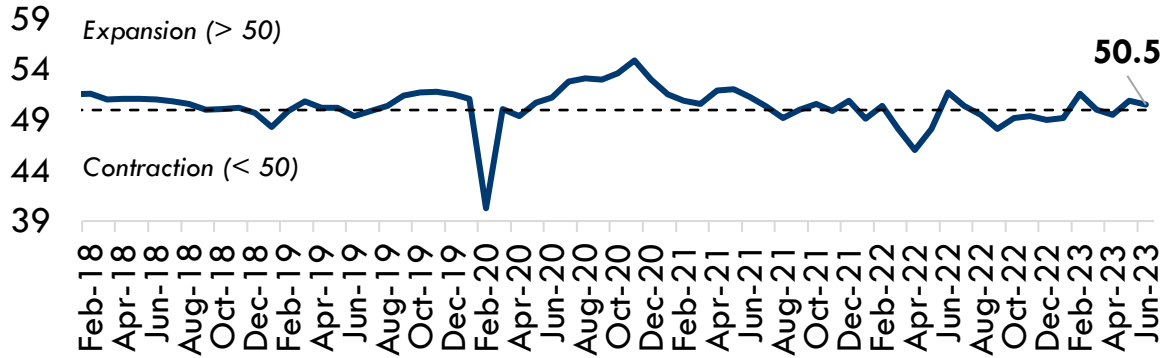
### Confidence Index



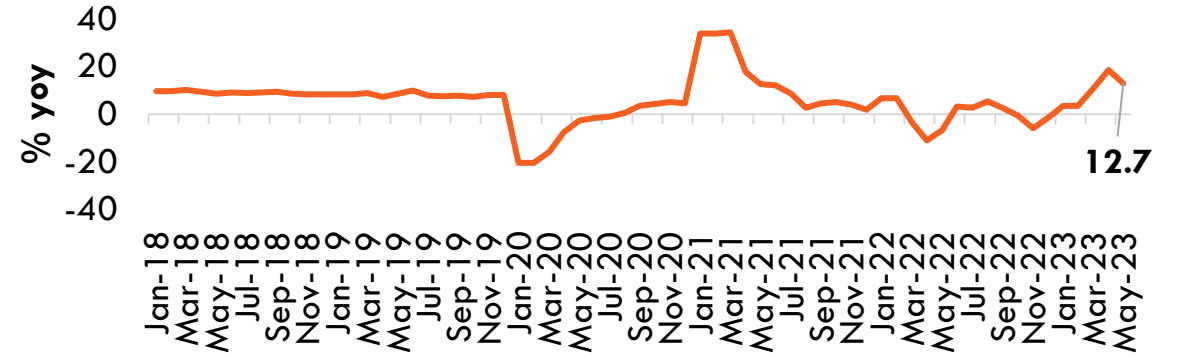
# China's Leading Economic Indicators

Economic reopening growth impulse has begun to fade

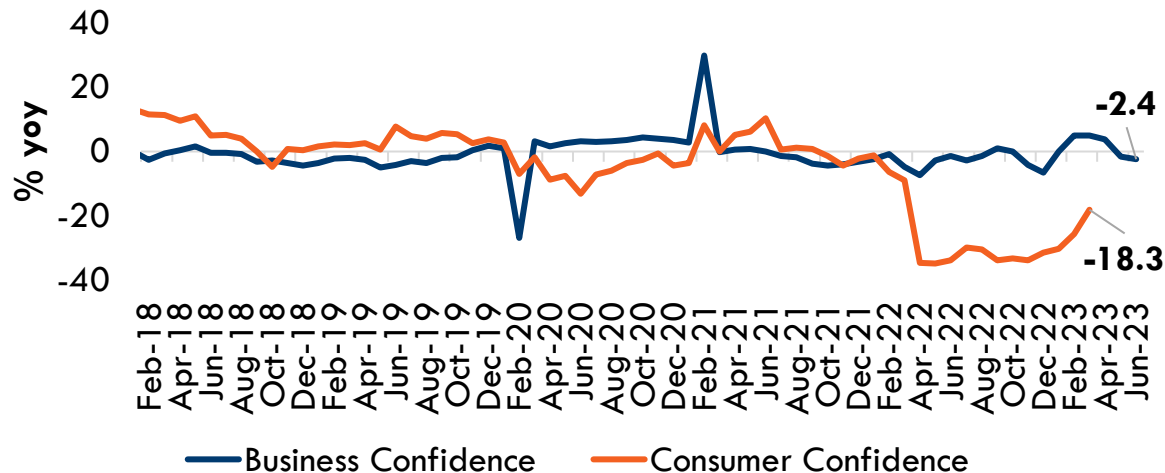
### Manufacturing PMI



### Retail Sales



### Confidence Index



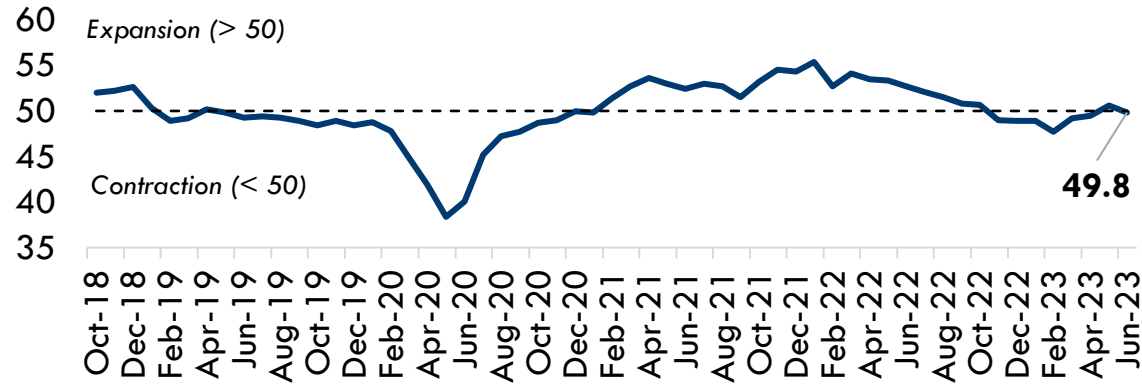
### International Trade



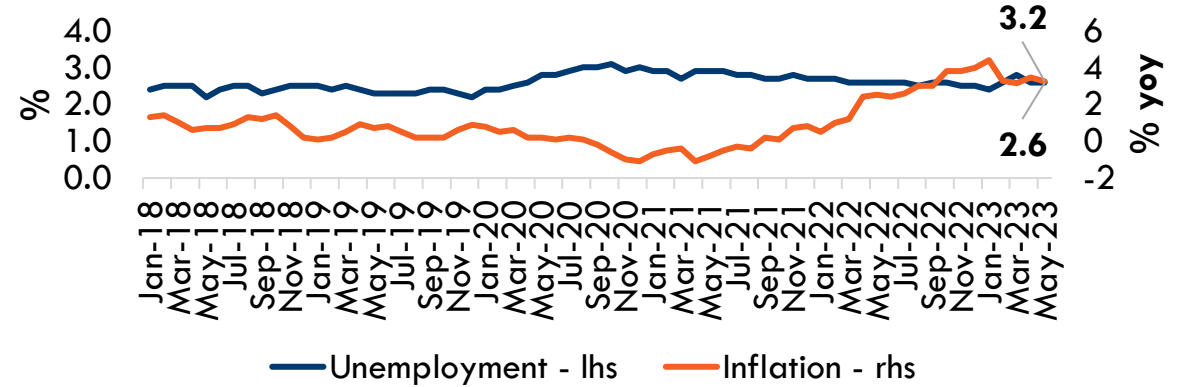
# Japan's Leading Economic Indicators

The lagged effects of synchronized monetary tightening in major economies weigh on external demand

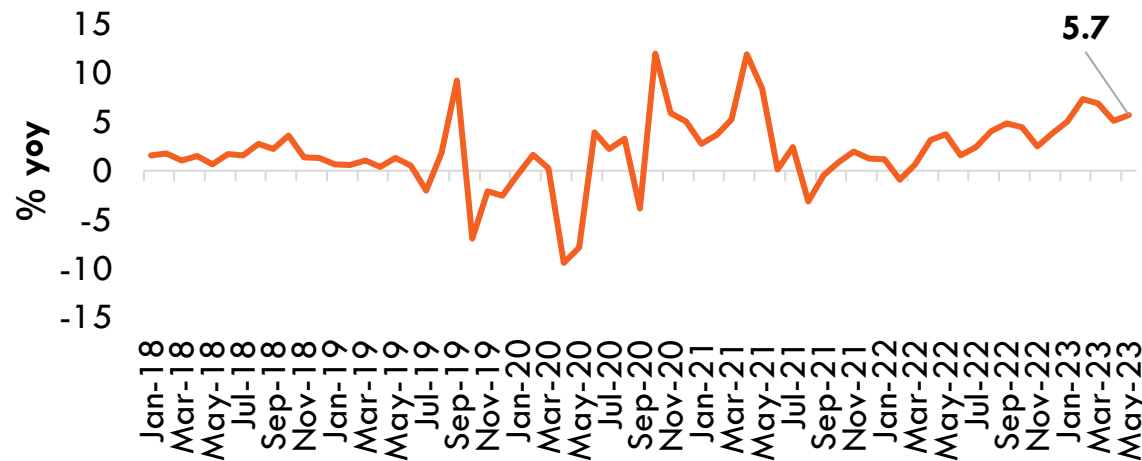
### Manufacturing PMI



### Unemployment & Inflation



### Retail Trade



### International Trade



# Global Commodity Prices

Commodity prices weaken further in June 2023

Commodity	Dec-20	Dec-21	Dec-22	May-23	Jun-23	% mtd	% ytd
Crude Oil (barrel)	51.8	77.8	85.9	72.7	74.9	3.08	(12.8)
Coal (metric ton)	80.5	169.6	404.2	135.0	128.1	(5.15)	(68.3)
CPO (metric ton)	963.8	1,240.8	947.0	705.6	804.1	13.95	(15.1)
Gold (troy ounce)	1,894.4	1,829.2	1,824.0	1,962.7	1,919.4	(2.21)	5.2
Tin (metric ton)	20,290.0	39,100.0	24,900.0	25,210.0	26,800.0	6.31	7.6
Rubber (Kg)	1.5	1.78	1.30	1.32	1.33	0.83	2.2
Nickel (metric ton)	16,607.0	20,750.0	30,550.0	20,540.0	20,275.0	(1.29)	(33.6)
Copper (metric ton)	7,766.0	9,720.5	8,372.0	8,089.0	8,315.5	2.80	(0.7)
Gas (MMBtu)	2.5	3.7	4.5	2.3	2.8	23.48	(37.5)
Cocoa (metric ton)	2,413.0	2,450.1	2,515.6	3,008.7	3,342.3	11.09	28.5
Wheat (bushel)	640.5	770.8	792.0	594.3	651.0	7.07	(17.8)

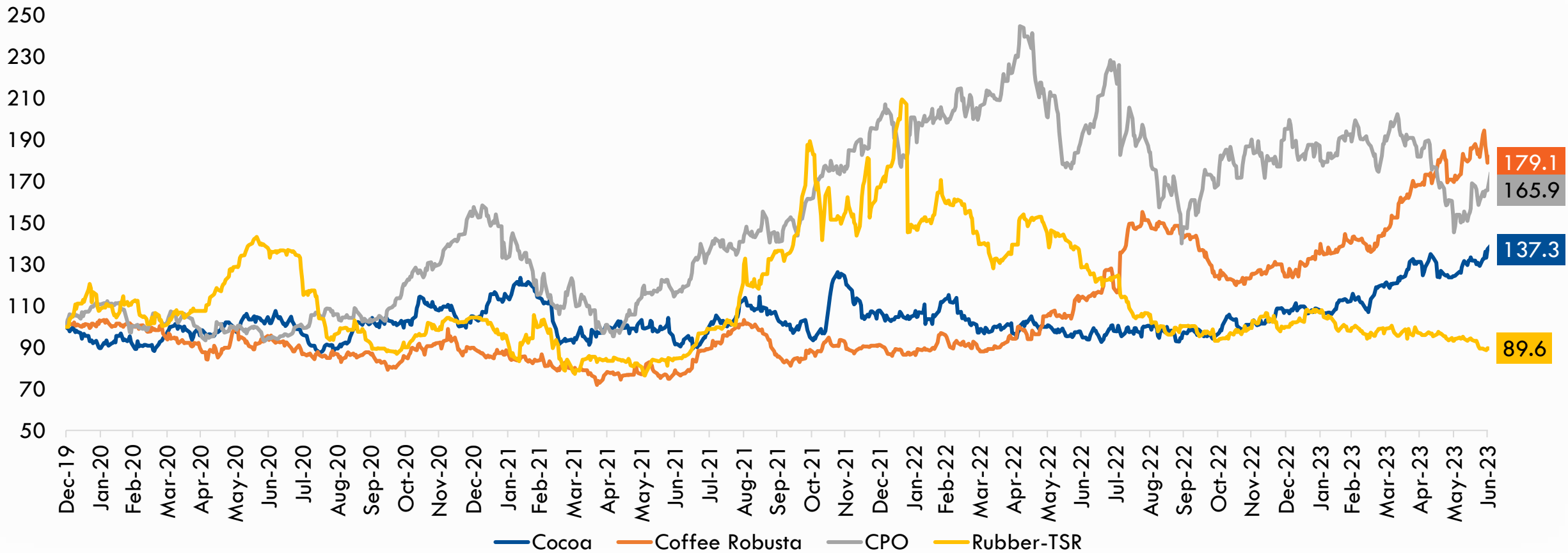
note: Price in USD

Source: Bloomberg, as of 30-Jun-23

# Global Food's Export

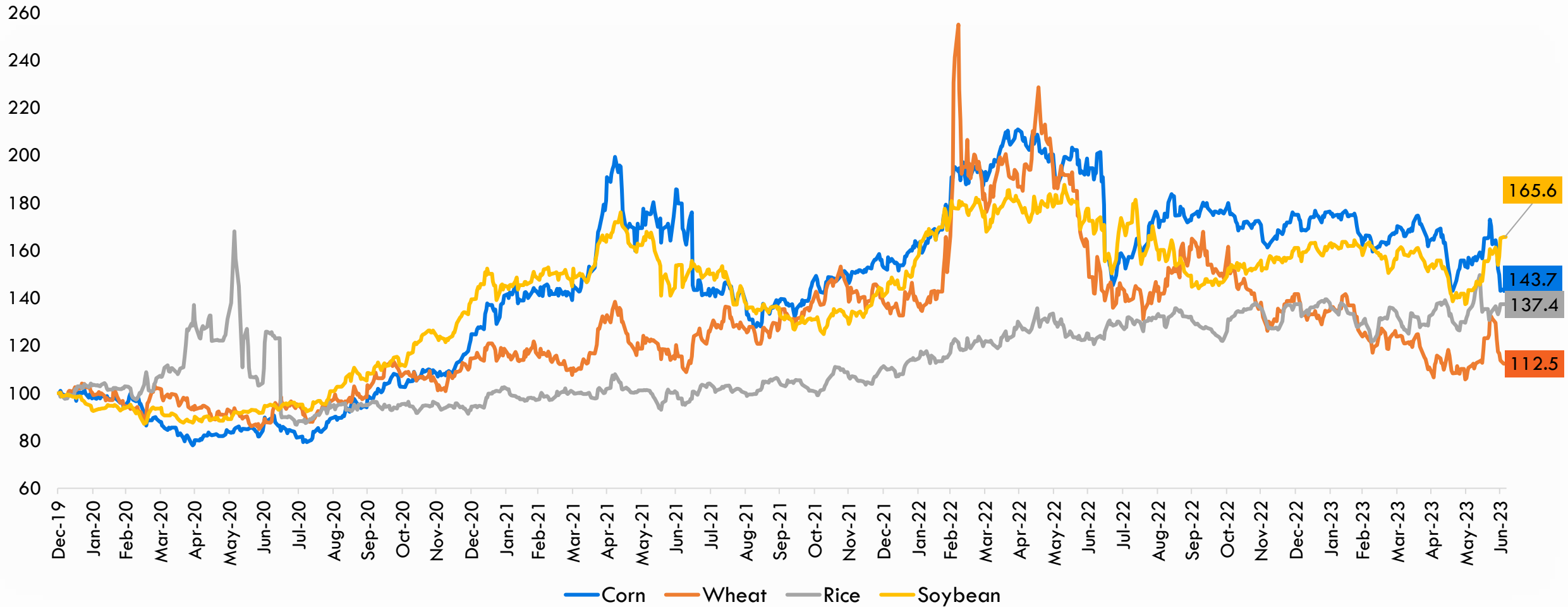
Cocoa and Rubber Decreased in June-23

### Food Price Index of Indonesia's Main Export Commodities



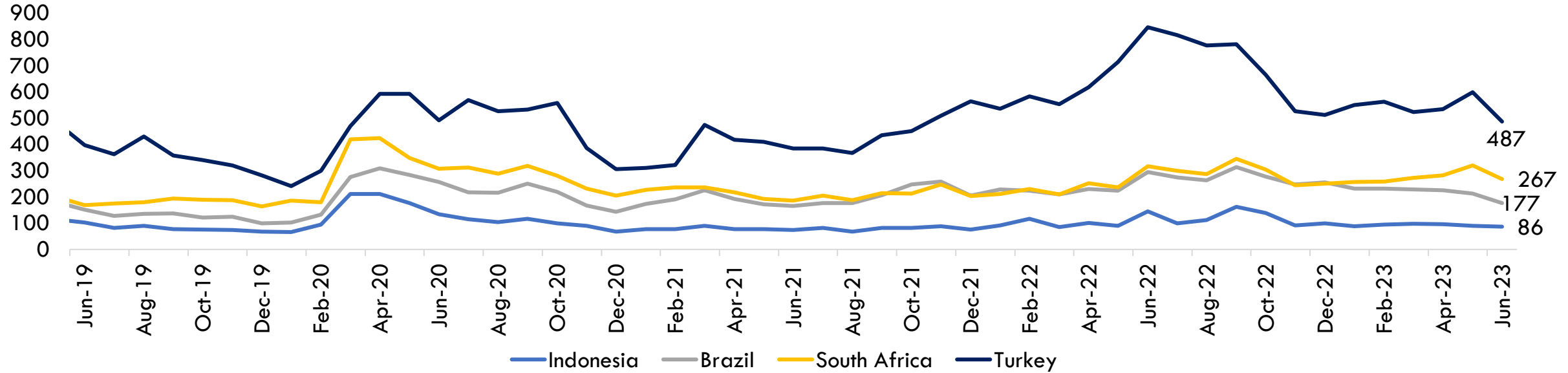
# Indonesia's Price Index

Food export prices for Corn and Wheat closed lower in June-23



# Risk Perception (CDS 5Y) in EM

CDS of most countries decreased in Jun-23



No.	Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Jun-23	Δ mom	Δ yoy
1	Indonesia	231	157	229	157	85	137	68	68	75	100	86	-3	13
2	Philippine	108	90	107	110	67	88	34	36	56	97	81	-5	16
3	Thailand	124	102	134	80	45	44	25	37	27	61	53	-4	9
4	China	80	86	108	118	50	67	31	28	40	73	61	-7	12
5	South Korea	66	54	55	44	52	39	24	22	19	53	33	-7	21
6	Mexico	91	104	170	156	106	154	79	81	90	130	102	-13	28
7	Brazil	193	201	494	281	226	207	99	143	205	254	177	-36	78
8	South Africa	200	190	335	217	176	222	163	204	203	250	267	-52	-17
9	Turkey	253	183	273	273	266	361	282	306	564	512	487	-111	25

Source: Bloomberg, as of 30-June-23

# Global Stock Indices

Global stock indices remain mostly weak due to global uncertainties, especially sentiment from the United States.

Stock Market	Dec-20	Dec-21	Dec-22	Jun-23	% mtd	% ytd
IDX – Indonesia	5,979	6,581	6,851	6,662	0.43	-2.76
Nikkei – Japan	27,444	28,792	26,095	33,189	7.45	27.19
Hang Seng – Hong Kong	27,231	23,398	19,781	18,916	3.74	-4.37
Dow Jones – US	30,606	36,338	33,147	34,408	4.56	3.80
STI – Singapore	2,844	3,124	3,251	3,206	1.49	-1.40
SET – Thailand	1,449	1,658	1,669	1,503	-1.98	-9.92
KLCI – Malaysia	1,627	1,568	1,495	1,377	-0.75	-7.94
Shanghai – China	3,473	3,640	3,089	3,202	-0.08	3.65
FTSE – UK	6,461	7,385	7,452	7,532	1.15	1.07
DAX – Germany	13,719	15,885	13,924	16,148	3.09	15.98

# 10-year USD Bond Yields in Advanced and Emerging Economies

Yield for the developed countries mostly increased in June-23

Bond (%)	Rating (S&P)	Dec-20	Dec-21	Dec-22	Apr-23	Jun-23	mtd (bps)
US	AA+u	0.9	1.51	3.87	3.64	3.84	19.4
Japan	A+u	0.0	0.07	0.41	0.43	0.39	-3.6
Australia	AAAu	1.0	1.67	4.02	3.61	4.02	41.9
UK	AAu	0.2	0.97	3.66	4.18	4.38	20.4
Germany	AAAu	-0.6	-0.18	2.56	2.28	2.39	11.00
Indonesia	BBB	2.0	2.2	4.8	4.74	4.82	12.10
Turkey	B+u	5.4	7.6	9.0	9.67	8.79	-72.0
Brazil	BB-	3.2	4.5	6.2	6.26	6.18	-8.50

# Global Currencies

## Global currencies strengthened against USD in June-23

Currency	Dec-20	Dec-21	Dec-22	Jun-23	% ytd	% mtd	(↑ / ↓)
EUR – European Union	1.22	1.14	1.07	1.09	1.91	2.06	(↑)
GBP – UK	1.37	1.35	1.21	1.27	5.13	2.11	(↑)
JPY – Japan	103.25	115.08	131.12	144.31	10.06	3.57	(↓)
AUD – Australia	0.77	0.73	0.68	0.67	-2.19	2.48	(↑)
IDR – Indonesia	14,050.0	14,253.0	15,568.0	14,993.0	-3.7	0.00	(-)
PHP – Philippines	48.0	51.0	55.7	55.2	-0.9	-1.72	(↑)
CNY – China	6.5	6.4	6.9	7.3	5.1	2.04	(↓)
BRL – Brazil	5.2	5.6	5.3	4.8	-9.4	-5.34	(↑)
MXN – Mexico	19.9	20.5	19.5	17.1	-12.2	-3.18	(↑)
TRY – Turkey	7.4	13.3	18.7	26.0	39.0	25.30	(↓)
THB – Thailand	30.0	33.4	34.6	35.5	2.5	1.88	(↓)
SGD – Singapore	1.3	1.3	1.3	1.4	1.0	0.06	(↓)
MYR – Malaysia	4.0	4.2	4.4	4.7	6.0	1.16	(↓)
KRW – South Korea	1,086.4	1,188.9	1,265.5	1,317.8	4.1	-0.65	(↑)
ZAR – South Africa	14.7	15.9	17.0	19.7	10.6	-4.45	(↑)

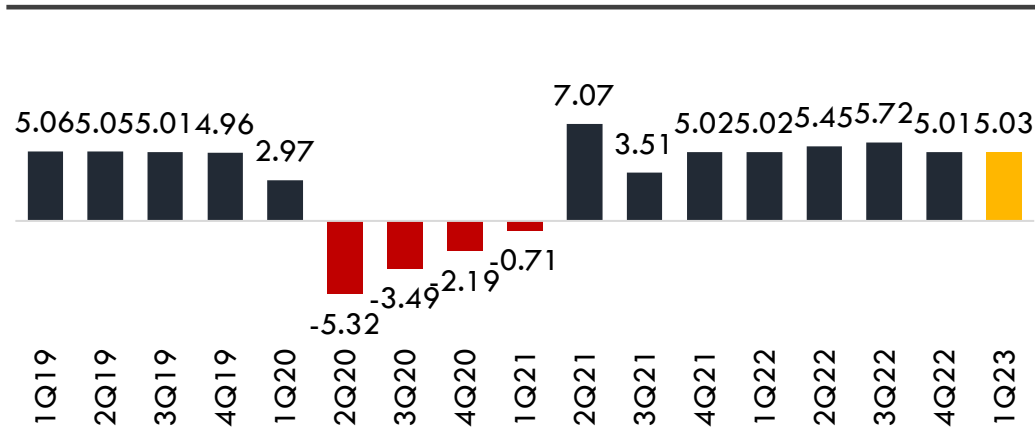
# INDONESIA ECONOMIC UPDATE



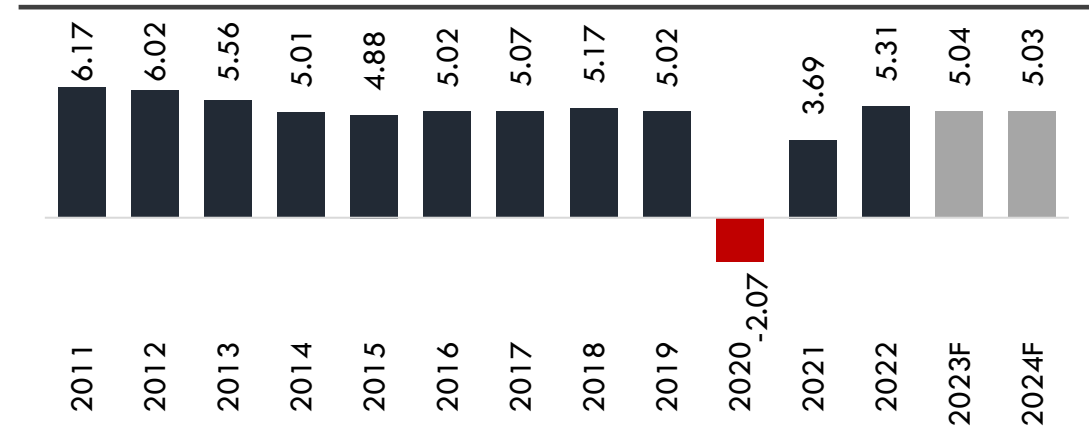
# GDP Growth by Expenditure

Indonesia's economy continued to accelerate in 1Q23 driven by rising household consumption

Quarterly GDP Growth (% yoy)



Full-year GDP growth (%)



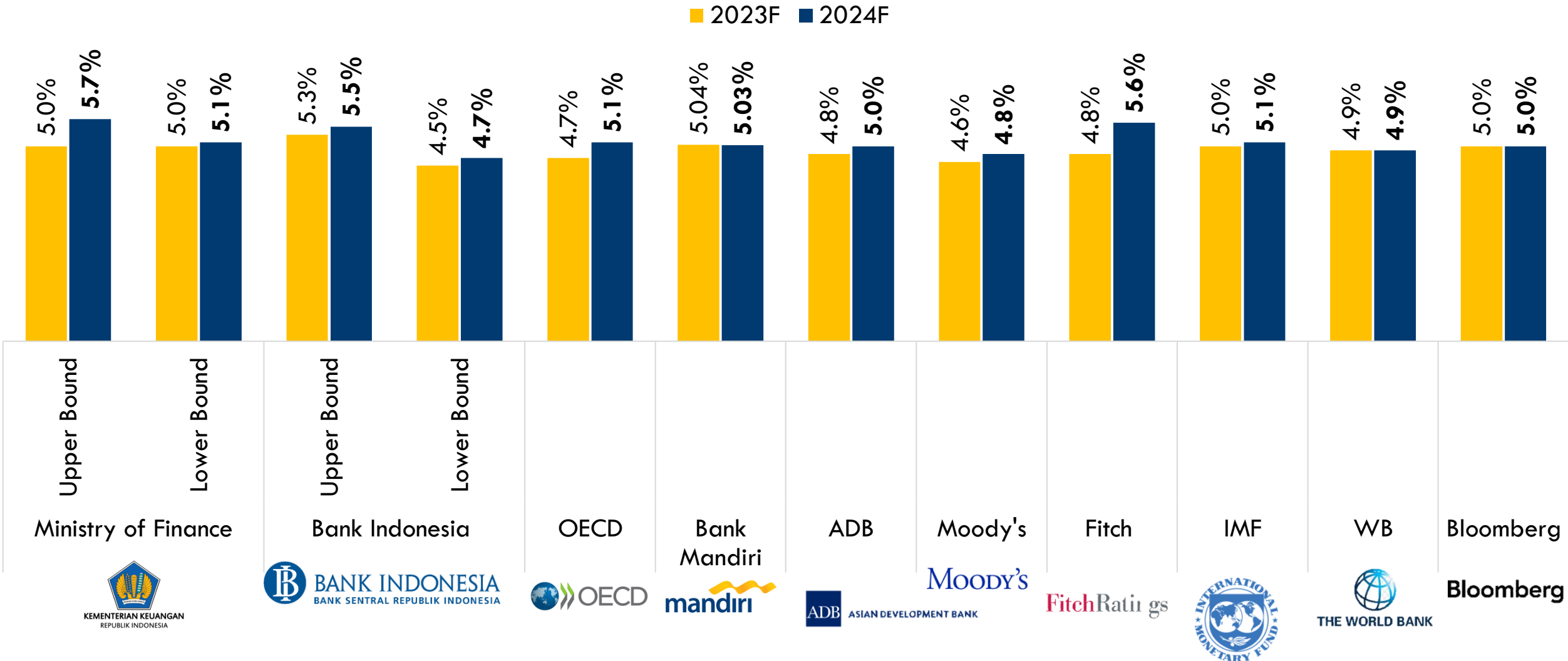
## GDP growth by expenditure

Components	2021 (% yoy)				2022 (% yoy)				2023 (% yoy)	2020 (%)	2021 (%)	2022 (%)	Share 2020 (% of GDP)	Share 2021 (% of GDP)	Share 2022 (% of GDP)	Share 1Q23 (% of GDP)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1							
<b>GDP</b>	<b>-0.71</b>	<b>7.07</b>	<b>3.51</b>	<b>5.02</b>	<b>5.02</b>	<b>5.45</b>	<b>5.72</b>	<b>5.01</b>	<b>5.03</b>	<b>-2.07</b>	<b>3.69</b>	<b>5.31</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Household spending	-2.21	5.96	1.02	3.55	4.34	5.51	5.39	4.48	4.54	-2.63	2.02	4.93	57.6	54.4	51.87	52.88
Non-profit Institutions	-3.99	4.15	2.79	3.29	5.85	5.05	5.87	5.70	6.17	-4.21	1.62	5.64	1.3	1.2	1.2	1.2
Government expenditure	2.58	8.03	0.62	5.25	-6.94	-4.86	-2.55	-4.77	3.99	2.12	4.24	-4.51	9.7	9.3	7.7	5.3
Investment	-0.23	7.54	3.76	4.49	4.09	3.07	4.98	3.33	2.11	-4.96	3.80	3.87	31.7	30.8	29.1	29.1
Exports	7.09	31.98	29.16	29.83	16.70	20.02	19.41	14.93	11.68	-8.14	17.95	16.28	17.3	21.4	24.5	22.7
Imports	5.38	31.72	30.11	29.60	15.88	12.37	25.37	6.25	2.77	-17.6	24.87	14.75	15.6	18.8	20.9	19.6

notes: excluding change in stock & statistic discrepancy

Source: BPS

# Indonesia's 2023 Economic Growth Forecast



Source: OCE BMRI, Various source

# Economic Growth by Sector

Sector	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	1Q22 (% yoy)	1Q23 (% yoy)	Share (% of GDP)
Agriculture, Forestry and Fisheries	3.75	3.37	3.87	3.91	3.61	1.77	1.87	2.25	1.16	0.34	11.77
Mining & Quarrying	-3.42	0.95	0.66	2.16	1.22	-1.95	4.00	4.38	3.82	4.92	11.85
Manufacturing Industry	4.33	4.26	4.29	4.27	3.80	-2.93	3.39	4.89	5.07	4.43	18.57
Electricity & Gas Supply	0.90	5.39	1.54	5.47	4.04	-2.34	5.5	6.61	7.04	2.67	1.04
Water Supply, Sewerage, Waste & Recycle	7.07	3.60	4.60	5.46	6.83	4.94	4.97	3.23	1.29	5.69	0.06
Construction	6.36	5.22	6.80	6.09	5.76	-3.26	2.81	2.01	4.83	0.32	9.88
Wholesales and Retail Trade, Repair of Motor Vehicles and Motorcycles	2.54	4.03	4.46	4.97	4.60	-3.79	4.63	5.52	5.71	4.89	12.95
Transportation & Storage	6.71	7.45	8.49	7.01	6.38	-15.05	3.24	19.87	15.79	15.93	5.56
Accommodation & Food Beverages Activity	4.31	5.17	5.39	5.66	5.79	-10.26	3.89	11.97	6.56	11.55	2.46
Information & Communication	9.70	8.88	9.63	7.04	9.42	10.61	6.82	7.74	7.14	7.19	4.19
Financial & Insurance Activity	8.58	8.93	5.47	4.17	6.61	3.25	1.56	1.93	1.64	4.48	4.31
Real Estate	4.11	4.69	3.66	3.58	5.76	2.32	2.78	1.72	3.78	0.37	2.46
Business Services	7.69	7.36	8.44	8.64	10.25	-5.44	0.73	8.77	5.96	6.37	1.79
Gov't Administration, Defense & Compulsory Social Security	4.63	3.20	2.06	7.02	4.66	-0.03	-0.33	2.52	-1.45	2.09	2.86
Education Services	7.33	3.84	3.70	5.36	6.30	2.61	0.11	0.59	-1.74	1.02	2.62
Human Health & Social Services	6.69	5.16	6.84	7.13	8.66	11.56	10.46	2.74	4.38	4.77	1.11
Other Services	8.08	7.8	8.73	8.99	10.57	-4.10	2.12	9.47	8.24	8.90	1.91
<b>Gross Domestic Product (GDP)</b>	<b>4.88</b>	<b>5.03</b>	<b>5.07</b>	<b>5.17</b>	<b>5.02</b>	<b>-2.07</b>	<b>3.69</b>	<b>5.31</b>	<b>5.01</b>	<b>5.03</b>	<b>100.00</b>

# Regional GDP

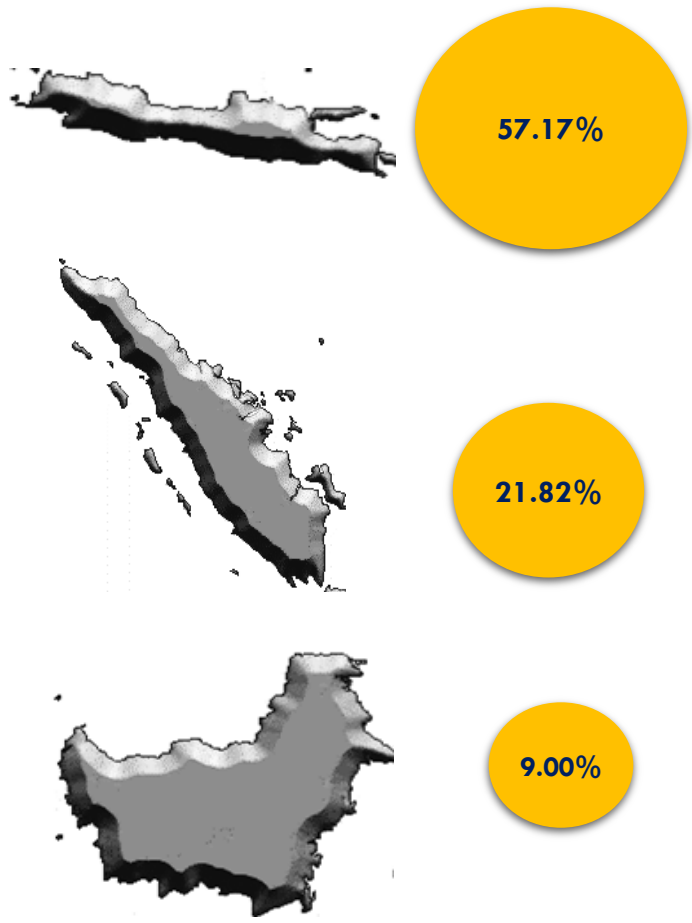
## Most provinces recorded economic improvement in 1Q23

Province	2019	2020	2021	2022	1Q23
NAD	4.14	-0.37	2.78	4.21	4.63
North Sumatra	5.22	-1.07	2.61	4.73	4.87
West Sumatra	4.99	-1.60	3.27	4.36	4.80
Riau	2.79	-1.12	3.35	4.55	3.88
Jambi	4.32	-0.46	3.66	5.13	5.00
South Sumatra	5.66	-0.11	3.57	5.23	5.11
Bengkulu	4.92	-0.02	3.24	4.31	4.07
Lampung	5.24	-1.67	2.79	4.28	4.96
Bangka Belitung	3.30	-2.30	5.04	4.40	4.37
Riau Island	4.73	-3.80	3.42	4.55	6.51
DKI Jakarta	5.75	-2.36	3.54	5.25	4.95
West Java	5.06	-2.44	3.61	5.45	5.00
Central Java	5.39	-2.65	3.28	5.31	5.04
D.I. Yogyakarta	6.59	-2.69	5.54	5.15	5.31
East Java	5.50	-2.39	3.64	5.34	4.95
Banten	5.24	-3.38	4.41	5.03	4.68
Bali	5.57	-9.31	-2.49	4.84	6.04

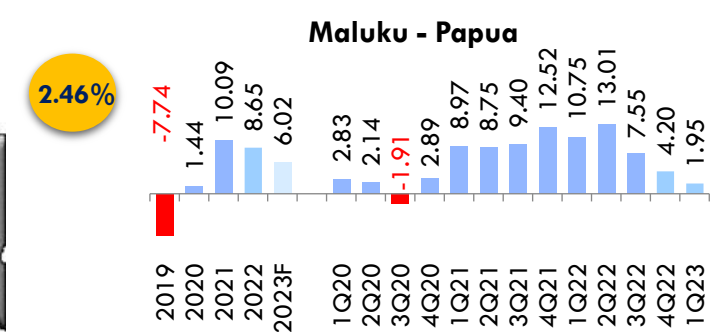
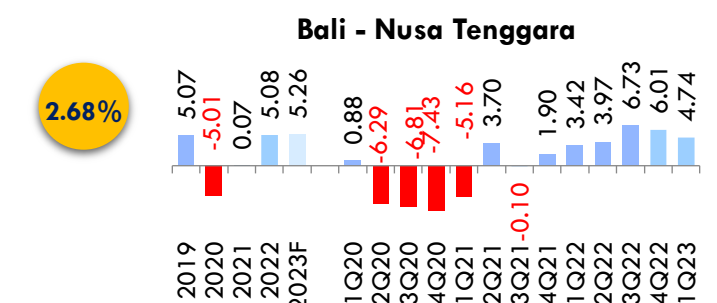
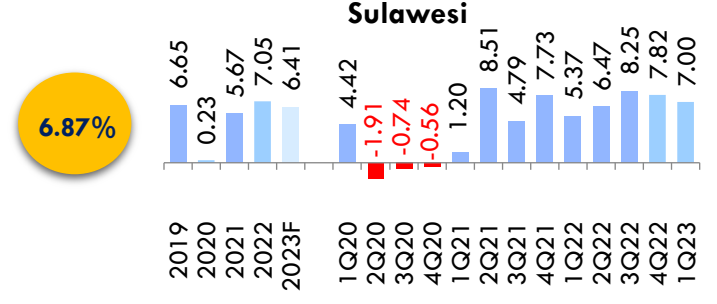
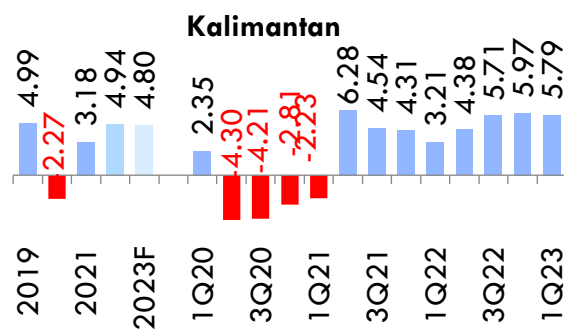
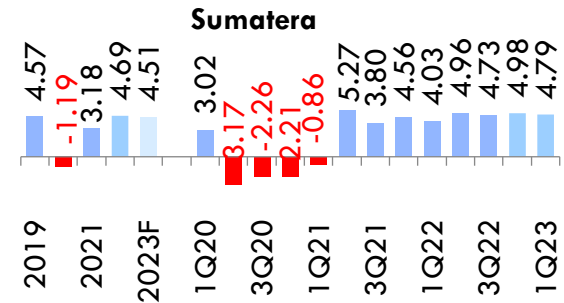
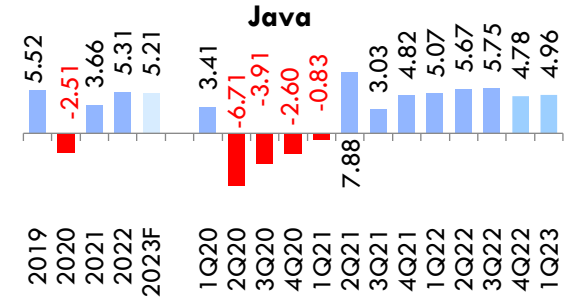
Province	2019	2020	2021	2022	1Q23
West Nusa Tenggara	3.85	-0.64	2.32	6.95	3.57
East Nusa Tenggara	5.22	-0.83	2.52	3.05	3.73
West Kalimantan	5.10	-1.82	4.78	5.07	4.65
Central Kalimantan	6.09	-1.40	3.37	6.45	3.22
South Kalimantan	4.71	-2.85	2.42	5.11	5.12
East Kalimantan	4.04	-1.81	3.47	4.48	6.95
North Kalimantan	6.20	-1.11	3.98	5.34	5.23
North Sulawesi	5.64	-0.99	4.16	5.42	5.26
Central Sulawesi	8.83	4.86	11.70	15.17	13.18
South Sulawesi	6.91	-0.70	4.63	5.09	5.29
Southeast Sulawesi	6.48	-0.65	4.10	5.53	6.48
Gorontalo	6.39	-0.02	2.42	4.04	4.23
West Sulawesi	5.68	-2.42	2.47	2.30	3.59
Maluku	5.37	-0.92	3.04	5.11	5.12
North Maluku	6.03	4.92	17.03	22.94	16.50
West Papua	2.66	-0.77	-0.49	2.01	3.13
Papua	-15.79	2.32	15.20	8.97	-2.39

# Economic growth in Java is driven by recovery in manufacturing sector and consumer spending

Meanwhile, economic growth outside Java was driven by the commodity sector.



## Economic Growth per Island (% YoY)



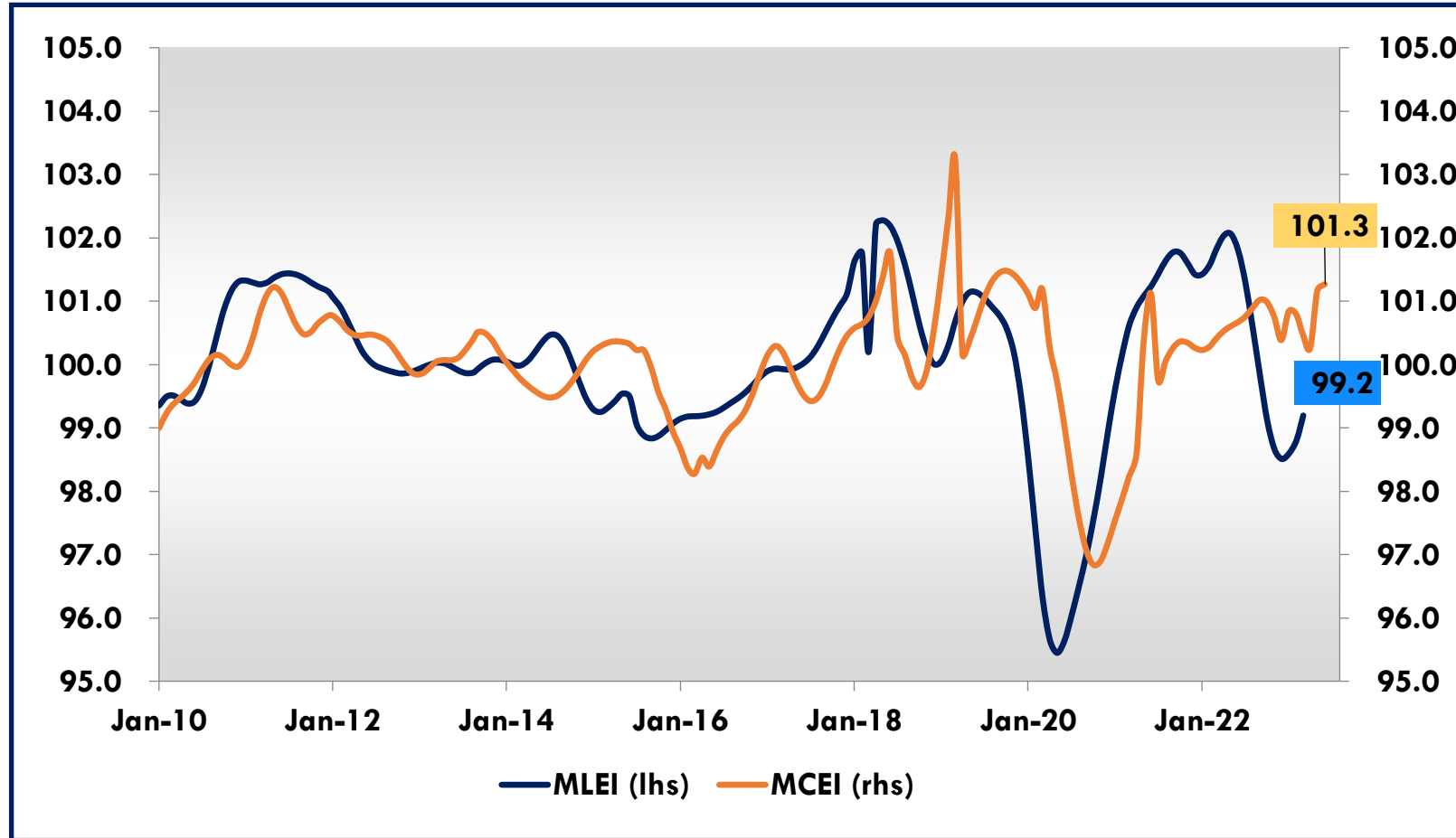
● Proportion to total GDP (1Q23)      ■ % GDP yoy

# INDONESIA LEADING INDICATORS



# Mandiri Leading Economic Index (MLEI)

Slightly Higher GDP growth in 2Q23 than in 1Q23

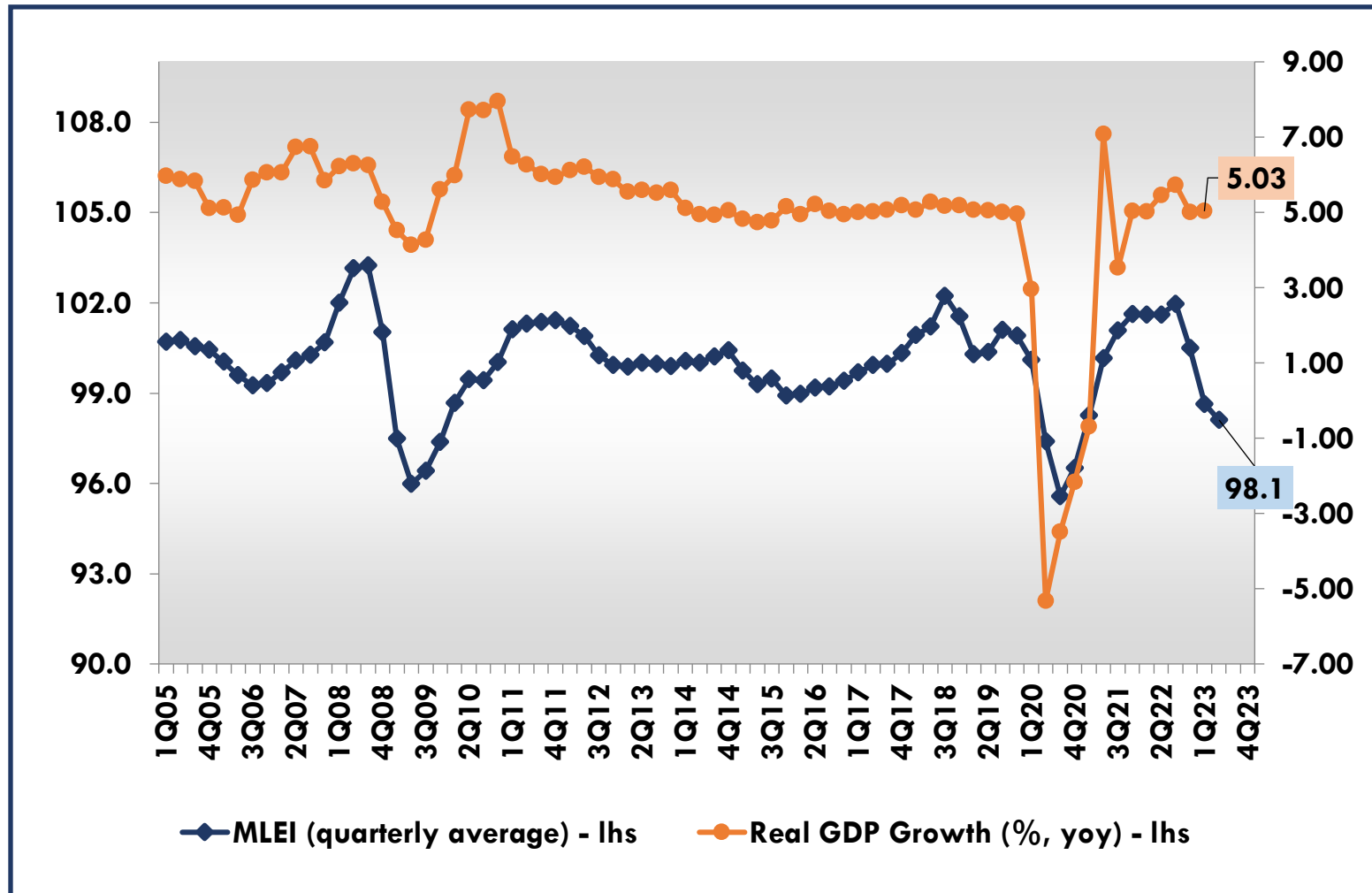


**MLEI increased by 0.4% to 99.2 in March 2023.**

- **The 1Q23 MLEI quarterly average was 98.9**, higher than the 4Q22 MLEI of 98.8. This value indicates that the economic growth will be higher than 5.03% in 2Q23 in line with the continued strength of domestic economic indicators amid persistently high global economic uncertainty.
- **Four out of five MLEI constituents showed an upward trend. Only the interest rate indicator decreased on Mar-23.** The interest rate variable tends to decrease with the decreasing pressure from rising global interest rates, and Bank Indonesia's benchmark interest rate level remains stable.

# MLEI indication was relatively in line with GDP growth realization

The economic growth will continue with the improvement in domestic business activity



- Indonesia's GDP growth improved by 5.03% (yoy) in 1Q23, higher than 5.01% (yoy) in 4Q22.** It was the eighth consecutive period of expansion, amid faster increases in household consumption and a rebound in government spending. This indicated the shift of source of growth from the external sector (commodity-related export) to the domestic sector. The household consumption expenditure increased by 4.54% (yoy), and government expenditure increased by 3.99% (yoy) in 1Q23. Furthermore, the source of growth for 1Q23 came from export growth and household consumption spending.
- The economic growth in 2023 will improve supported by solid domestic business activity,** increased household consumption, export performance, and investment. We predict that economic growth will reach 5.04% (yoy) in 2023.

# MLEI Breakdown

MLEI components mostly grew higher in Mar-23

	2Q - 2022			3Q - 2022			4Q - 2022			1Q - 2023		
	Apr-22	May-22	Jun-22*	Jul-22*	Aug-22*	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*
<b>Mandiri Leading Economic Index (MLEI)</b>	102.1	102.1	101.8	101.3	100.6	99.8	99.1	98.7	98.5	98.6	98.8	99.2
<b>Change (%MoM)</b>	0.2	0.0	(0.3)	(0.5)	(0.7)	(0.8)	(0.7)	(0.5)	(0.1)	0.1	0.2	0.4
<b>Average</b>	102.0			100.6			98.8			98.9		

	2Q - 2022			3Q - 2022			4Q - 2022			1Q - 2023		
	Apr-22	May-22	Jun-22*	Jul-22*	Aug-22*	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*
<b>Mandiri Leading Economic Index (MLEI)</b>	102.1	102.1	101.8	101.3	100.6	99.8	99.1	98.7	98.5	98.6	98.8	99.2
Consumer Goods Import	100.0	100.1	100.1	99.8	99.3	98.6	97.8	97.4	97.8	98.9	100.3	101.9
Real US GDP Index	101.8	101.6	101.1	100.4	99.7	99.1	98.8	98.7	98.9	99.4	99.9	100.4
Import Index	103.2	103.4	103.1	102.3	101.2	99.9	99.0	98.4	98.2	98.1	98.0	98.0
Export Index	104.4	104.5	104.1	103.3	102.3	101.2	100.1	99.2	98.4	97.7	97.0	97.0
12-mth State Banks Real Time Dep. Rate	100.9	100.9	100.8	100.7	100.6	100.3	99.9	99.6	99.3	99.0	98.8	98.7

note : \*) preliminary

Index > 100 and increasing indicates expansion

Index > 100 but decreasing indicates downturn

Index < 100 and decreasing indicates slowdown

Index < 100 but increasing indicates recovery

Changes in parentheses indicate negative numbers

# MCEI Breakdown

## Imports raw material index grew higher in Jun-23

	3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023		
	Jul-22	Aug-22	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*	Jun-23*
<b>Mandiri Coincident Economic Index (MCEI)</b>	100.8	100.9	101.0	101.0	100.8	100.4	100.8	100.8	100.5	100.3	101.2	101.3
Change (% , mom)	0.1	0.1	0.1	(0.0)	(0.2)	(0.4)	0.5	(0.0)	(0.3)	(0.2)	0.9	0.1
Average	100.9			100.7			100.7			100.9		

	3Q - 2022			4Q - 2022			1Q - 2023			2Q - 2023		
	Jul-22	Aug-22	Sep-22*	Oct-22*	Nov-22*	Dec-22*	Jan-23*	Feb-23*	Mar-23*	Apr-23*	May-23*	Jun-23*
<b>Mandiri Coincident Economic Index (MCEI)</b>	100.8	100.9	101.0	101.0	100.8	100.4	100.8	100.8	100.5	100.3	101.2	101.3
Imports: Raw Materials Index	103.0	102.4	101.3	99.9	98.5	97.2	100.0	100.3	100.0	100.1	101.7	102.8
Interbank Call Money Rate: USD: 1 Day Index	100.4	100.4	100.4	100.5	100.5	100.6	100.7	100.7	100.2	100.2	100.8	101.2
Equity Market Index: Month End: IDX	100.6	101.2	102.0	102.4	102.4	101.9	101.4	101.2	101.0	100.6	100.9	101.4
US Dollar: Spot: Mid: Monthly - eop Index	100.9	100.9	100.9	100.9	100.9	100.7	100.4	100.0	99.6	99.1	99.8	98.2
Business Activity: Expectation: (WNB) Index	99.0	99.6	100.5	101.2	101.5	101.5	101.6	101.7	101.7	101.3	102.6	102.7

note : \*) preliminary

Index > 100 and increasing indicates expansion

Index > 100 but decreasing indicates downturn

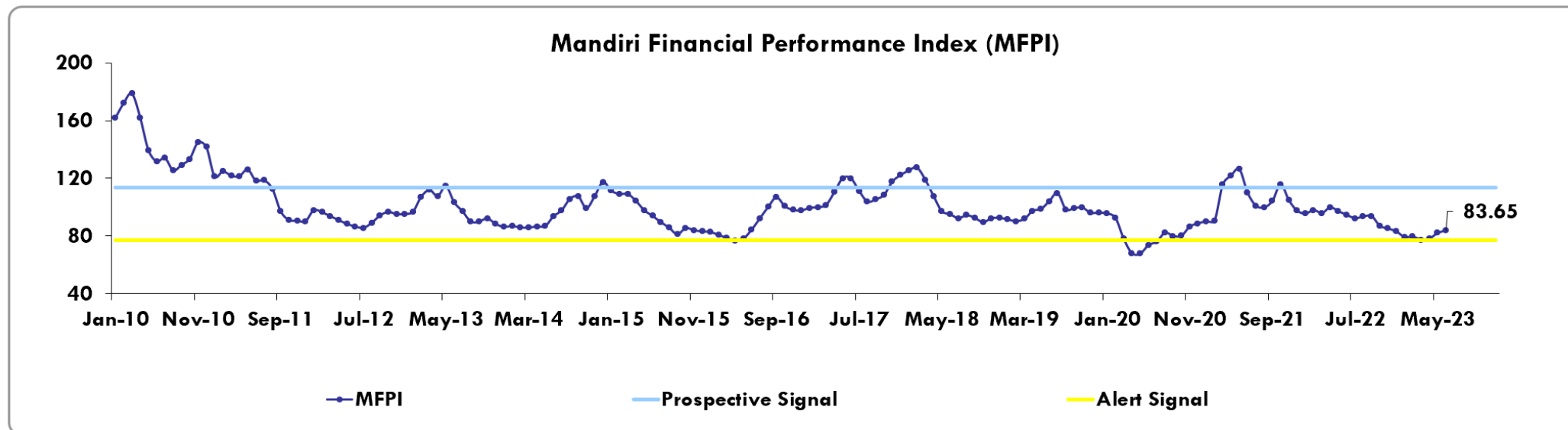
Index < 100 and decreasing indicates slowdown

Index < 100 but increasing indicates recovery

Changes in parentheses indicate negative numbers

# Mandiri Financial Performance Index (MFPI)

## Banking Sector Still in Normal Condition



Period	2016 Dec	2017 Dec	2018 Dec	2019 Dec	2020 Dec	2021 Dec	2022 Dec	2023 Jun*
MFPI	97.54	122.11	92.43	96.08	88.59	97.38	82.98	83.65
Chg (%mom)	(0.43)	3.92	0.32	0.15	2.55	(6.88)	(2.42)	2.08

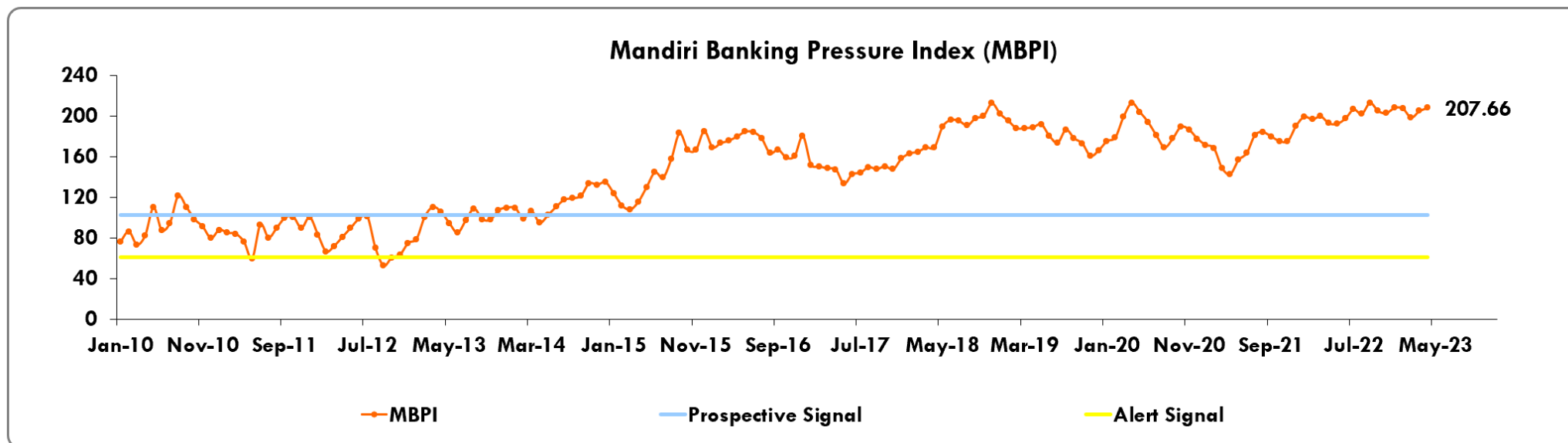
note: \* preliminary

MFPI Threshold	
Prospective :	MFPI > 113
Normal :	77 < MFPI < 113
Alert :	MFPI < 77

**MFPI in Jun 2023 accelerated by 2.08% (mom) to 83.65 level.** This position indicates that the Indonesian banking sector is in normal condition. In April 2023, the Capital Adequacy Ratio (CAR) stood at 25.54%, while non-performing loans (NPL) reached 2.53% (gross) or 0.78% (netto). Bank Indonesia decided on 21 - 22 June 2023 to hold the BI 7-Day Reverse Repo Rate (BI7DRRR) at 5.75%, the Deposit Facility interest rate at 5%, and the Lending Facility interest rate at 6.5%. The decision is consistent with the monetary policy stance to control core inflation within the 2% - 4% target this year.

# Mandiri Banking Pressure Index (MBPI)

Maintain Prospective Outlook in Next 6-9 months



Period	2016	2017	2018	2019	2020	2021	2022	2023
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Apr*
<b>MBPI</b>	179.94	157.87	201.98	166.05	177.41	190.09	207.93	207.66
<b>Chg (%mom)</b>	12.27	7.20	(4.81)	3.53	(4.73)	8.57	2.62	1.50

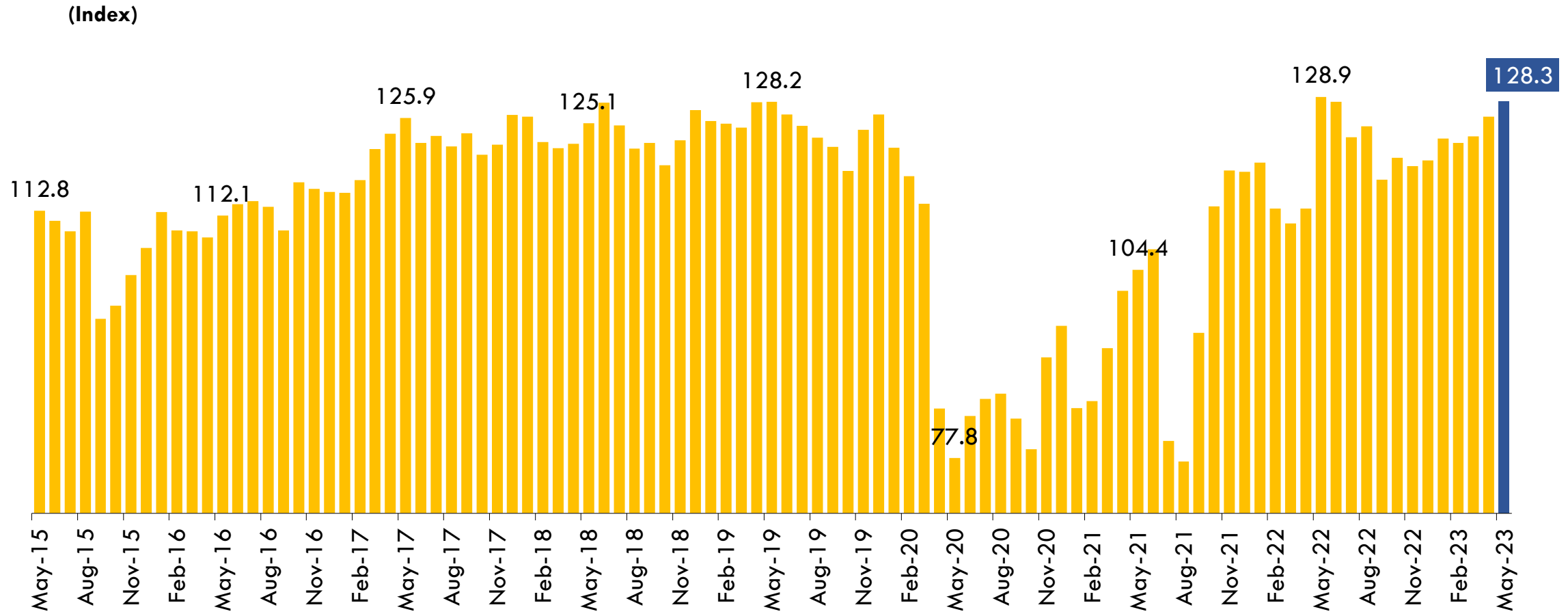
note: \* preliminary

MBPI Threshold	
Prospective :	MBPI > 103
Normal :	61 < MBPI < 103
Alert :	MBPI < 61

**Mandiri Banking Pressure Index (MBPI) is a leading indicator of the banking sector in Indonesia.** It is an indicator that provides a predicted direction of MBPI's movement in the next 6-9 months. In April 2023, MBPI increased 1.5% (mom) to 207.66 level. The position of MBPI was still above the 103 level, which means we still predicted the Indonesian banking sector to be in the prospective condition in the period from November 2023 to December 2023 as Bank Indonesia maintained policies to support economic growth and rupiah stabilization.

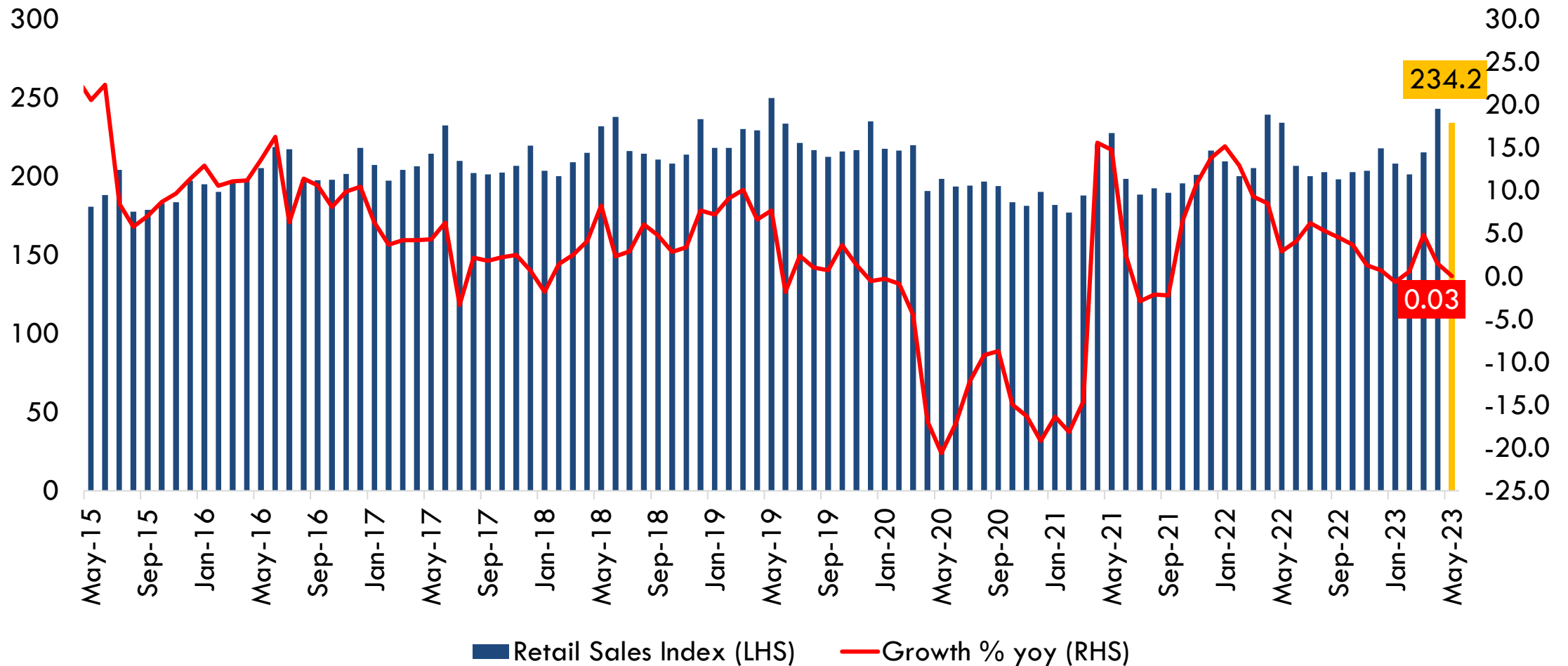
# Indonesian Consumer Confidence Index (CCI)

Consumer optimism increased in May 2023, along with improving business expectations



# Retail Sales Index (RSI)

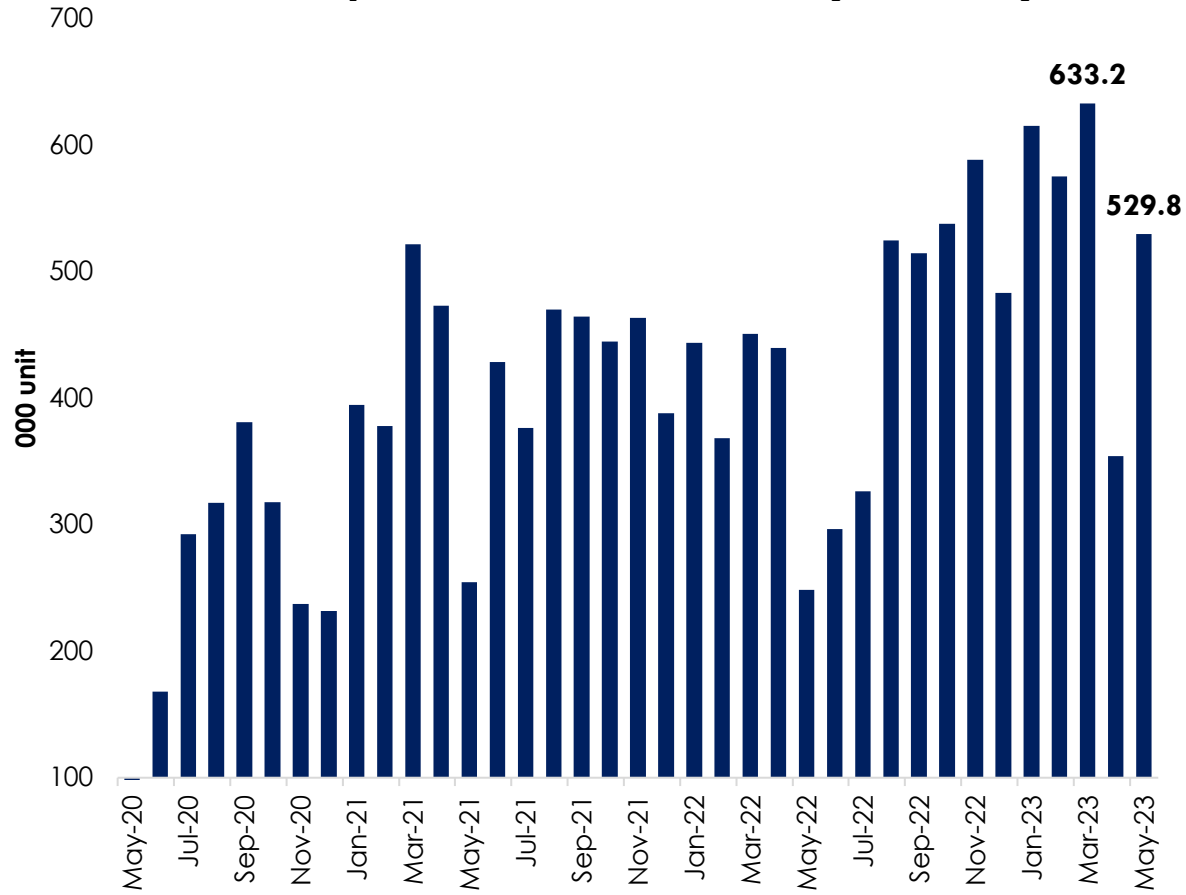
BI expects the annual retail sales index to decrease in May 23



# Domestic Motorcycle Sales

Motorcycle sales grew by 38,9% in 5M23

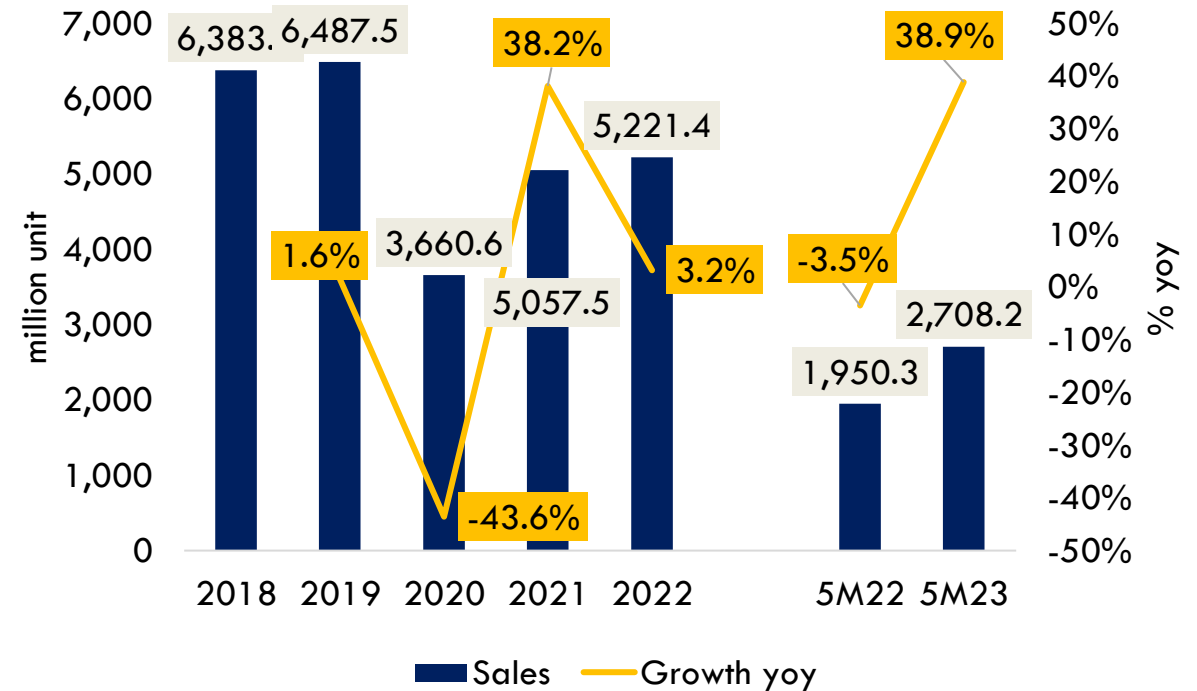
## Motorcycle Sales Domestic (000 unit)



\*) Cumulative growth

Source: Astra

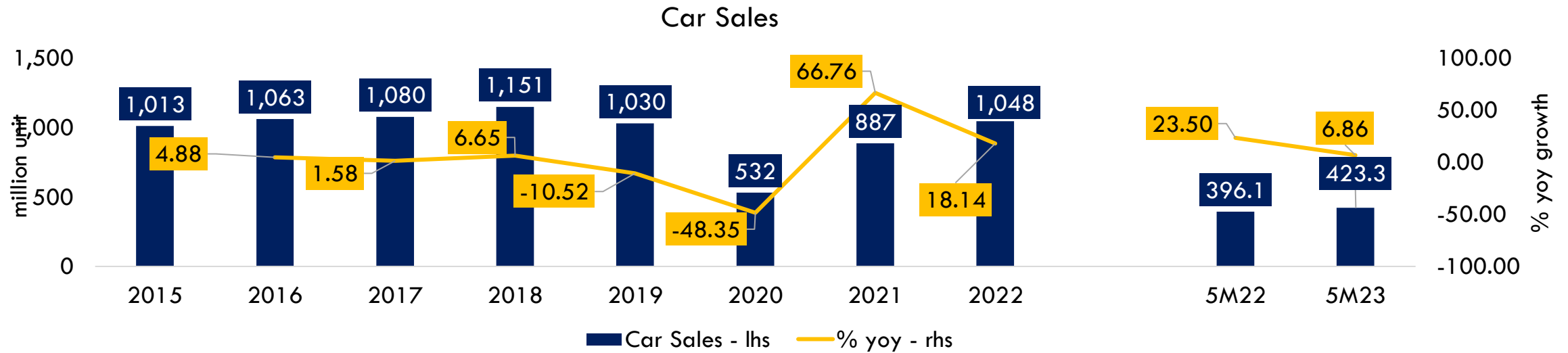
## Annual Motorcycle Sales



	FY2022	% yoy*	May-2023	% yoy
Sales ('000 units)	483.3	3.2	529.9	113.4

# Domestic Car Sales

Strong sales of automobiles and motorcycles due to smooth supply of semi-conductor components amid high demand



Segment	FY2020	%yoy	FY2021	%yoy	FY2022	%yoy	May-23	% mom	%yoy	5M23	%yoy
Passanger non LCGC	284,237	-50.0%	513,294	80.6	625,457	21.9	46,606	30.6	68.0	236,025	-3.5
Commercial	143,141	-41.5%	227,383	58.9	264,477	16.3	19,000	43.5	34.8	103,135	1.0
LCGC	104,650	-51.9%	146,520	40.0	158,206	8.0	16,491	65.1	109.3	84,136	70.6
<b>Total Sales</b>	<b>532,028</b>	<b>-48.4%</b>	<b>887,197</b>	<b>66.8</b>	<b>1,048,140</b>	<b>18.1</b>	<b>82,097</b>	<b>39.4</b>	<b>65.2</b>	<b>423,296</b>	<b>6.9</b>

\*) Cumulative growth  
Source: Gaikindo

# Indonesia Cement Consumption by Area

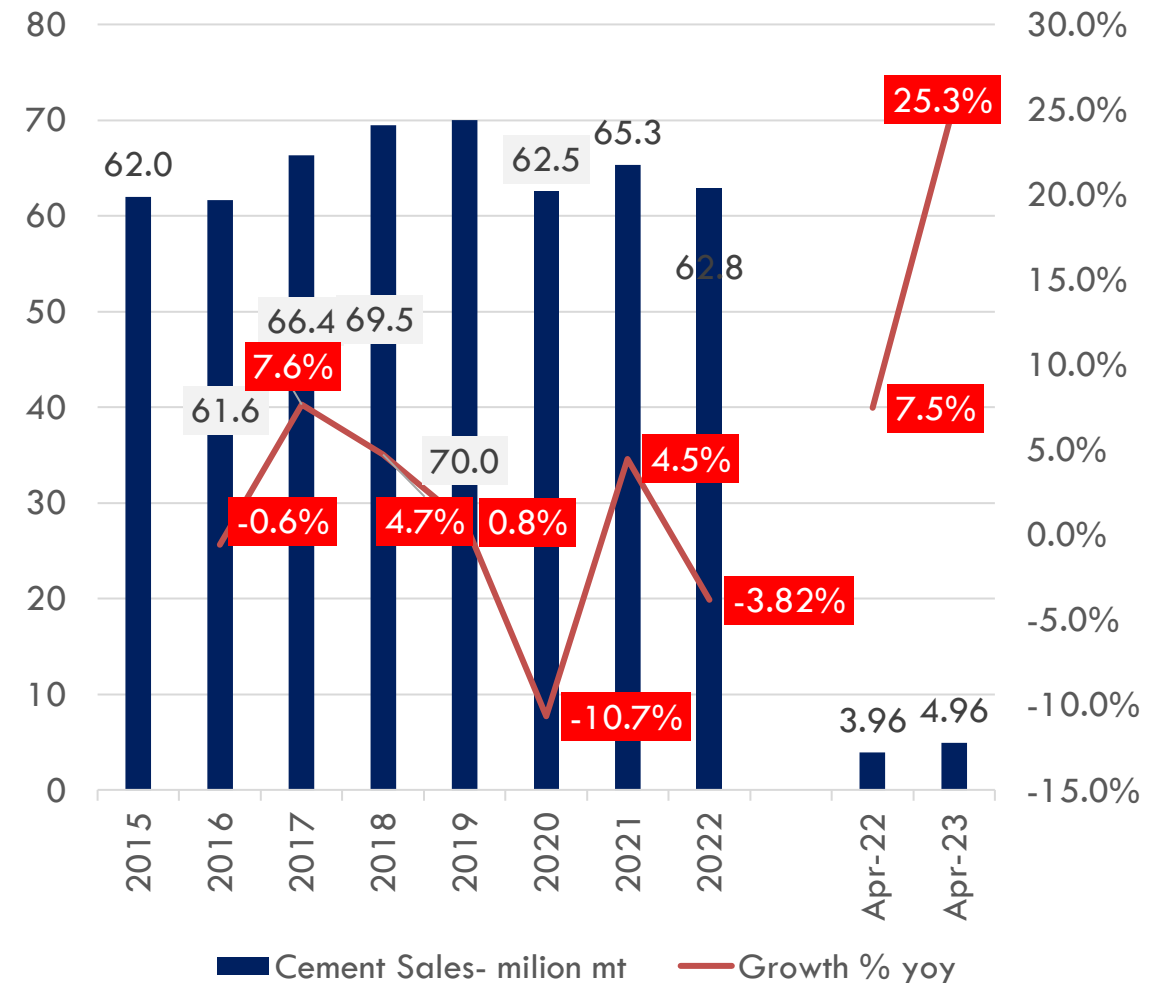
Cement consumption grew in Apr-23 (yoy)

Cement Sales by Region (million mt)

Region	2022	% yoy	Apr-23	% mtd	% yoy	4M23	% yoy
Jakarta	2.55	-0.98%	201,927	76.64	39.04	918,867	-4.40
Banten	3.36	5.17%	257,026	64.83	29.64	1,243,575	-0.29
West Java	10.58	-4.12%	831,727	60.60	25.70	3,709,862	-2.61
Central Java	7.35	-17.72%	589,991	86.56	15.09	2,396,722	-19.24
Yogyakarta	0.98	-17.70%	90,205	81.64	42.09	381,430	3.48
East java	8.35	5.97%	681,019	91.86	27.46	2,978,207	-4.01
<b>Total Java</b>	<b>33.17</b>	<b>-4.70%</b>	<b>2,651,894</b>	<b>75.74</b>	<b>25.35</b>	<b>11,628,663</b>	<b>-6.65</b>
Sumatera	13.30	-6.16%	1,088,761	62.97	36.00	4,914,309	-3.19
Kalimantan	4.24	0.18%	359,654	53.21	33.29	1,626,470	5.19
Sulawesi	6.42	-0.44%	426,406	23.85	-2.28	2,204,140	-15.15
Bali-Nusa Tenggara	3.50	-2.23%	280,184	46.72	36.02	1,310,014	9.86
Maluku and Papua	2.18	4.17%	154,316	15.20	16.70	837,711	-2.90
<b>Total Indonesia</b>	<b>62.82</b>	<b>-3.86%</b>	<b>4,961,216</b>	<b>61.02</b>	<b>25.26</b>	<b>22,521,308</b>	<b>-5.10</b>

Source : ASI

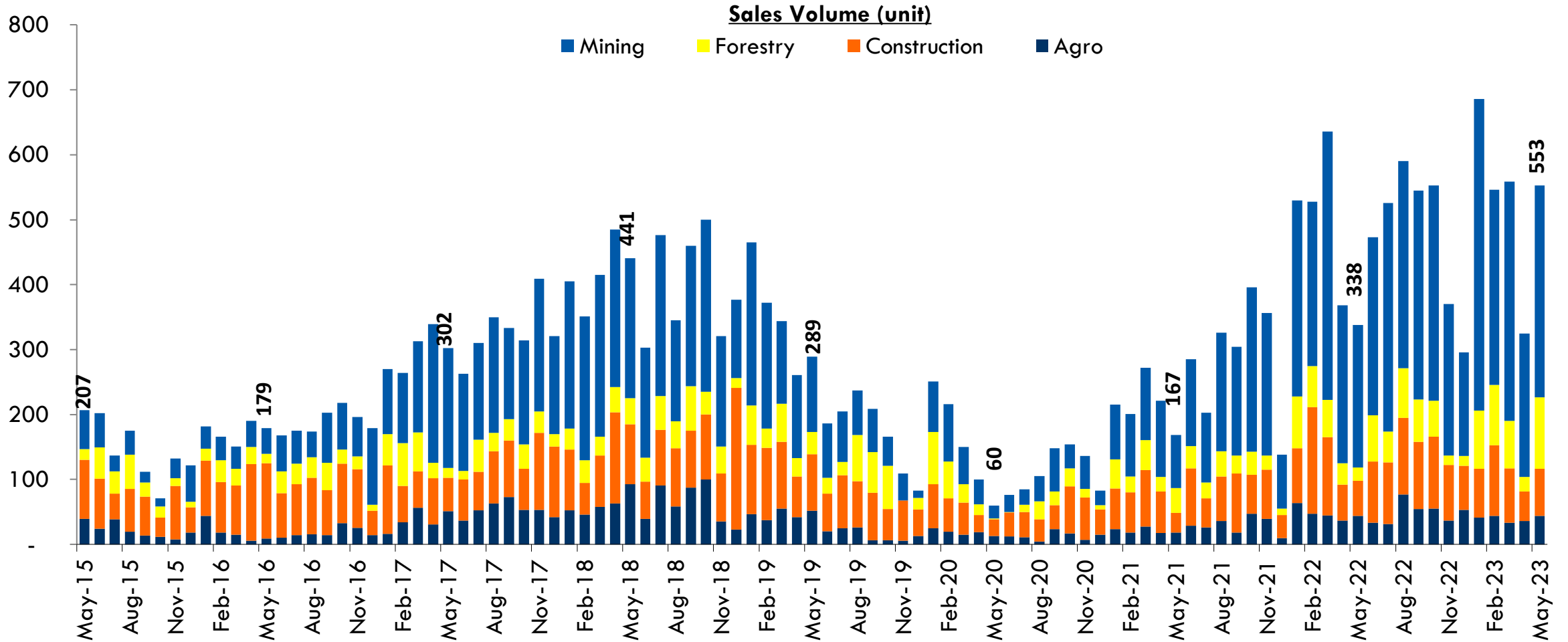
Cement Sales



Office of Chief Economist

# United Tractors Sales Volume

Sales volume rose in May-23

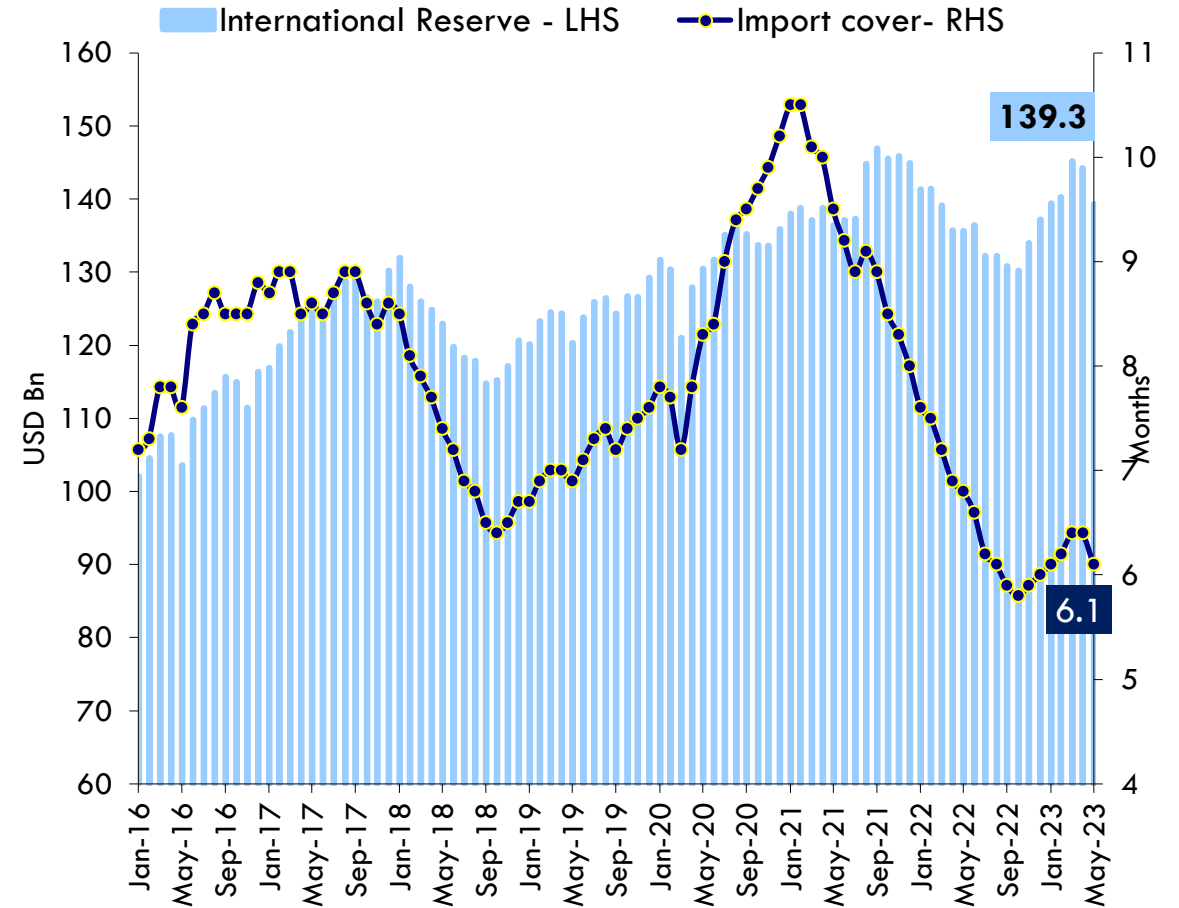
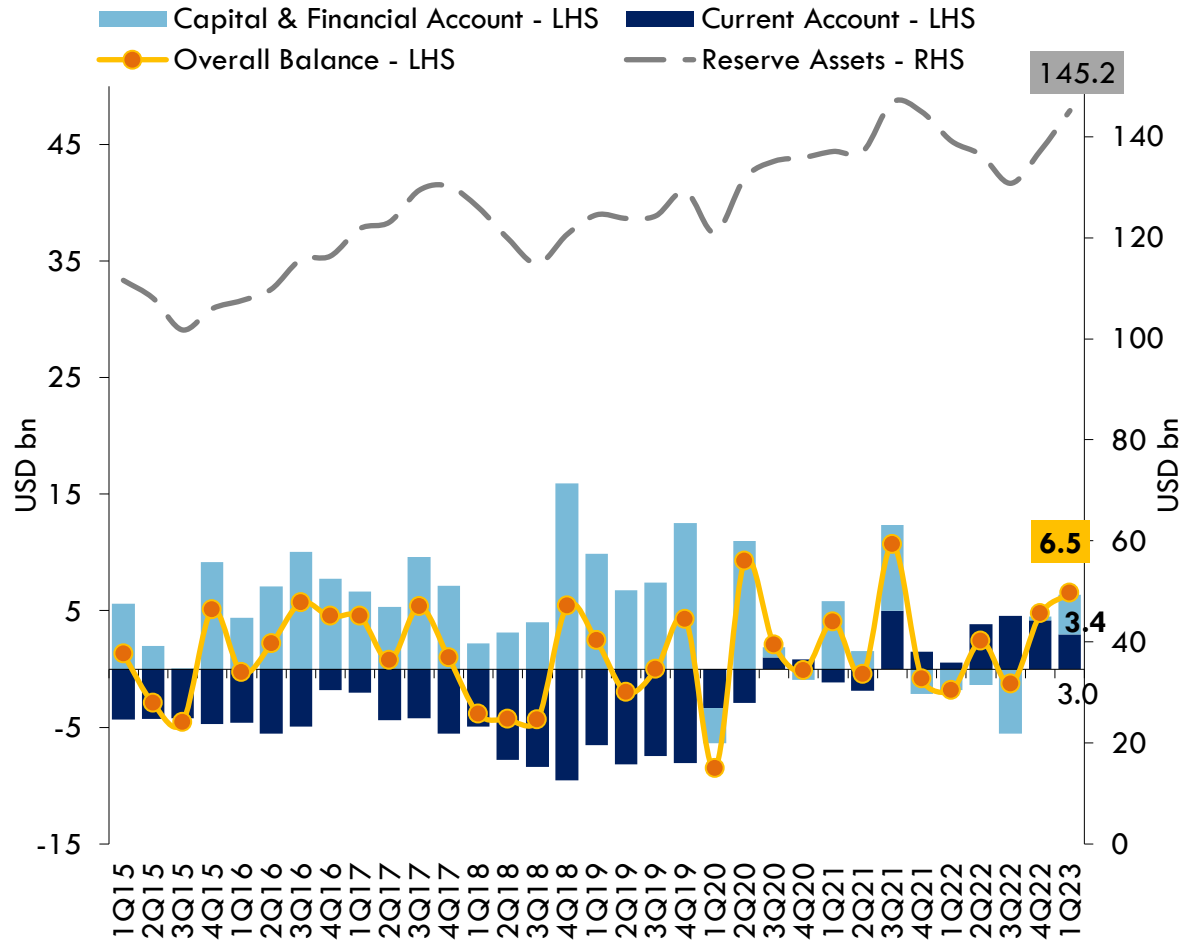


# BALANCE OF PAYMENT AND EXTERNAL TRADE



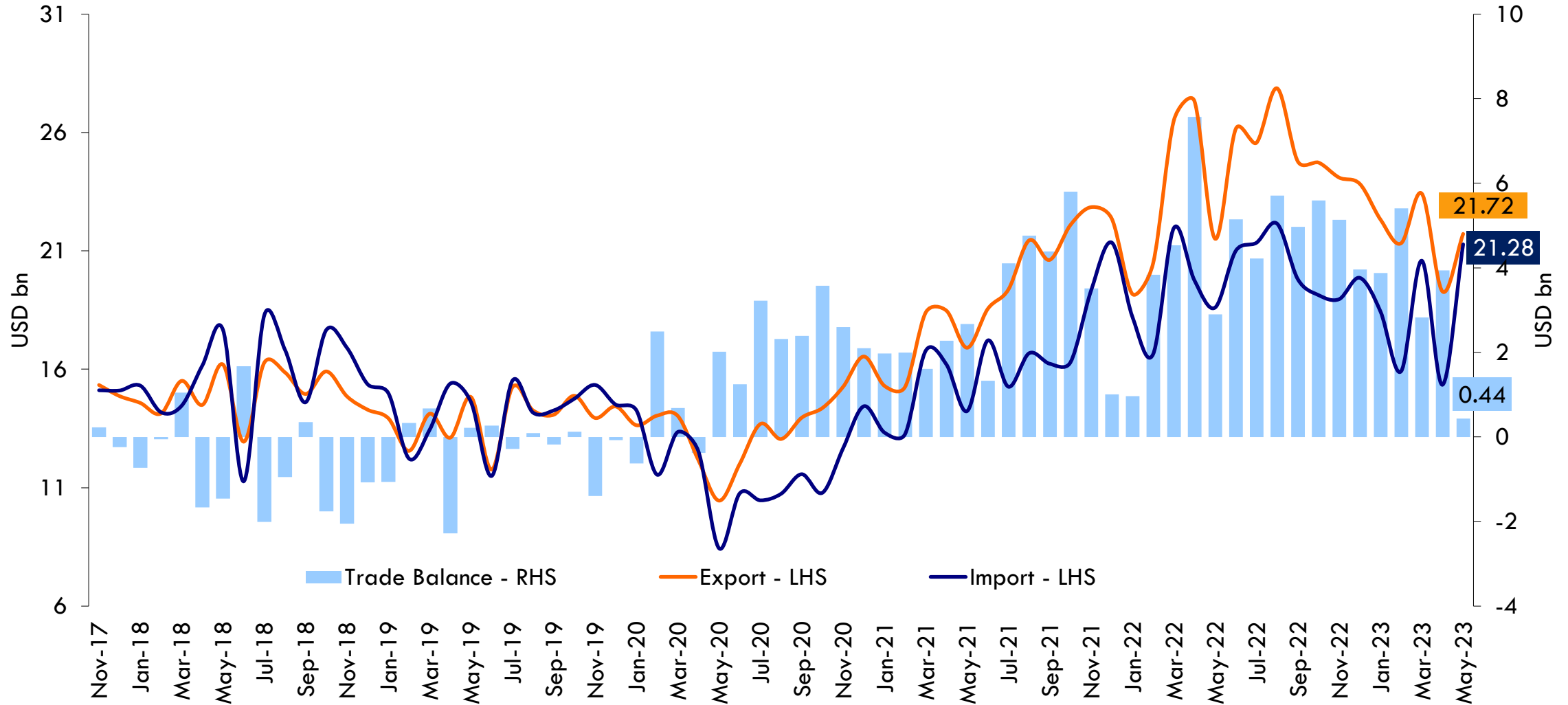
# Indonesia's Balance of Payment and FX Reserves

External resilience maintained as the BOP recorded surplus in 1Q23 and the FX reserve remained high as of May 2023



# Indonesia's External Trade Balance

Indonesia's trade surplus in May-23 fell significantly from USD3.94 bn to USD0.44 bn



# Indonesia's Trade Balance

## Indonesia's export returned to record growth in May-23

Period	Export (USD mn)	% yoy*	Import (USD mn)	% yoy*	Trade Balance (USD mn)		
2010	157,817	35.5	135,663	40.1	22,153		
2011	203,497	28.9	177,436	30.8	26,061		
2012	190,032	-6.6	191,691	8.0	-1,659		
2013	182,552	-3.9	186,629	-2.6	-4,077		
2014	175,980	-3.6	178,179	-4.5	-2,199		
2015	150,366	-14.6	142,695	-19.9	7,671		
2016	145,186	-3.4	135,653	-4.9	9,533		
2017	168,828	16.3	156,986	15.7	11,843		
2018	180,013	6.6	188,711	20.2	-8,699		
2019	167,683	-6.8	171,276	-9.2	-3,593		
2020	163,192	-2.7	141,569	-17.3	21,623		
2021	231,522	41.9	196,190	38.6	35,332		
2022	291,979	26.1	237,447	21.0	54,532		
5M23	108,061	-6.0	91,578	-3.8	16,484		
		% mom	% yoy	% mom	% yoy		
Jan-23	22,324	-6.3	16.4	18,443	-7.1	1.3	3,881
Feb-23	21,321	-4.5	4.1	15,919	-13.7	-4.3	5,402
Mar-23	23,416	9.8	-11.6	20,588	29.3	-6.3	2,828
Apr-23	19,284	-17.6	-29.4	15,348	-25.5	-22.3	3,936
May-23	21,716	12.6	1.0	21,280	38.7	14.4	437

Notes: \* Cumulative Growth  
Source: BPS

# Indonesia's Trade Balance

On annual basis, both NOG export and import decelerated in May-23

Period	Oil & Gas		Non-Oil & Gas		Oil & Gas		Non-Oil & Gas					
	Export (USD mn)	% yoy*	Export (USD mn)	% yoy*	Import (USD mn)	% yoy*	Import (USD mn)	% yoy*				
2010	28,040	47.4	129,777	33.1	27,413	44	108,251	39.1				
2011	41,477	47.9	162,020	24.8	40,702	48.5	136,734	26.3				
2012	36,977	-10.8	153,055	-5.5	42,564	4.6	149,127	9.1				
2013	32,633	-11.7	149,919	-2.0	45,266	6.3	141,362	-5.2				
2014	30,019	-8.0	145,961	-2.6	43,460	-4.0	134,719	-4.7				
2015	18,574	-38.1	131,792	-9.7	24,613	-43.4	118,082	-12.3				
2016	13,105	-29.4	132,081	0.2	18,739	-23.9	116,913	-1.0				
2017	15,744	20.1	153,084	15.9	24,316	29.8	132,669	13.5				
2018	17,237	9.5	162,776	6.3	29,869	22.8	158,842	19.7				
2019	11,789	-31.6	155,894	-4.2	21,885	-26.7	149,390	-6.0				
2020	8,251	-30.0	154,941	-0.6	14,257	-34.9	127,312	-14.8				
2021	12,275	48.8	219,247	41.5	25,529	79.1	170,660	34.0				
2022	16,020	30.7	275,959	25.8	40,416	58.3	197,031	15.5				
5M23	101,536	5.7	101,536	-6.6	14,418	-8.7	77,160	-2.8				
		% mom	% yoy		% mom	% yoy		% mom	% yoy		% mom	% yoy
Jan-23	1,488	1.0	65.1	20,836	-6.8	14.0	2,906	-9.2	30.4	15,537	-6.8	-2.8
Feb-23	1,187	-20.3	19.3	20,195	-3.1	3.7	2,407	-17.2	-17.1	13,513	-13.0	-1.6
Mar-23	1,338	12.8	-4.8	22,078	9.3	-12.0	3,015	25.3	-13.7	17,573	30.1	-4.9
Apr-23	1,259	-5.9	-12.2	18,025	-18.4	-30.4	2,955	-2.0	-22.5	12,393	-29.5	-22.3
May-23	1,315	4.5	-12.1	20,401	13.2	1.9	3,135	6.1	-6.5	18,145	46.4	18.9

Notes: \* Cumulative Growth

Source: BPS

# Indonesia's NOG Export and Import by Country

NOG export and import to the main trading partners mostly increased in May-23

## NON-OIL AND GAS (NOG) EXPORT BY COUNTRY OF DESTINATION

Country of Destination	May-23 (USD mn)	% mom	5M23 (USD mn)	% yoy*	Share* (%)
China	4,778	3.41	25,347	11.16	24.98
US	2,050	30.23	9,452	-23.16	9.31
Japan	1,765	26.37	8,574	-4.09	8.45
India	1,525	-1.28	7,736	-12.98	7.62
Malaysia	958	19.23	4,541	-20.36	4.47

## NON-OIL AND GAS (NOG) IMPORT BY COUNTRY OF ORIGIN

Country of Origin	May-23 (USD mn)	% mom	5M23 (USD mn)	% yoy*	Share* (%)
China	5,951	43.71	25,132	-3.22	32.57
Japan	1,590	61.15	6,830	-0.84	8.85
Thailand	999	62.83	4,530	-8.06	5.87
South Korea	981	57.71	4,182	-0.82	5.42
US	988	49.61	3,882	9.54	5.03

Notes: \* Cumulative Growth  
Source: BPS

# Top Five NOG Export - Import by Commodity

The main export and import commodities were reported mostly increased in May-23

## NON-OIL AND GAS (NOG) EXPORT BY COMMODITY

Commodity (USD mn)	May-23	% mom	5M23	% yoy*	Share* (%)
Mineral fuels, mineral oils and products of their distillation	3,827	-4.4	20,618	8.5	20.3
Iron and steel	2,028	-6.3	10,749	-12.2	10.6
Animal or vegetable fats and oils and their cleavage products	1,912	9.0	10,702	-8.9	10.6
Electrical machinery and equipment and parts thereof	1,232	19.1	6,253	11.5	6.2
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	993	60.2	4,465	11.9	4.4

## NON-OIL AND GAS (NOG) IMPORT BY COMMODITY

Commodity (USD mn)	May-23	% mom	5M23	% yoy*	Share* (%)
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	3,090	52.5	12,522	4.1	16.2
Electrical machinery and equipment and parts thereof	2,418	38.8	11,035	3.3	14.3
Iron and steel	1,169	50.6	4,902	-14.5	6.4
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1,127	76.7	4,517	26.3	5.9
Plastics and articles thereof	929	63.3	3,822	-22.5	5.0

Notes: \* Cumulative Growth  
Source: BPS

# Import by Category

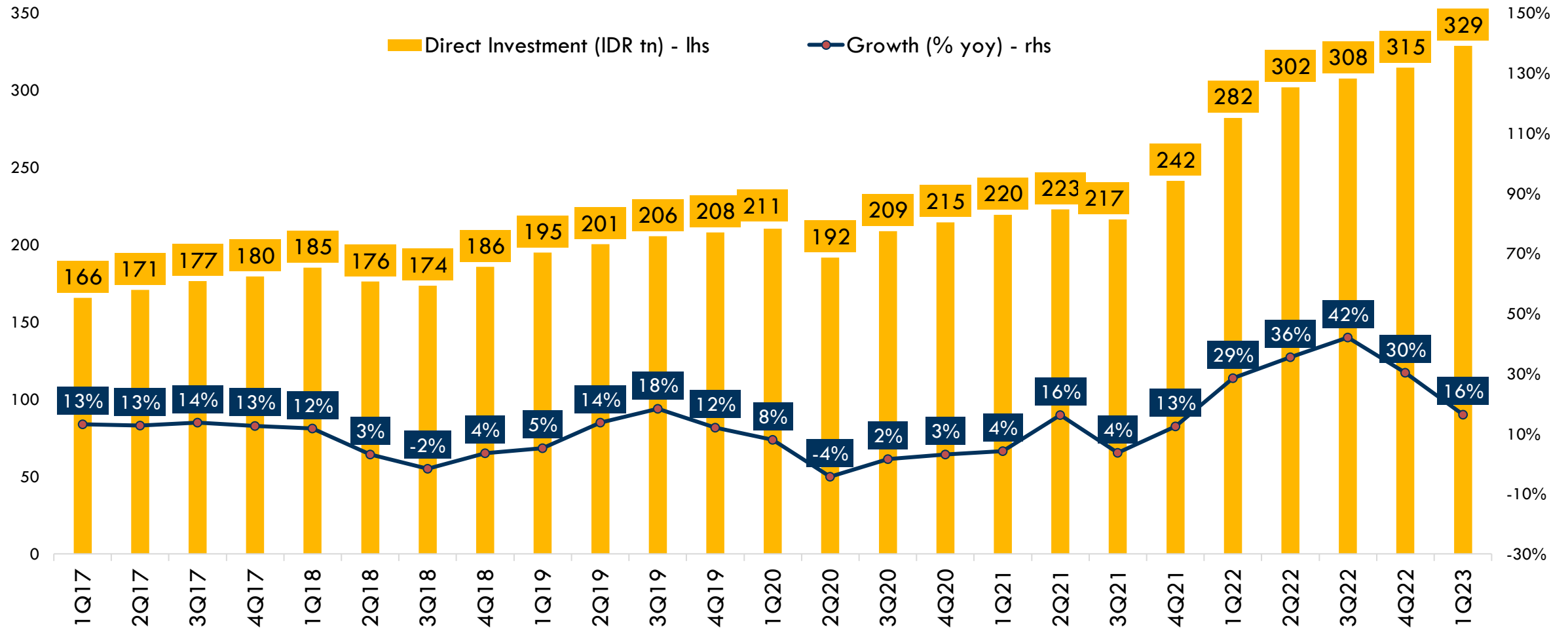
In monthly basis, all import by categories increased in May-23

Category	May-23 (USD mn)	% mom	5M23 (USD mn)	% yoy*	Share (%)
Consumer Goods	2,069	47.96	8,189	4.85	8.94
Raw Material	15,307	31.98	67,698	-8.35	73.92
Capital Goods	3,904	66.03	15,691	16.22	17.14
<b>Total Import</b>	<b>21,280</b>	<b>38.65</b>	<b>91,578</b>	<b>-3.78</b>	<b>100</b>

Notes: \* Cumulative Growth  
Source: BPS

# Investment Realization in Indonesia

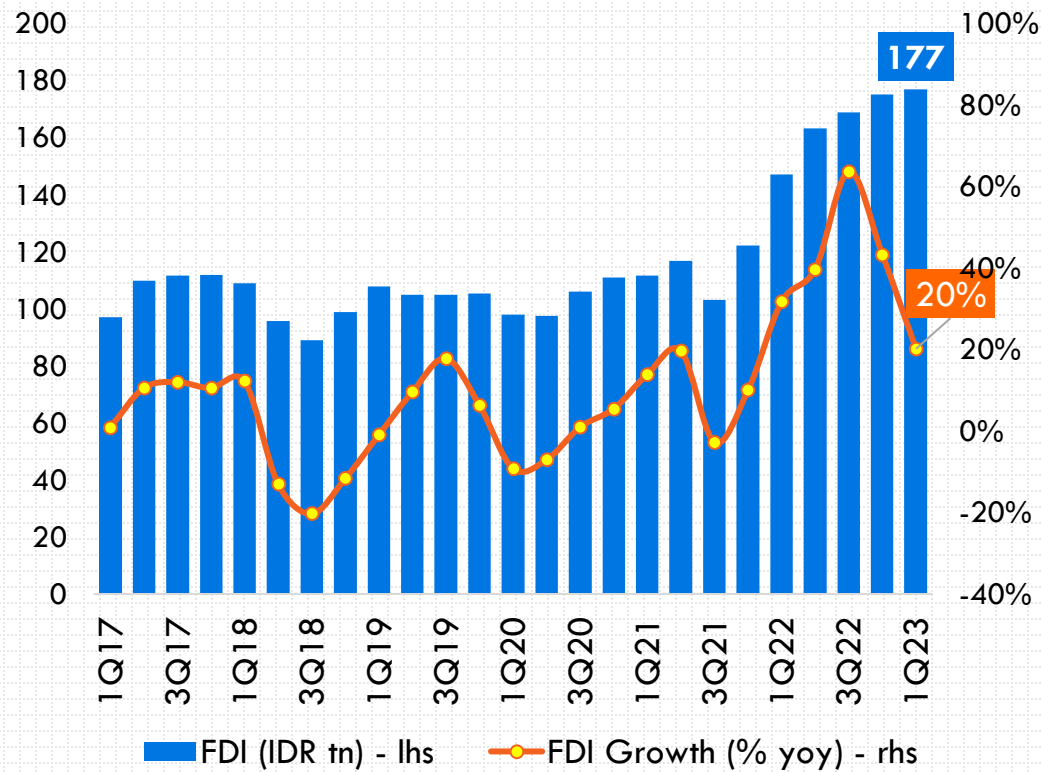
Direct investment reached the highest in 1Q23, boosted mostly by FDI



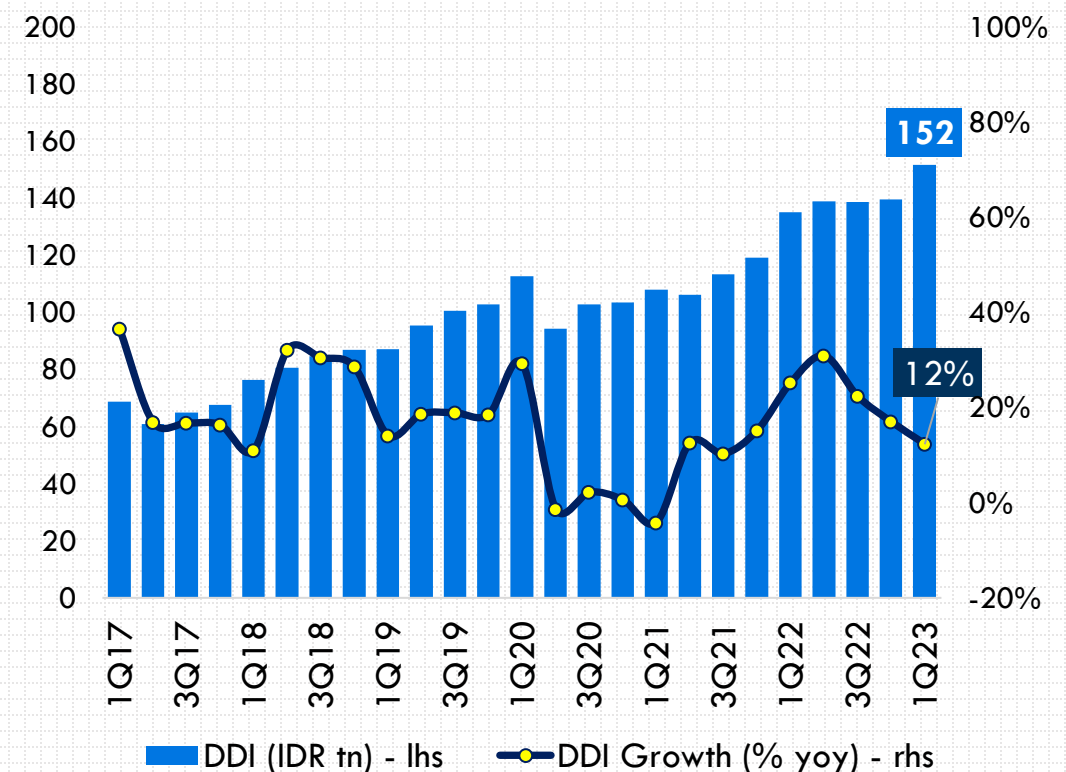
# Direct Investment

FDI and DDI both increased at a slower pace in 1Q23

### Foreign Direct Investment (FDI)



### Domestic Direct Investment (DDI)



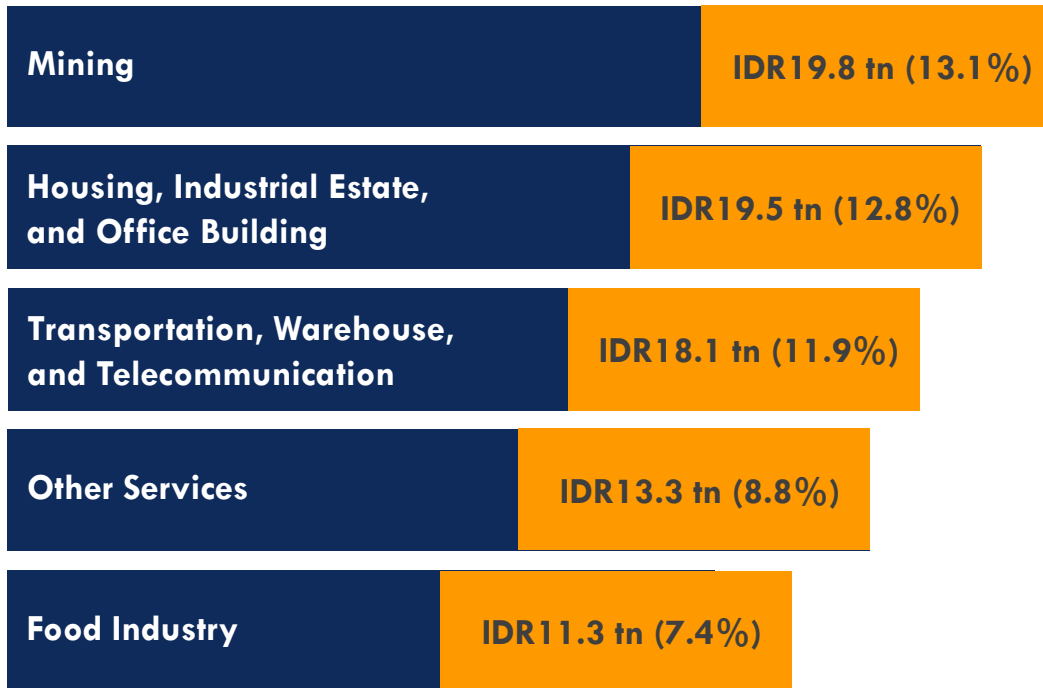
# Domestic and Foreign Investment by Industry in 1Q23

Foreign investments favored Metal, Metal Goods, Except Machinery, and Equipment Industry

## Domestic Investment

Total IDR151.9 tn

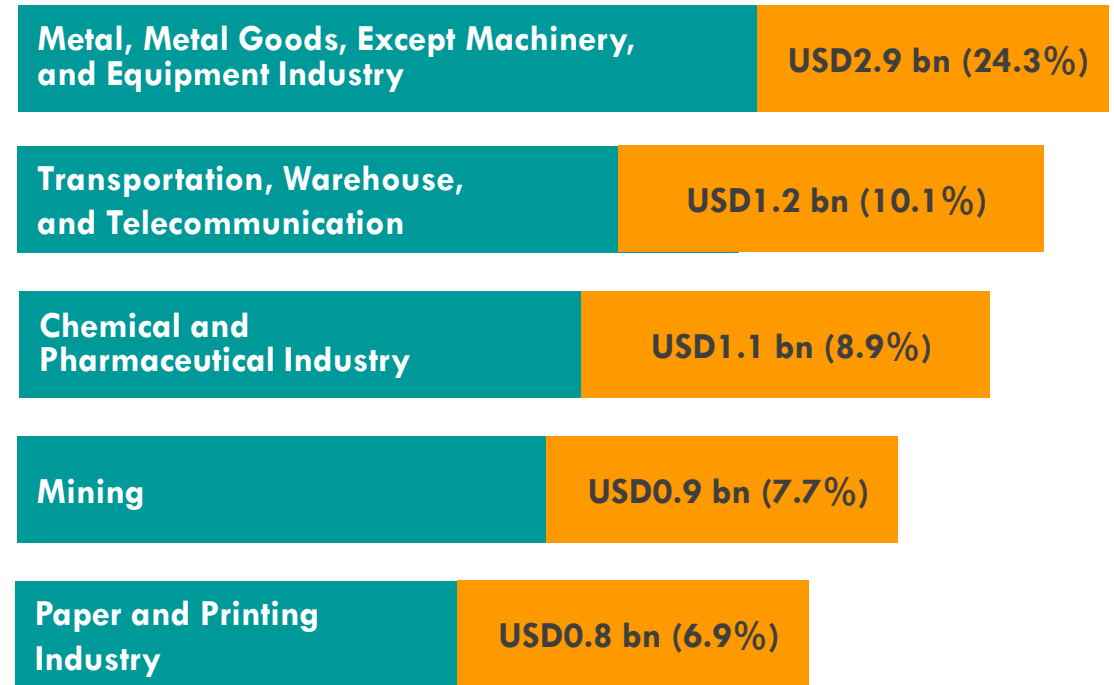
Value (Share of total DDI)



## Foreign Investment

Total USD12.0 bn

Value (Share of total FDI)



# Investment Realization by Location in 1Q23

Central Sulawesi received the most FDI

## Domestic Direct Investment

Total IDR151.9 tn



West Java – IDR21.9 tn  
(14.4% of total)



Special Capital Region of Jakarta – IDR19.0 tn  
(12.5% of total)



East Java – IDR15.5 tn  
(10.2% of total)



East Kalimantan – IDR11.4 tn  
(7.5% of total)



Riau – IDR10.2 tn  
(6.7% of total)

## Foreign Direct Investment

Total USD12.0 bn



Central Sulawesi – USD1.9 bn  
(16.3% of total)



West Java – USD1.9 bn  
(15.9% of total)



Special Capital Region of Jakarta – USD1.2 bn  
(9.9% of total)



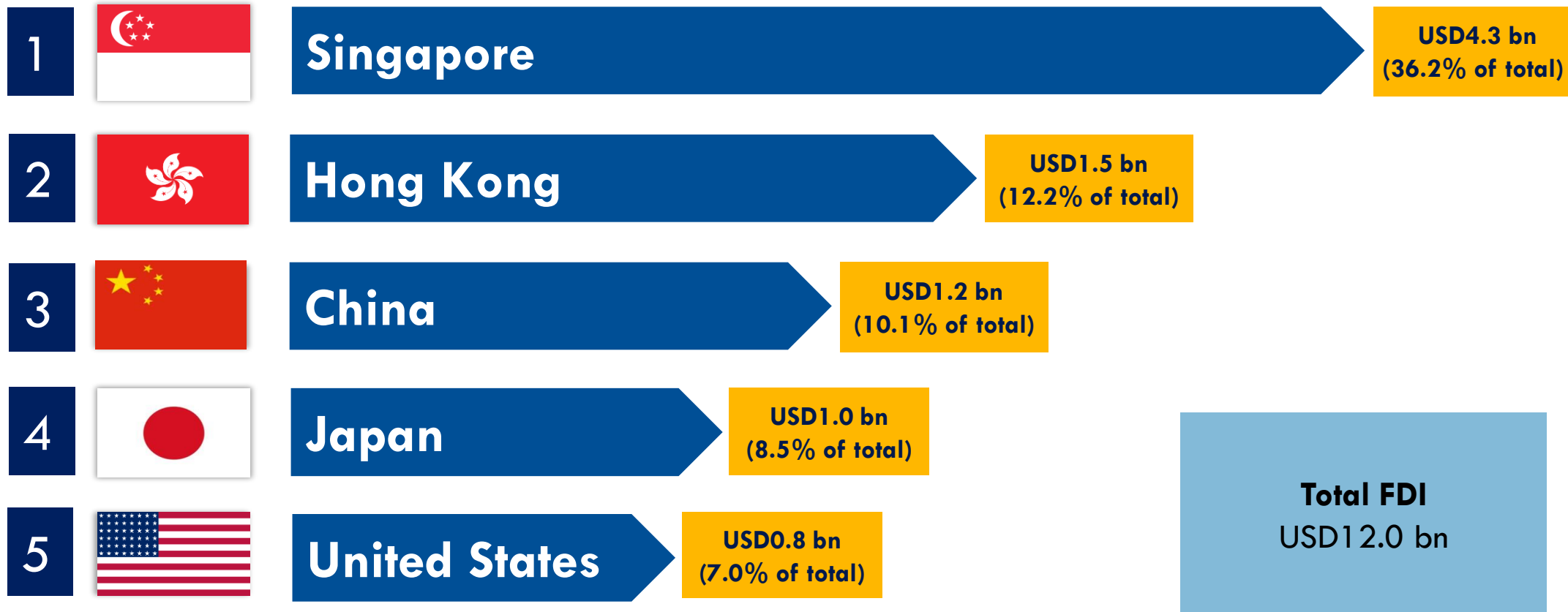
Banten – USD1.1 bn (8.9% of total)



Riau – USD1.0 bn  
(8.5% of total)

# Investment Realization by Country in 1Q23

Singapore remained to be the main investor of FDI



# Investment Realization by Country in 2018 - 2022

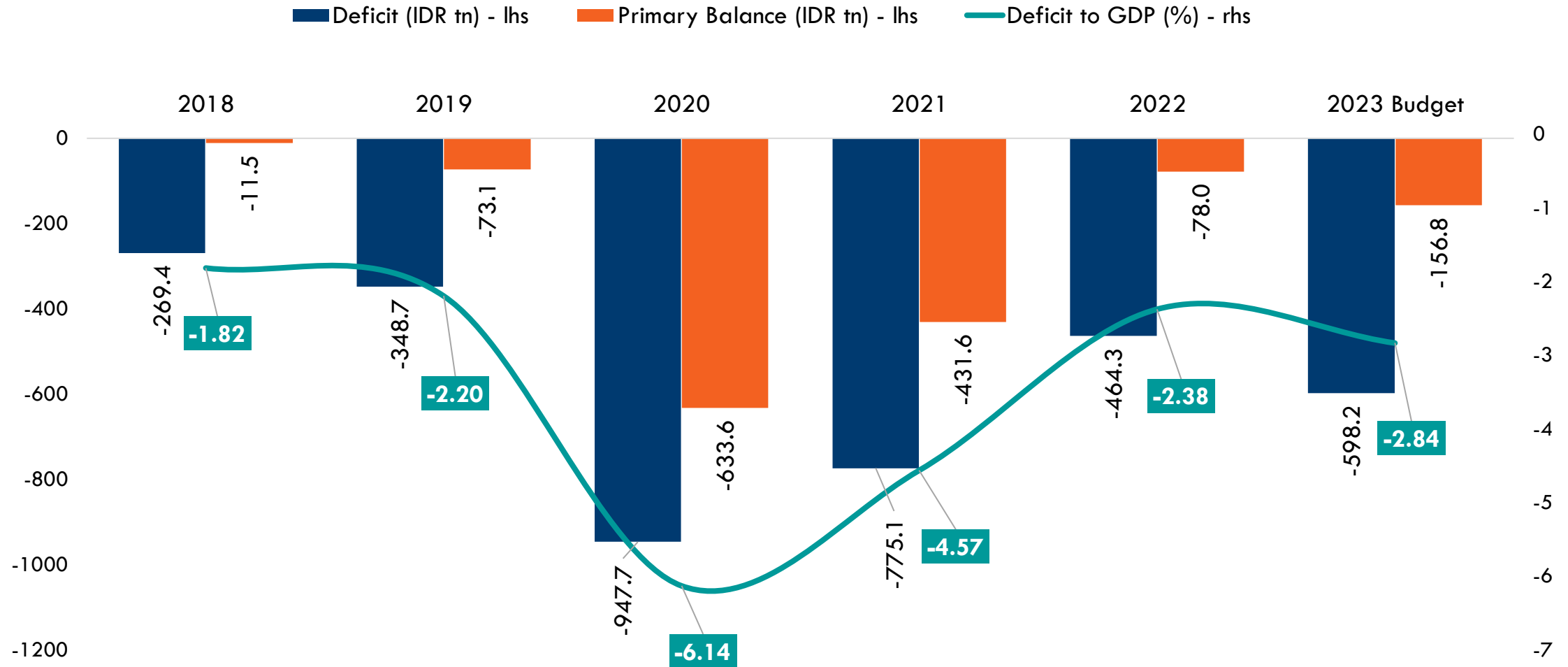
	2018	2019	2020	2021	2022
1	Singapore (USD9.2 bn, 31.4%)	Singapore (USD6.5 bn, 23.1%)	Singapore (USD9.8 bn, 34.1%)	Singapore (USD9.4 bn, 30.2%)	Singapore (USD13.3 bn, 29.2%)
2	Japan (USD4.9 bn, 61.7%)	China (USD4.7 bn, 16.8%)	China (USD4.8 bn, 16.7%)	Hong Kong (USD4.6 bn, 14.8%)	China (USD8.2 bn, 18.0%)
3	China (USD2.4 bn, 8.2%)	Japan (USD4.3 bn, 15.3%)	Hong Kong (USD3.5 bn, 12.1%)	China (USD3.2 bn, 10.2%)	Hong Kong (USD5.5 bn, 12.1%)
4	Hong Kong (USD2.0 bn, 6.8%)	Hong Kong (USD2.9 bn, 10.2%)	Japan (USD2.6 bn, 9.1%)	USA (USD2.5 bn, 8.2%)	Japan (USD3.6 bn, 7.9%)
5	Malaysia (USD1.8bn, 6.2%)	Netherlands (USD2.6 bn, 9.2%)	South Korea (USD1.8 bn, 6.3%)	Japan (USD2.3 bn, 7.3%)	Malaysia (USD3.3 bn, 7.2%)

# GOVERNMENT FINANCE



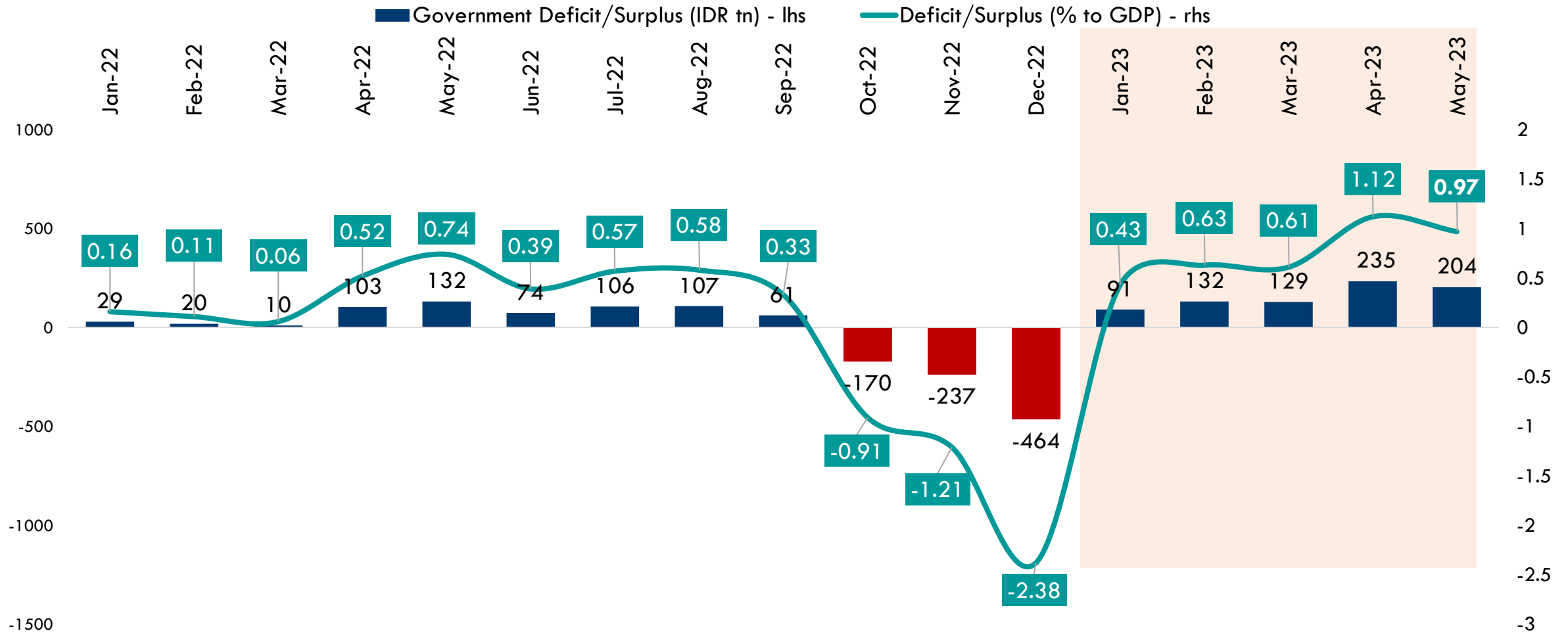
# State Budget Deficit

Fiscal deficit is expected to be at **-2.84%** of GDP in 2023



# Monthly State Budget (APBN) Deficit/Surplus

Government reached 0.97% budget surplus in May-23



# Macroeconomic Variables Assumptions

The government targets Indonesia's economy to expand by 5.1% - 5.7% in 2024

INDICATORS	2021		2022		2023 APBN	2024 APBN	2025 APBN	2026 APBN	2027 APBN
	APBN	Realization	APBN	Realization					
<b>Economic Growth (%)</b>	5.0	3.69	5.2	5.3	5.0-5.3	5.1-5.7	5.5-6.0	5.6-6.3	5.7-6.4
<b>Inflation (%)</b>	3.0	1.87	3.0	5.51	2.0-4.0	1.5-3.5	1.5-3.5	1.5-3.5	1.5-3.5
<b>Exchange Rate (IDR/USD)</b>	14,600	14,312	14,350	14,871	14,900-15,400	14,700-15,200	14,900-15,300	14,900-15,300	14,900-15,300
<b>ICP Price (USD/barrel)</b>	45	68	63	97.09	80-85	75-80	70-90	70-90	70-90
<b>Oil Lifting ('000 bpd)</b>	705	662	703	615	610-640	615-640	606-684	625-732	618-756
<b>Gas Lifting ('000 boepd)</b>	1,007	982	1,036	953	950-1100	1,030-1,036	1064-1,151	1,188-1,318	1,160-1,349
<b>Bond Yield (%)</b>	7.29	6.35	6.80	7.05	6.73-7.05	6.49-6.91	6.3-7.5	6.3-7.5	6.3-7.5

# Recent Indonesia's State Budget (APBN) Update

In May-23, the state budget recorded a fiscal surplus at 0.97% of GDP

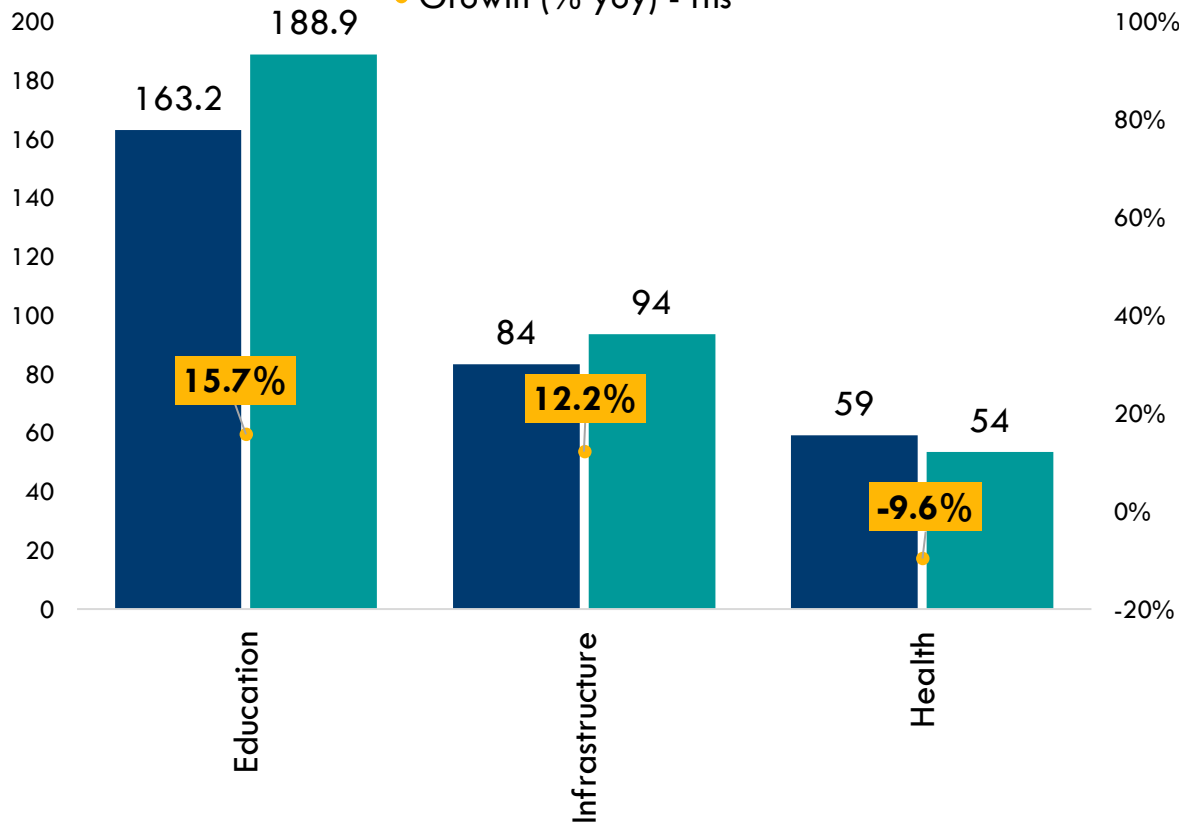
INDICATORS	2021 Realization	2022 Realization	2023 Budget	May-22 Realization	May-22 Growth (% yoy)	May-23 Realization	May-23 Realization to APBN (%)	May-23 Growth (% yoy)
<b>A Government Revenue</b>	<b>2,011.3</b>	<b>2,626.4</b>	<b>2,463.0</b>	<b>1,070.1</b>	<b>47.3</b>	<b>1,209.3</b>	<b>49.1</b>	<b>13.0</b>
<b>Tax and Excise Duties Revenue</b>	<b>1,547.8</b>	<b>2,034.5</b>	<b>2,021.2</b>	<b>845.8</b>	<b>51.3</b>	<b>948.7</b>	<b>46.9</b>	<b>12.2</b>
I. Tax Revenue	1,278.6	1,716.8	1,718.0	705.5	53.5	830.3	48.3	17.7
II. Excises Duties	269.2	317.8	303.2	140.3	41.3	118.4	39.0	-15.6
<b>Non Tax Revenue</b>	<b>458.5</b>	<b>588.3</b>	<b>441.4</b>	<b>224.2</b>	<b>33.7</b>	<b>260.5</b>	<b>59.0</b>	<b>16.2</b>
<b>B Total Spending</b>	<b>2,786.4</b>	<b>3,090.8</b>	<b>3,061.2</b>	<b>938.2</b>	<b>-0.8</b>	<b>1,005.0</b>	<b>32.8</b>	<b>7.1</b>
<b>Central Govt. Expenditure</b>	<b>2,000.7</b>	<b>2,274.5</b>	<b>2,246.5</b>	<b>653.9</b>	<b>1.0</b>	<b>714.6</b>	<b>31.8</b>	<b>9.3</b>
I. Spending K/L	1190.8	1079.3	1,000.8	319.2	-11.3	326.2	32.6	2.2
II. Spending Non K/L	809.9	1195.2	1,245.6	334.7	16.3	388.4	31.2	16.0
<b>Regional Transfer and Village Funds</b>	<b>785.7</b>	<b>816.2</b>	<b>814.7</b>	<b>284.3</b>	<b>-4.6</b>	<b>290.3</b>	<b>35.6</b>	<b>2.1</b>
<b>C Primary Balance</b>	<b>-431.6</b>	<b>-78</b>	<b>-156.8</b>	<b>298.6</b>	<b>542.8</b>	<b>390.5</b>		<b>30.7</b>
<b>D Surplus/Deficit</b>	<b>-775.1</b>	<b>-464.3</b>	<b>-598.2</b>	<b>132.0</b>	<b>160.2</b>	<b>204.3</b>		<b>54.8</b>
% to GDP	-4.57	-2.38	-2.84	0.67		0.97		
<b>E Govt. Financing</b>	<b>871.7</b>	<b>583.5</b>	<b>598.2</b>	<b>83.6</b>	<b>-73.1</b>	<b>118.4</b>	<b>19.8</b>	<b>41.6</b>
<b>Excess of budget financing (SiLPA) - estimation</b>	<b>84.9</b>	<b>119.2</b>						

# Spending Realization by Sector and Ministry

Spending for infrastructure increased by 12.2% in May-23

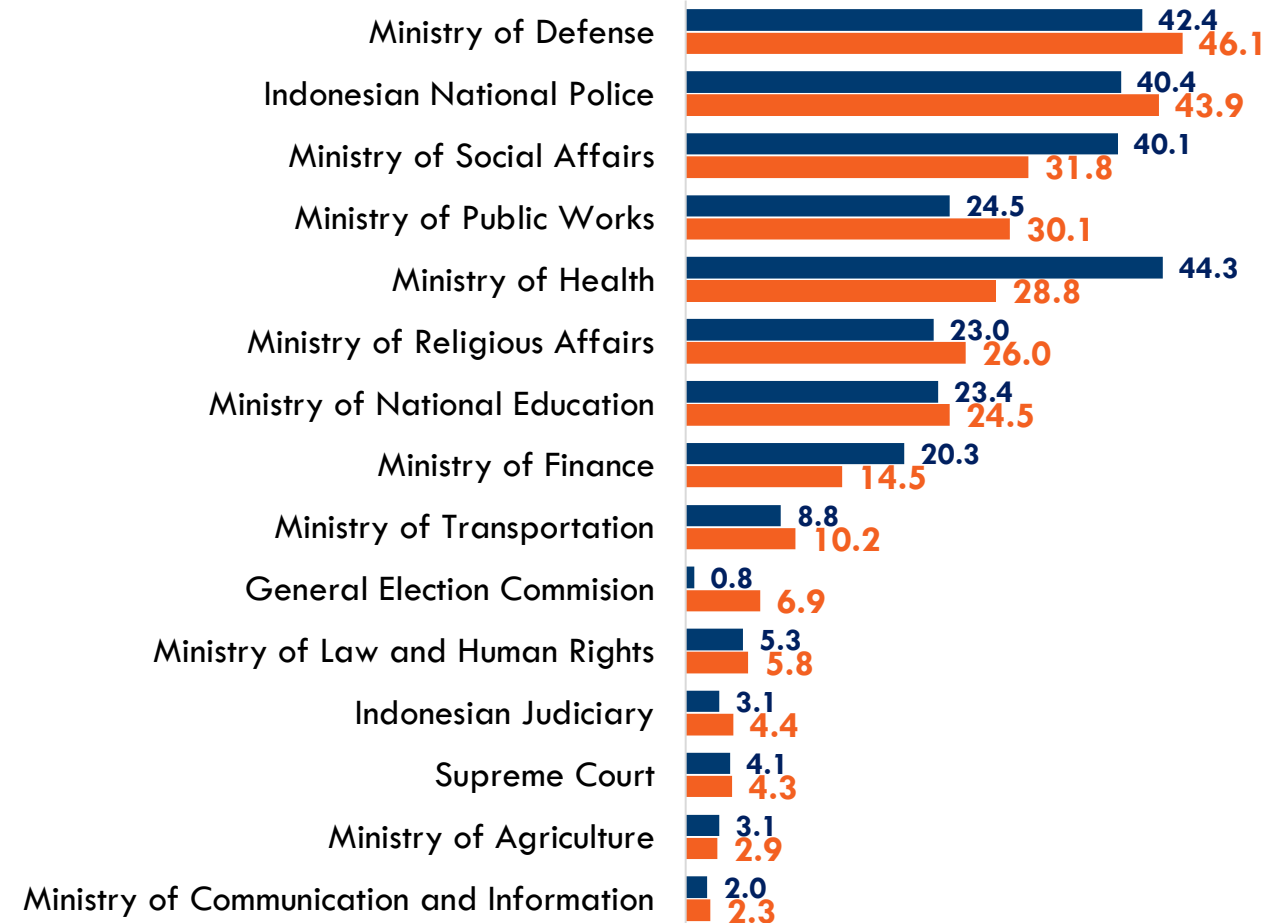
## Spending Realization by Sectors

- May-22 Realization (IDR tn) - lhs
- May-23 Realization (IDR tn) - lhs
- Growth (% yoy) - rhs



## Spending Realization by Ministries

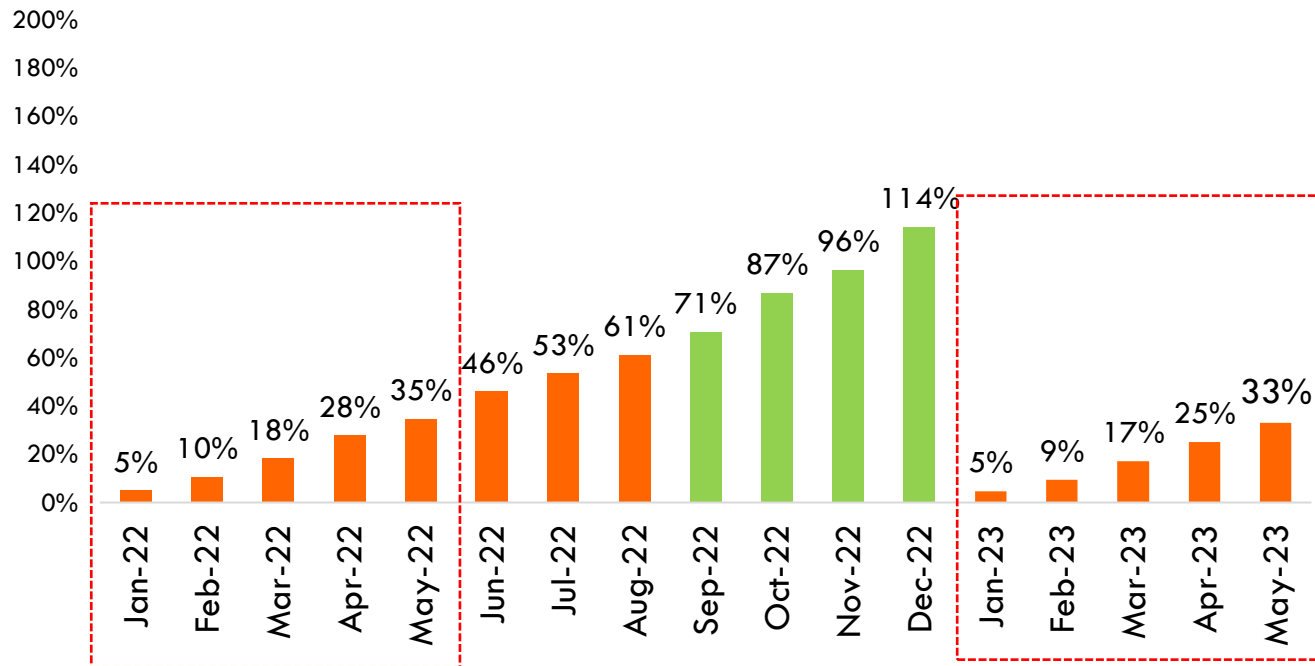
- May-22
  - May-23
- (IDR tn)



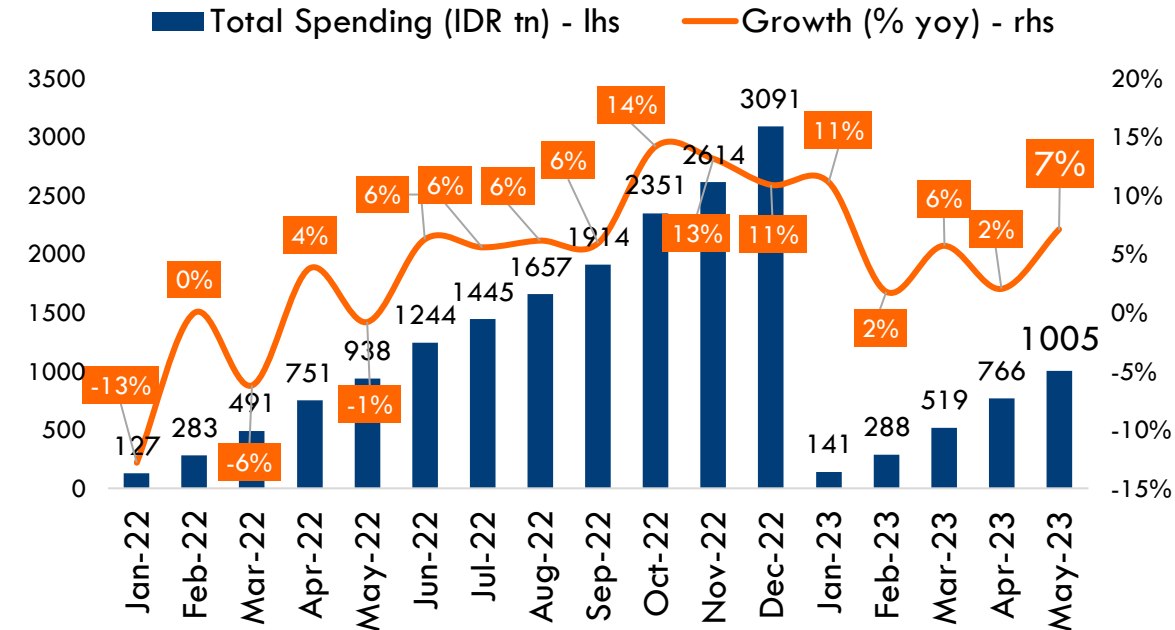
# Spending Realization

State spending in May-23 has reached 33% of the 2023 target

### Total Spending Realization to APBN (%)



### Total Spending Realization

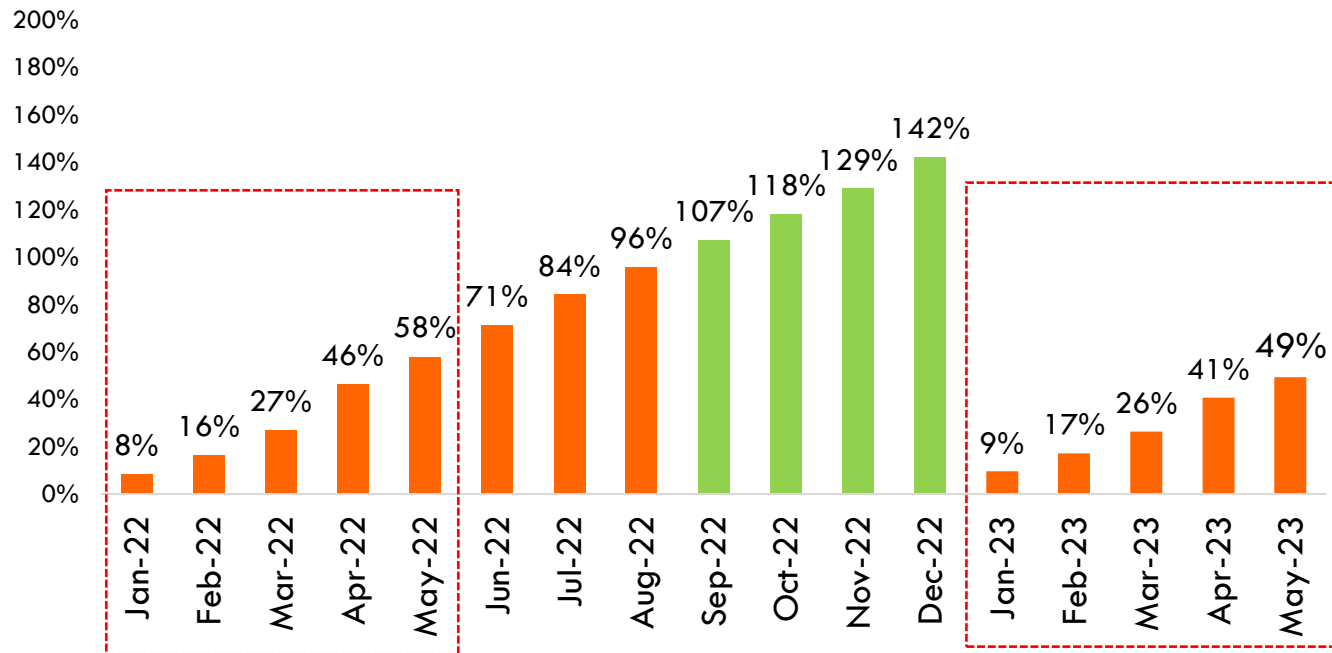


	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Total Spending (IDR tn)	127	283	491	751	938	1244	1445	1657	1914	2351	2614	3091	141	288	519	766	1005
Growth (% yoy)	-13%	0%	-6%	4%	-1%	6%	6%	6%	6%	14%	13%	11%	11%	2%	6%	2%	7%
Total Revenue Realization to APBN (%)	5%	10%	18%	28%	35%	46%	53%	61%	71%	87%	96%	114%	5%	9%	17%	25%	33%
State Budget (APBN)	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	2714	3061	3061	3061	3061	3061

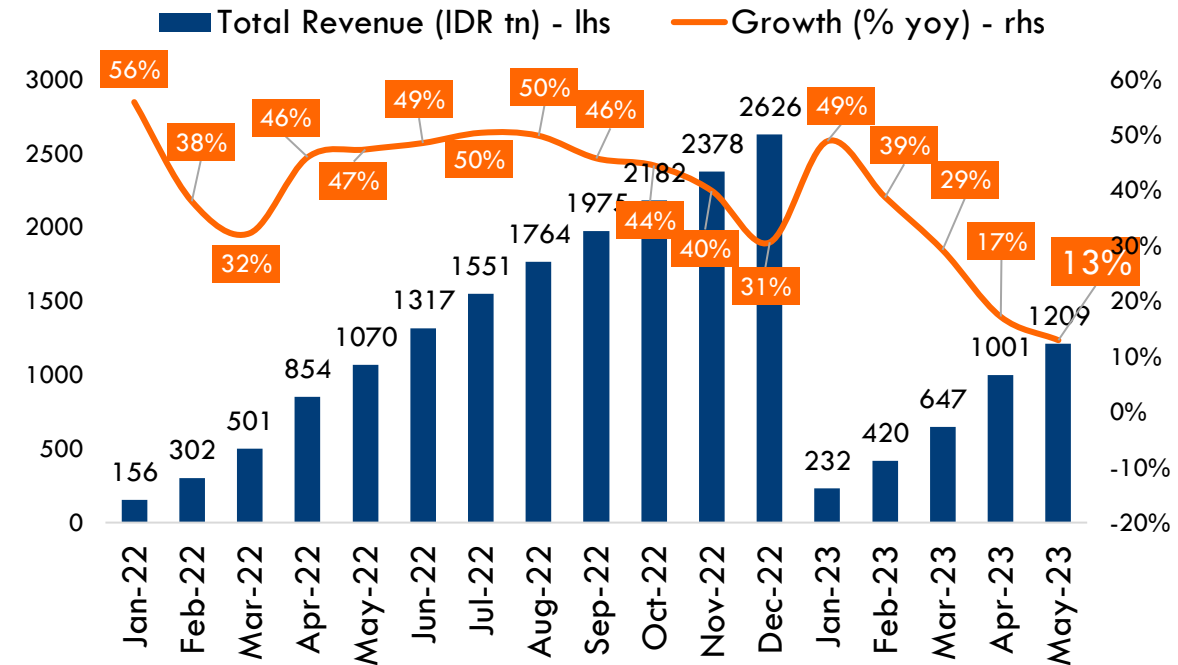
# Revenue Realization

State revenue in May-23 has reached 49% of the 2023 target

### Total Revenue Realization to APBN (%)



### Total Revenue Realization

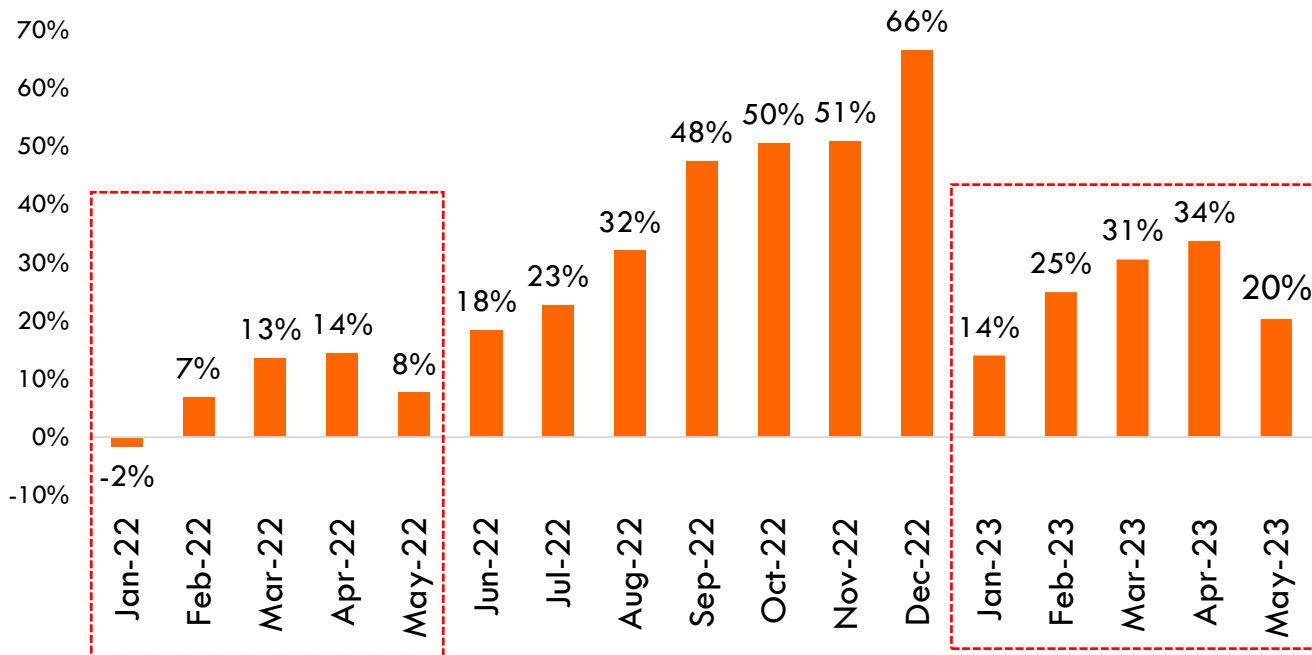


	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Total Revenue (IDR tn)	156	302	501	854	1070	1317	1551	1764	1975	2182	2378	2626	232	420	647	1001	1209
Growth (% yoy)	56%	38%	32%	46%	47%	49%	50%	50%	46%	44%	40%	31%	49%	39%	29%	17%	13%
Total Revenue Realization to APBN (%)	8%	16%	27%	46%	58%	71%	84%	96%	107%	118%	129%	142%	9%	17%	26%	41%	49%
State Budget (APBN)	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	1846	2463	2463	2463	2463	2463

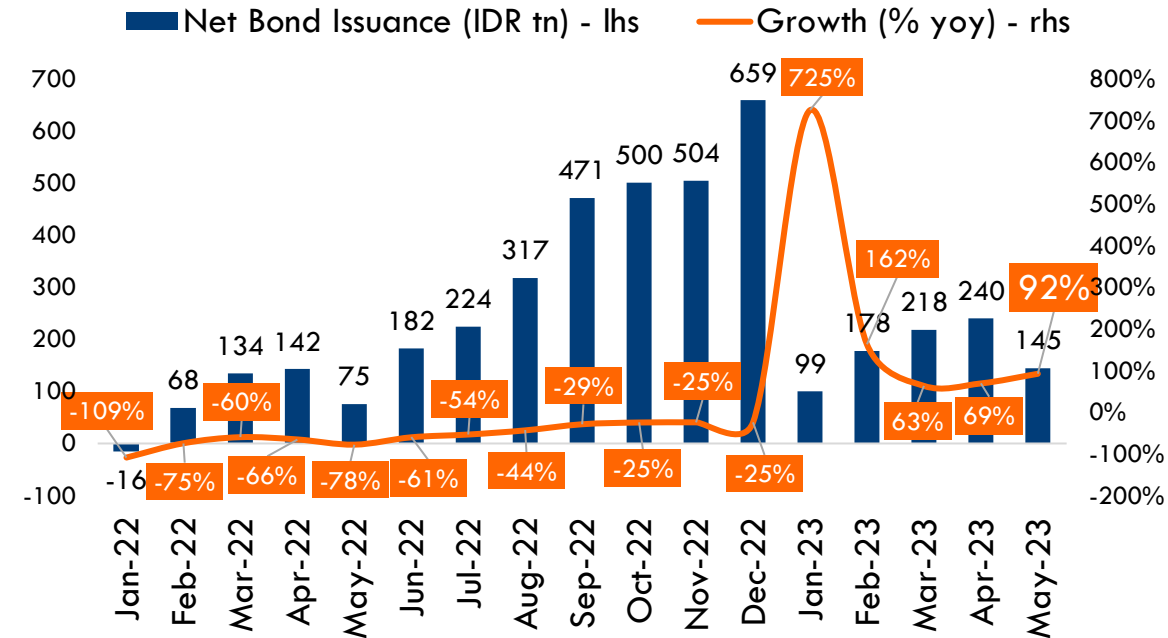
# Net Bond Issuance Realization

Net bond issuance realization in May-23 reached 20% of the 2023 target

### Net Bond Issuance Realization to APBN (%)



### Net Bond Issuance Realization



	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Bond Issuance (IDR tn)	-16	68	134	142	75	182	224	317	471	500	504	659	99	178	218	240	145
Growth (% yoy)	-109%	-75%	-60%	-66%	-78%	-61%	-54%	-44%	-29%	-25%	-25%	-25%	725%	162%	63%	69%	92%
Bond Issuance Realization to APBN (%)	-2%	7%	13%	14%	8%	18%	23%	32%	48%	50%	51%	66%	14%	25%	31%	34%	20%
State Budget (APBN)	991	991	991	991	991	991	991	991	991	991	991	991	713	713	713	713	713

# Government Bond Gross Issuances

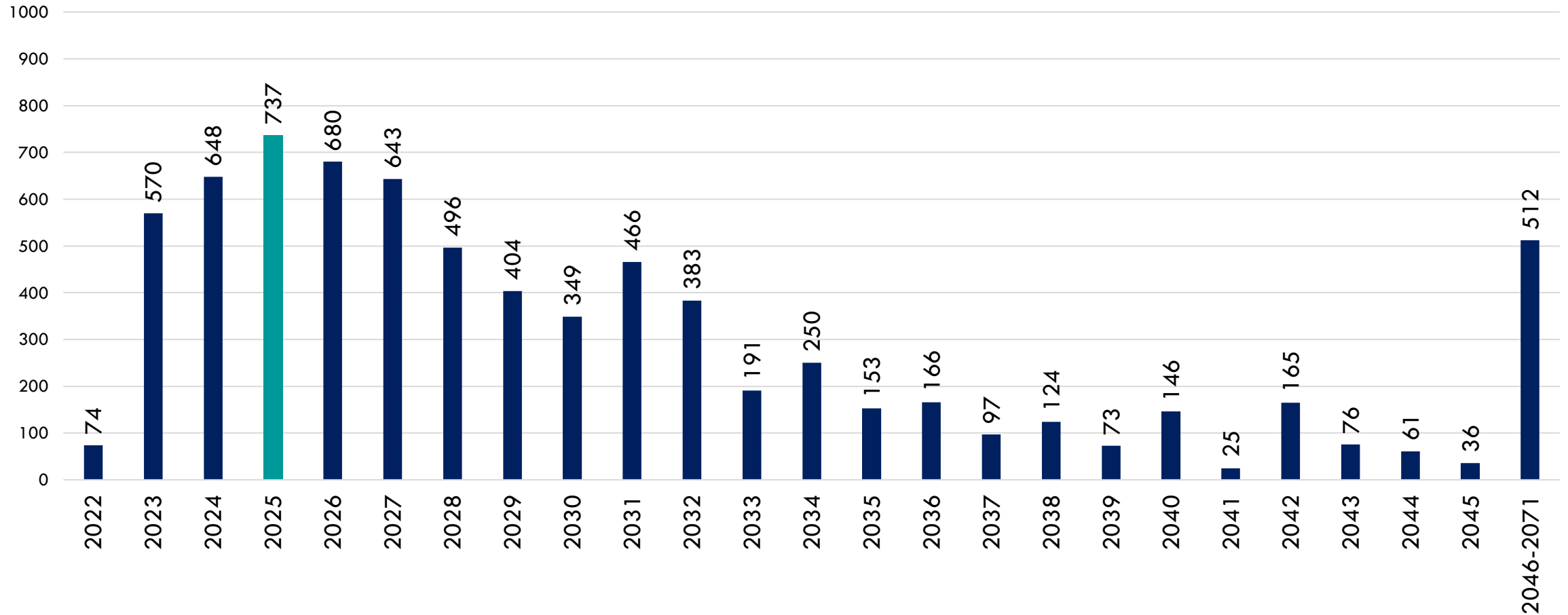
Government bond gross issuance amounted IDR462.1 tn or 38.7% of FY23 target

Government Budget Deficit Financing 2023 (IDR tn)		
Budget deficit % of GDP	(2.84)	<b>Budget 2023</b>
Budget deficit (IDR tn)	(598.2)	
<b>Non-Debt Financing Nett</b>	(114.7)	
Government bond net issuances	712.9	
<b>Government bond gross issuances</b>	<b>1,193.2</b>	
<b>Realized issuance as of 27-June-2023</b>	<b>462.1</b>	<b>Realization as of 27-Jun-23</b>
<b>Domestic bonds</b>	<b>403.3</b>	
Auction conventional FR/VR and T-Bills/ZC	220.3	
Retail bonds (ORI & Sukuk)	58.7	
Domestic Sukuk	115.0	
Private placement (inc. Voluntary Disclosure Program)	9.3	
<b>Global bonds</b>	<b>58.8</b>	
USD & Euro Bonds	46.8	
Samurai Bonds	11.2	
Global Sukuk	0.0	
SDG bonds	0.0	
VDP FX	0.8	

# Indonesia's Government Debt Maturity

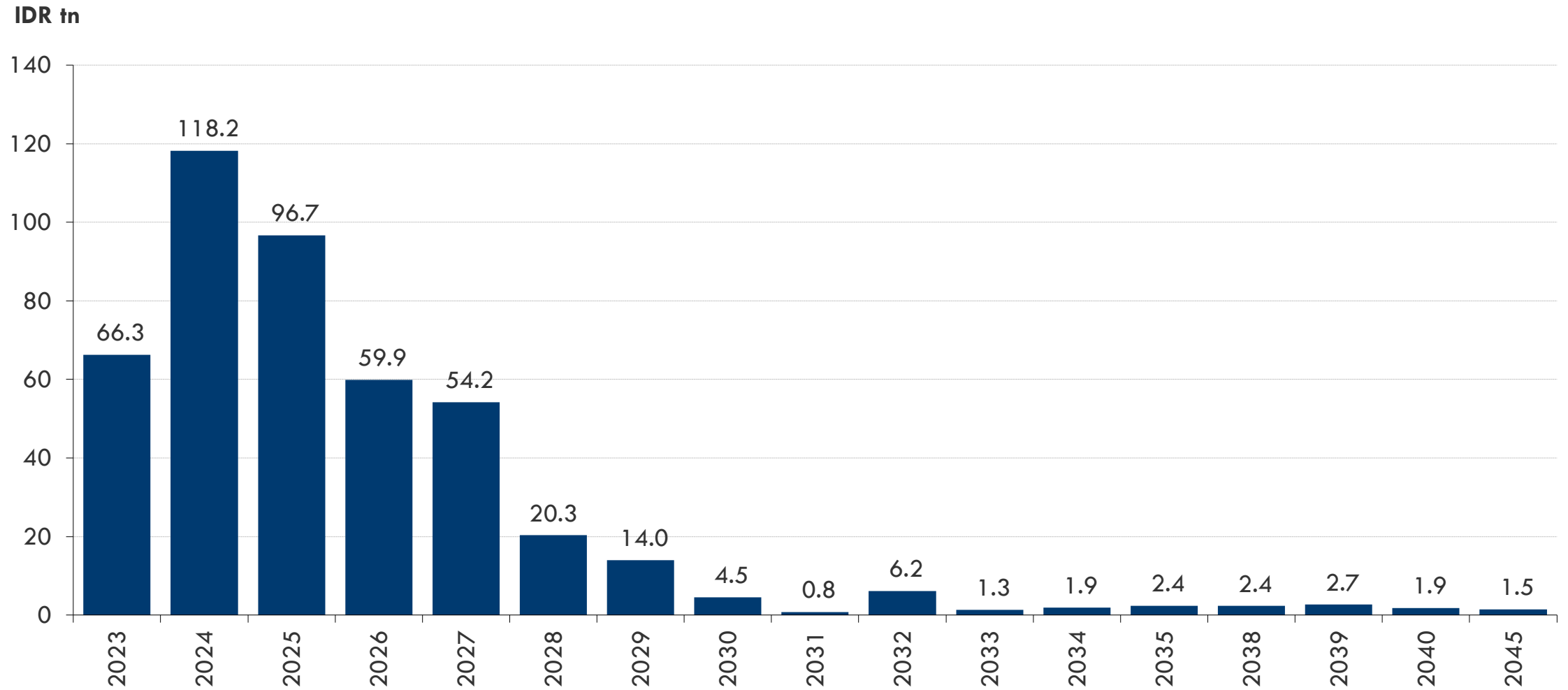
The highest maturity will be in 2025

Government's Debt Maturity by Year (IDR tn)



# Corporate IDR Bonds Maturity

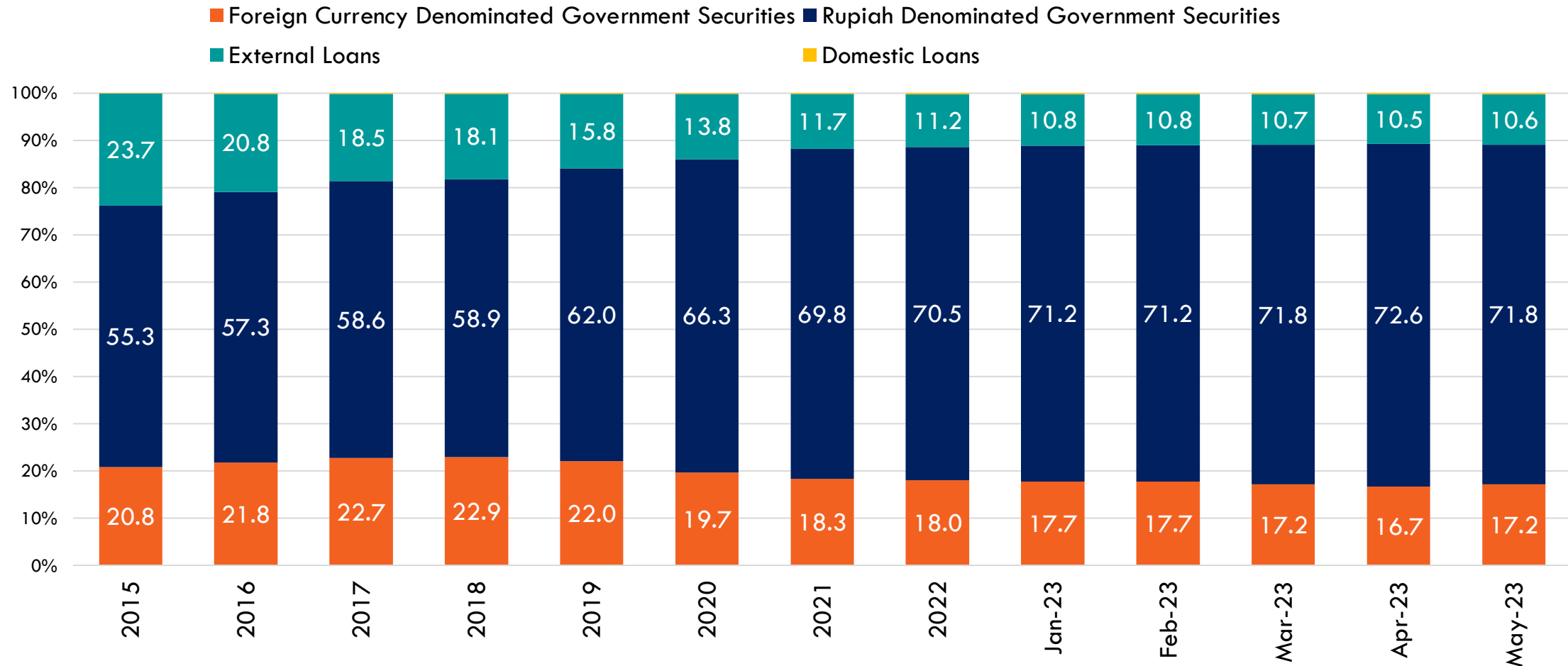
The highest maturity is in 2024



# Indonesia's Government Debt by Currency

The portion of FX denominated Govt. Securities increased in May-23

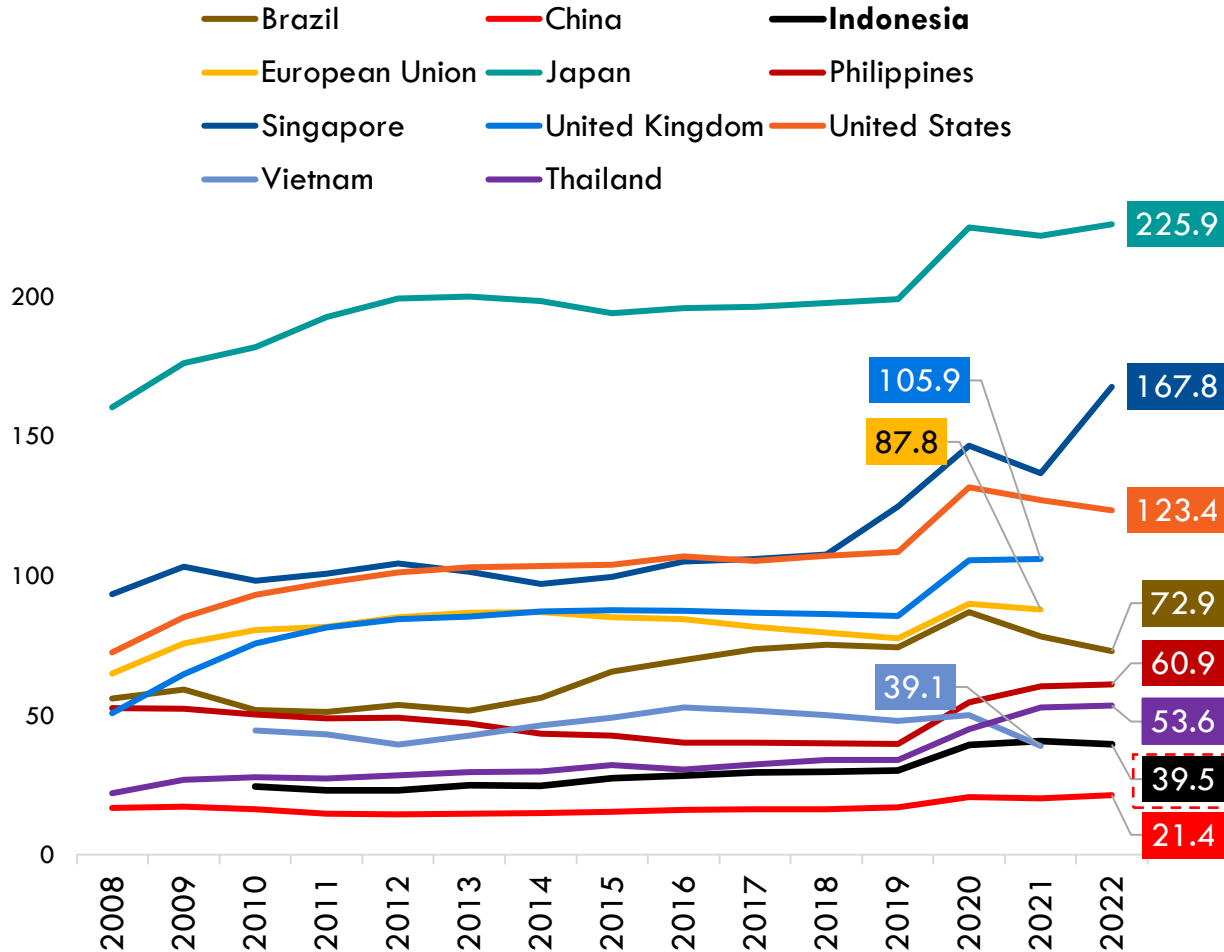
Government Debt Composition (%)



# Government Debt to GDP Ratio in Several Countries

Indonesia's government debt to GDP is relatively lower than other countries

Government Debt to GDP (%)

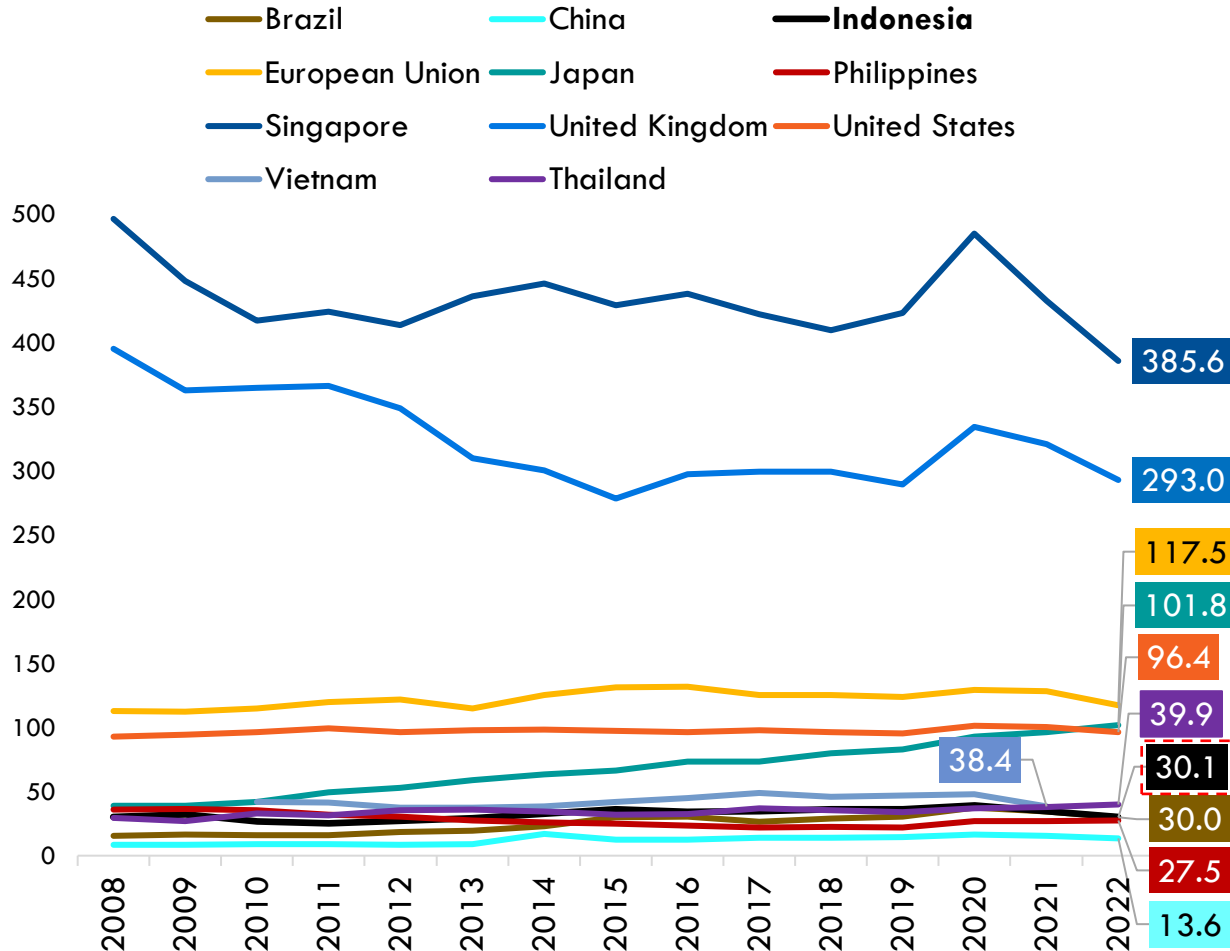


Year	United States	European Union	United Kingdom	Singapore	Japan	China	Brazil	Indonesia	Philippines	Vietnam	Thailand
2008	72.4	65.0	50.8	93.3	160.4	16.7	56.0	24.4	52.4	22.0	22.0
2009	85.0	75.8	64.8	103.2	176.1	17.3	59.2	23.1	52.4	26.8	26.8
2010	93.2	80.4	75.7	98.2	181.8	16.4	51.8	23.0	50.2	44.6	27.8
2011	97.6	81.8	81.3	100.8	192.7	14.8	51.3	23.0	48.8	43.2	27.3
2012	101.1	85.0	84.5	104.4	199.3	14.4	53.7	24.9	49.2	39.4	28.5
2013	103.0	86.8	85.3	101.4	200.1	14.6	51.5	42.7	47.1	42.6	29.6
2014	103.4	86.9	87.1	97.1	198.5	14.9	56.3	42.7	43.4	46.4	29.9
2015	103.9	85.1	87.7	99.5	194.2	15.5	65.5	40.2	42.7	49.2	32.1
2016	106.9	84.3	87.5	105.1	195.9	16.1	69.8	40.2	40.2	52.7	30.6
2017	105.2	81.7	86.6	105.9	196.3	16.2	73.7	51.7	40.2	51.7	32.5
2018	107.0	79.7	86.1	107.5	197.7	16.3	75.3	49.9	39.9	49.9	33.9
2019	108.5	77.5	85.5	124.7	199.1	17.0	74.4	48.0	39.6	48.0	34.0
2020	131.8	89.8	105.6	146.6	224.9	20.6	86.9	49.9	54.6	49.9	45.0
2021	127.0	87.8	105.9	136.6	221.8	20.2	78.3	52.8	60.4	39.1	52.8
2022	123.4			167.8	225.9	21.4	72.9	53.6	60.9	39.1	53.6

# External Debt to GDP Ratio in Several Countries

Indonesia's external debt to GDP is relatively lower than other countries

External Debt to GDP (%)

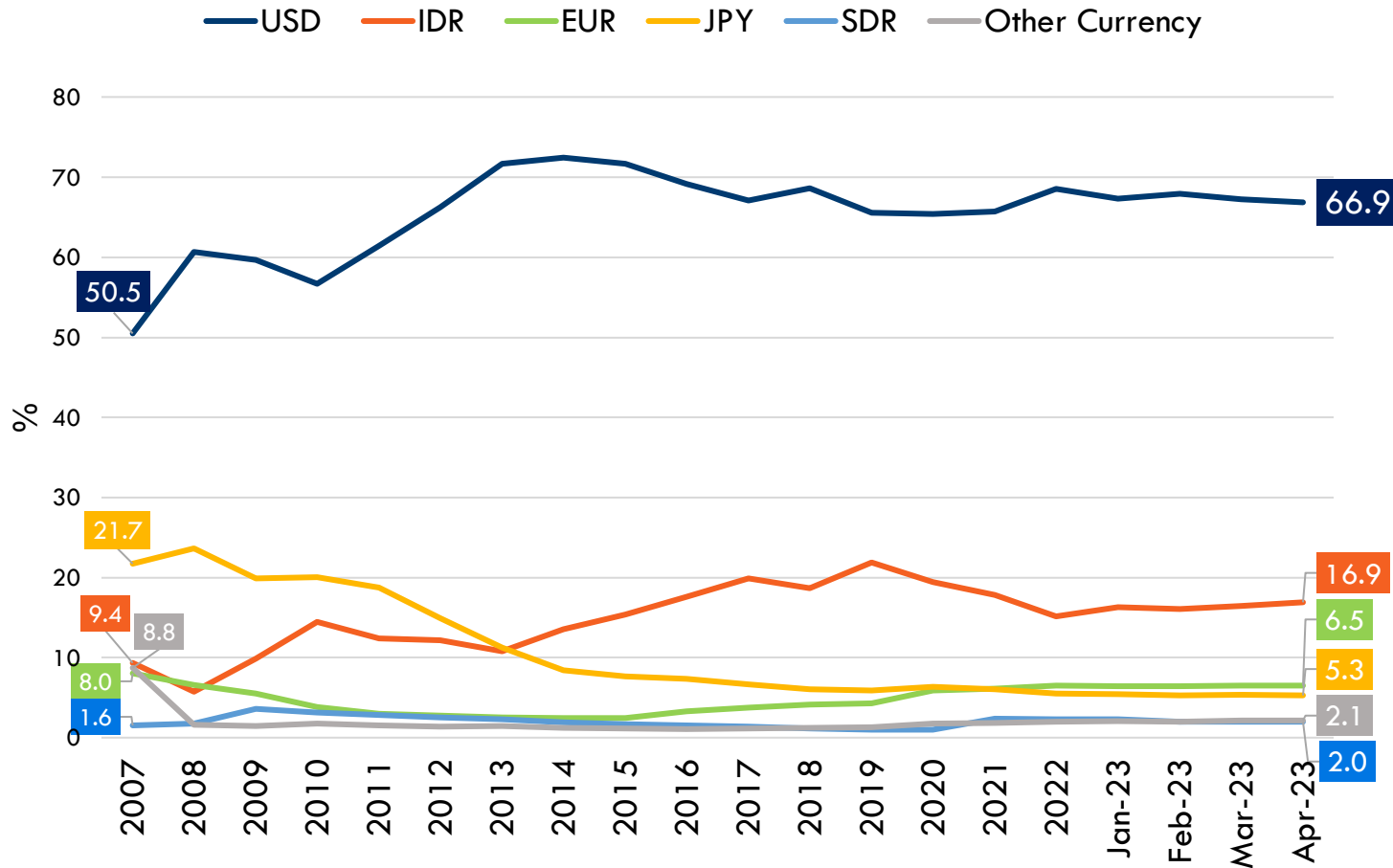


Year	United States	European Union	United Kingdom	Singapore	Japan	China	Brazil	Indonesia	Philippines	Vietnam	Thailand
2008	93.1	112.6	395.3	496.5	38.9	8.5	15.5	30.4	36.0		29.4
2009	94.4	112.5	362.9	447.9	39.2	8.4	16.6	32.1	36.8		27.0
2010	96.5	114.8	364.8	417.0	42.1	9.0	15.9	26.8	35.3	42.2	33.0
2011	99.4	119.7	366.3	424.3	49.3	9.2	15.9	25.3	32.3	41.5	31.5
2012	96.5	121.6	348.9	413.4	52.8	8.6	18.5	27.5	30.5	37.4	35.3
2013	97.9	114.8	310.1	436	59.0	8.9	19.7	29.2	27.6	37.3	35.8
2014	98.3	125.5	300.6	446.1	63.5	17.0	22.8	32.9	26.1	38.3	34.7
2015	97.3	131.5	278.6	429.1	66.3	12.6	30.1	36.1	25.3	42.0	32.0
2016	96.4	131.9	297.1	437.8	73.4	12.6	30.5	34.3	23.5	44.8	32.6
2017	97.6	125.3	299.5	422.0	73.5	14.3	26.4	34.7	22.3	49.0	36.8
2018	96.3	125.3	299.6	409.7	79.9	14.3	29.2	36.0	22.8	46.0	35.5
2019	95.5	124.0	289.6	423.1	83.0	14.5	30.6	36.1	22.2	47.1	34.2
2020	101.4	129.4	334.4	484.9	92.7	16.3	37.6	39.4	27.2	47.9	36.9
2021	100.2	128.5	320.7	432.8	96.4	15.4	34.4	34.9	27.0	38.4	38.0
2022	96.4	117.5	293	385.6	101.8	13.6	30.0	30.1	27.5		39.9

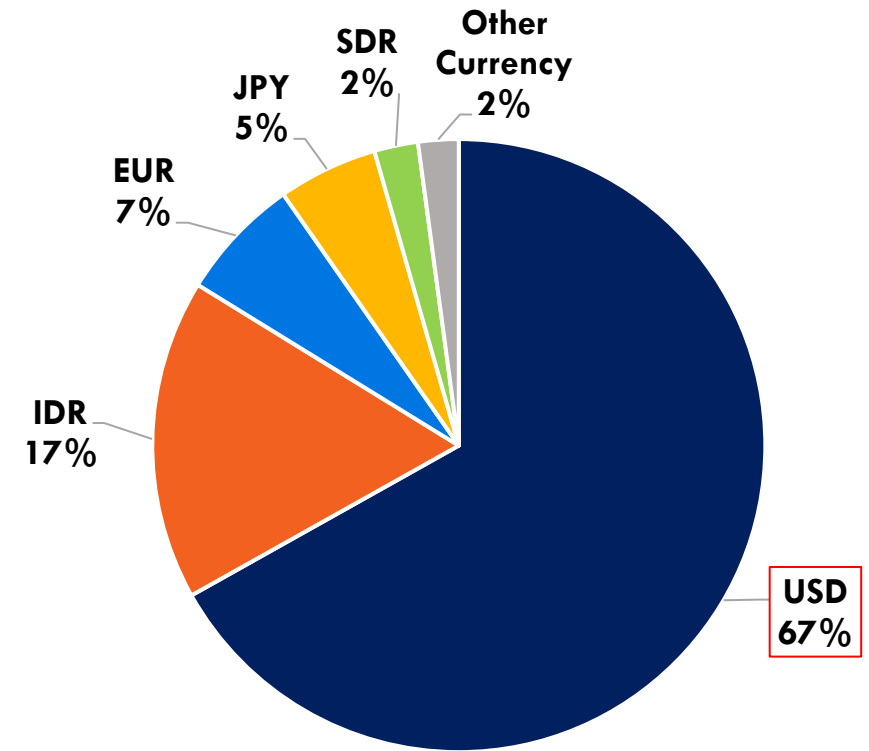
# Indonesia's External Debt by Currency

USD denominated debt remains the largest portion

Proportion of External Debt by Currency (%)

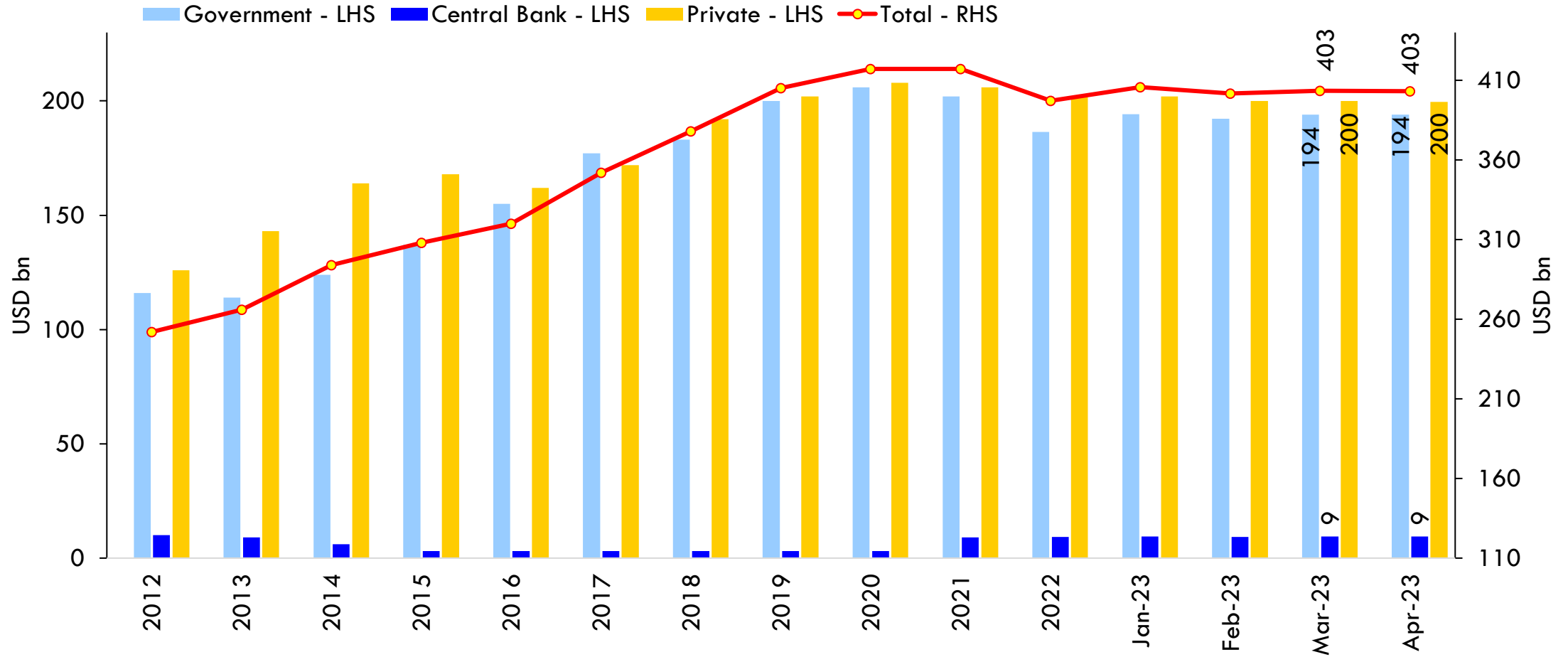


Proportion of External Debt by Currency (%), Apr-23



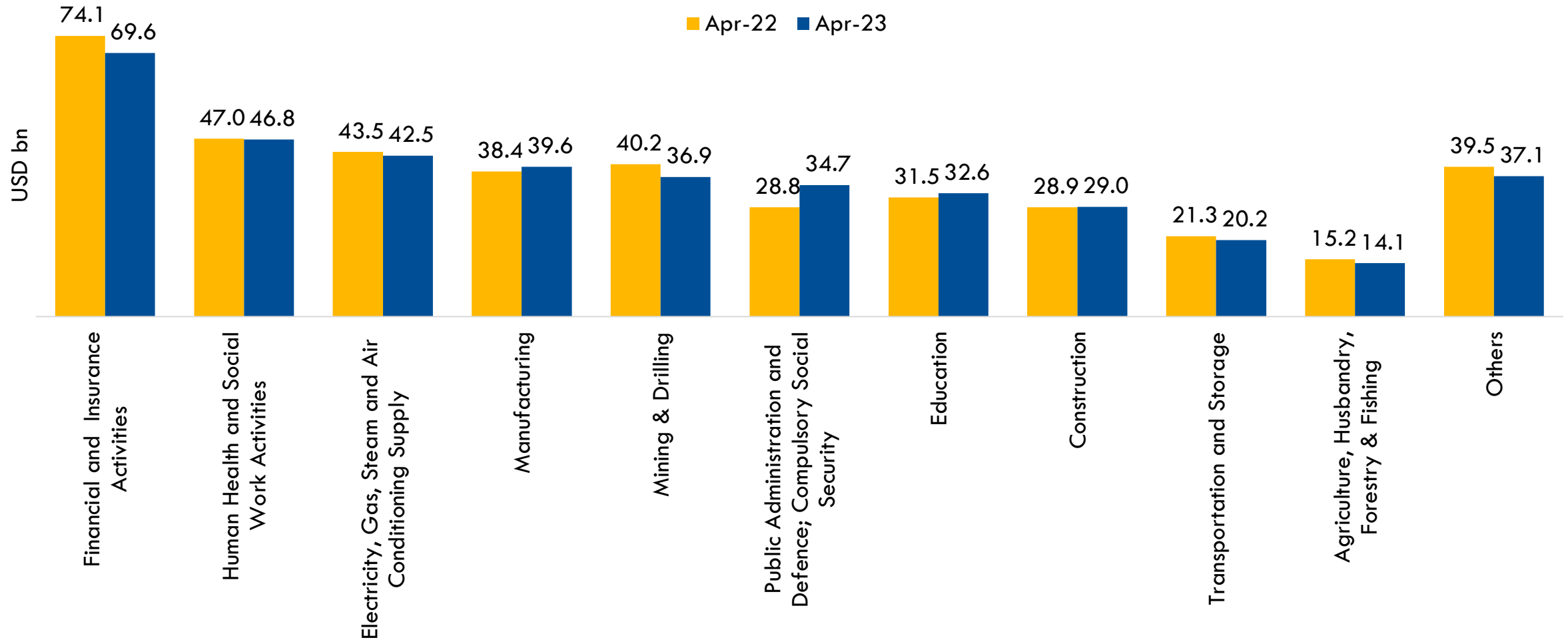
# External Debt Position by Group of Borrower

External debt by all group of borrower remained unchanged in Apr-23



# Private External Debt Position by Economic Sector

Financial & insurance activities remained to be the sector with the highest external debt



# External Debt Position by Remaining Maturity

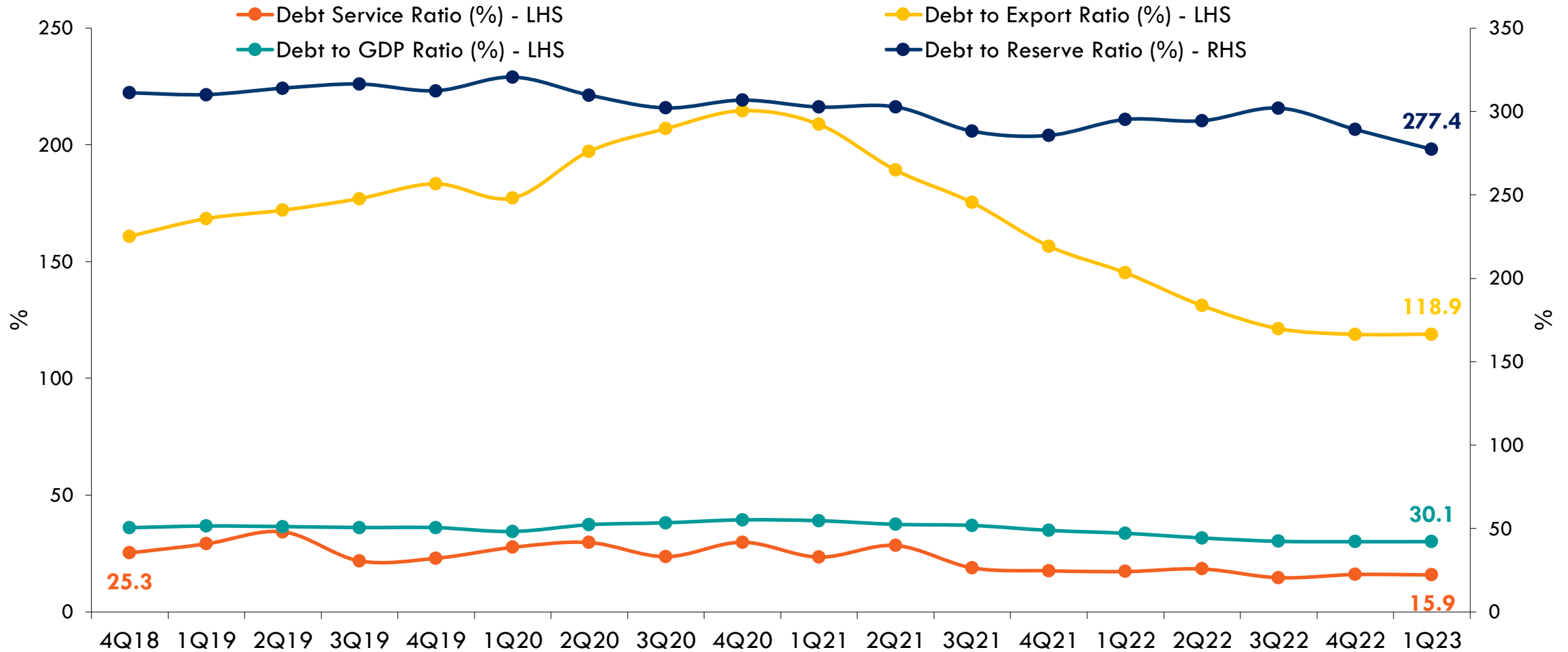
Share of government's short-term external debt decreased in Apr-23

(USD mn)

Term	Borrower	2018	2019	2020	2021	2022	Jan-23	Feb-23	Mar-23	Apr-23	Mar-23 Share to Total (%)	Apr-23 Share to total (%)
<b>Short Term Debt</b>	Government	12,867	10,968	14,111	12,690	14,310	15,233	14,668	15,337	13,419	7.9	6.9
	≤ 1 Year											
	Central Bank	354.0	283.0	21.0	27.0	871.9	880	961	974	970	10.4	10.3
	Private	46,319	52,063	51,121	46,713	51,426	51,093	52,466	49,255	51,616	25.5	25.9
<b>Long Term Debt</b>	Government	170,330	188,909	192,264	187,485	172,164	179,055	177,614	178,679	180,636	92.1	93.1
	≥ 1 Year											
	Central Bank	2,724	2,714	2,850	9,003	8,326	8,464	8,298	8,422	8,453	89.6	89.7
	Private	145,553	149,569	157,115	159,614	149,706	150,725	147,384	150,135	147,993	74.5	74.1
<b>TOTAL</b>	Government	183,197	199,876	206,375	200,175	186,474	194,288	192,282	194,016	194,055		
	Central Bank	3,078	2,996	2,871	9,030	9,198	9,344	9,259	9,396	9,423		
	Private	191,872	201,632	208,235	206,327	201,172	201,818	199,850	199,389	199,609		

# External Debt Burden Indicators

Debt-to-GDP ratio in 1Q23 was 30.1%, lower than IMF's 60% safety level



# Real Growth of Money Supply

Real growth of M1 decelerated, while M0 and M2 accelerated in May-23

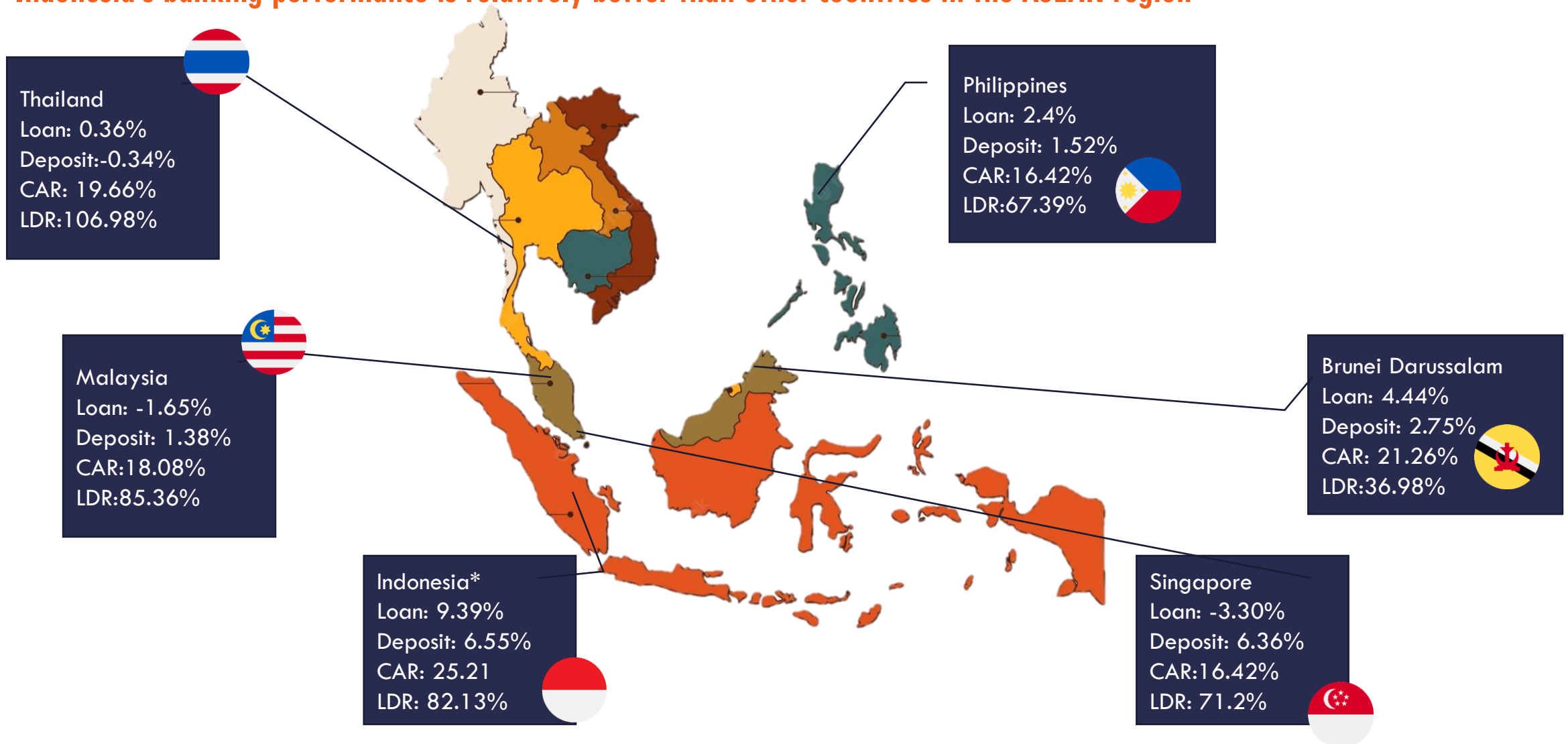
Period	M0 (IDR tn)	M0 Real Growth (% yoy)	M1 (IDR tn)	M1 Real Growth (% yoy)	M2 (IDR tn)	M2 Real Growth (% yoy)
2019	655	2.1	1565	4.8	6137	4.0
2020	760	14.4	1856	16.9	6906	10.8
2021	831	7.5	2282	21.1	7870	12.1
2022	898	2.5	2609	8.8	8528	2.8
Jan-22	765	5.2	2,150	19.8	7,647	10.6
Feb-22	796	11.9	2,196	20.9	7,690	10.7
Mar-22	793	11.8	2,255	20.8	7,811	10.7
Apr-22	896	18.8	2,327	22.2	7,911	10.1
May-22	820	6.7	2,303	20.1	7,854	8.5
Jun-22	815	6.0	2,339	17.8	7,891	6.4
Jul-22	822	3.4	2,296	13.9	7,846	4.7
Aug-22	805	2.6	2,279	12.9	7,898	4.8
Sep-22	808	1.9	2,321	11.9	7,963	3.1
Oct-22	809	-0.2	2,539	16.9	8,223	4.1
Nov-22	840	3.0	2,468	11.3	8,297	4.1
Dec-22	898	2.5	2,609	8.8	8,528	2.8
<b>Jan-23</b>	<b>830</b>	<b>3.3</b>	<b>2,422</b>	<b>7.4</b>	<b>8,272</b>	<b>2.9</b>
<b>Feb-23</b>	<b>814</b>	<b>-3.2</b>	<b>2,404</b>	<b>4.0</b>	<b>8,301</b>	<b>2.5</b>
<b>Mar-23</b>	<b>833</b>	<b>0.1</b>	<b>2,409</b>	<b>1.9</b>	<b>8,294</b>	<b>1.2</b>
<b>Apr-23</b>	<b>896</b>	<b>-4.4</b>	<b>2,473</b>	<b>1.9</b>	<b>8,350</b>	<b>1.2</b>
<b>May-23</b>	<b>859</b>	<b>0.8</b>	<b>2,423</b>	<b>1.2</b>	<b>8,332</b>	<b>2.1</b>

# INDONESIA BANKING SECTOR



# ASEAN Banking Performance Ratio

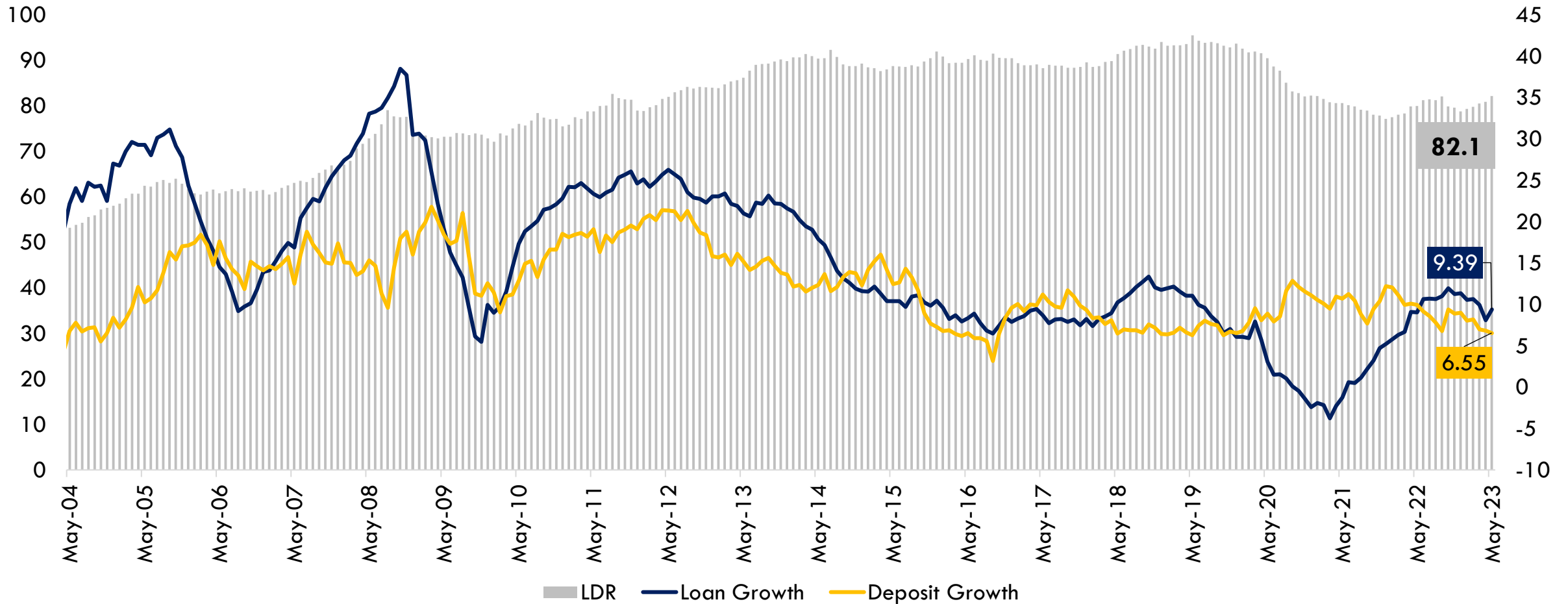
Indonesia's banking performance is relatively better than other countries in the ASEAN region



Source: CEIC, as of Apr 2023, yoy basis for loan and deposit, Indonesia data as of May 2023

# Loan Growth, Deposit Growth, and Liquidity

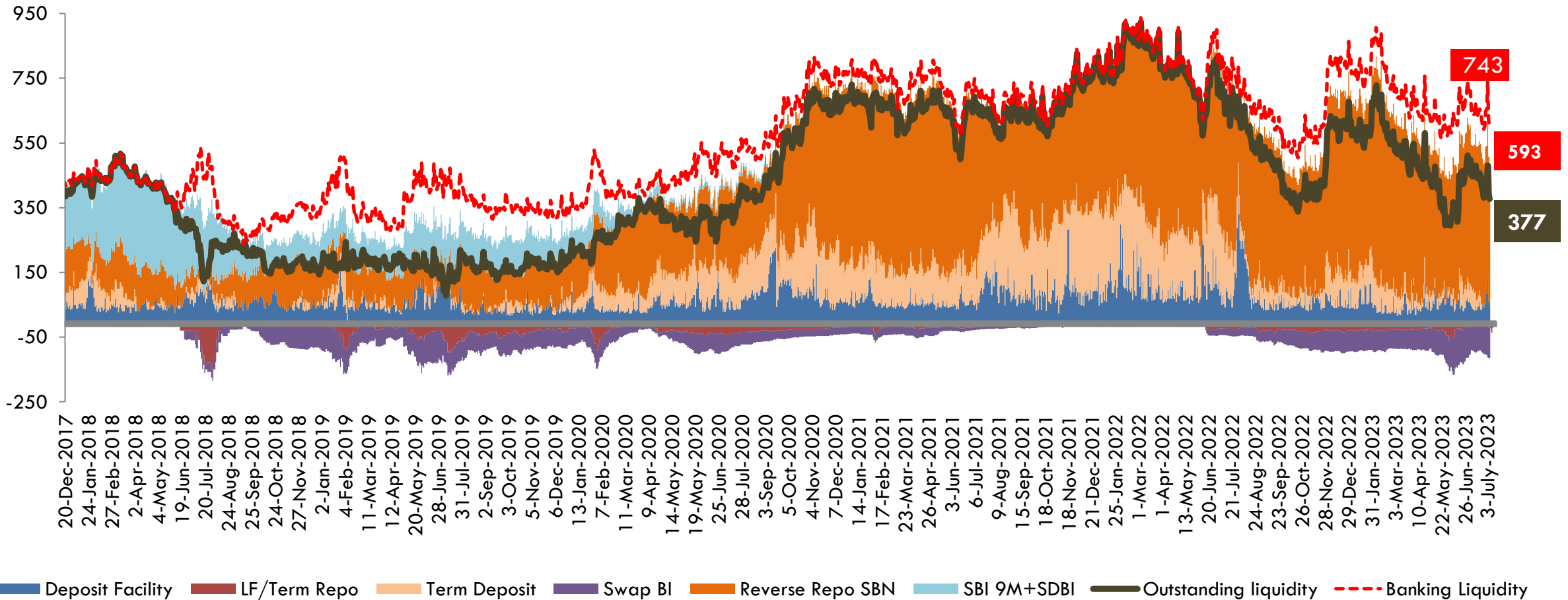
Loan growth starts to pick up again in May 2023 due to business expansion while Deposits are still slowing down, liquidity is relatively stable



# Banks' Placement at BI Instruments

Banks' placement at BI's Open Market Operation instruments decreased in Jul-23

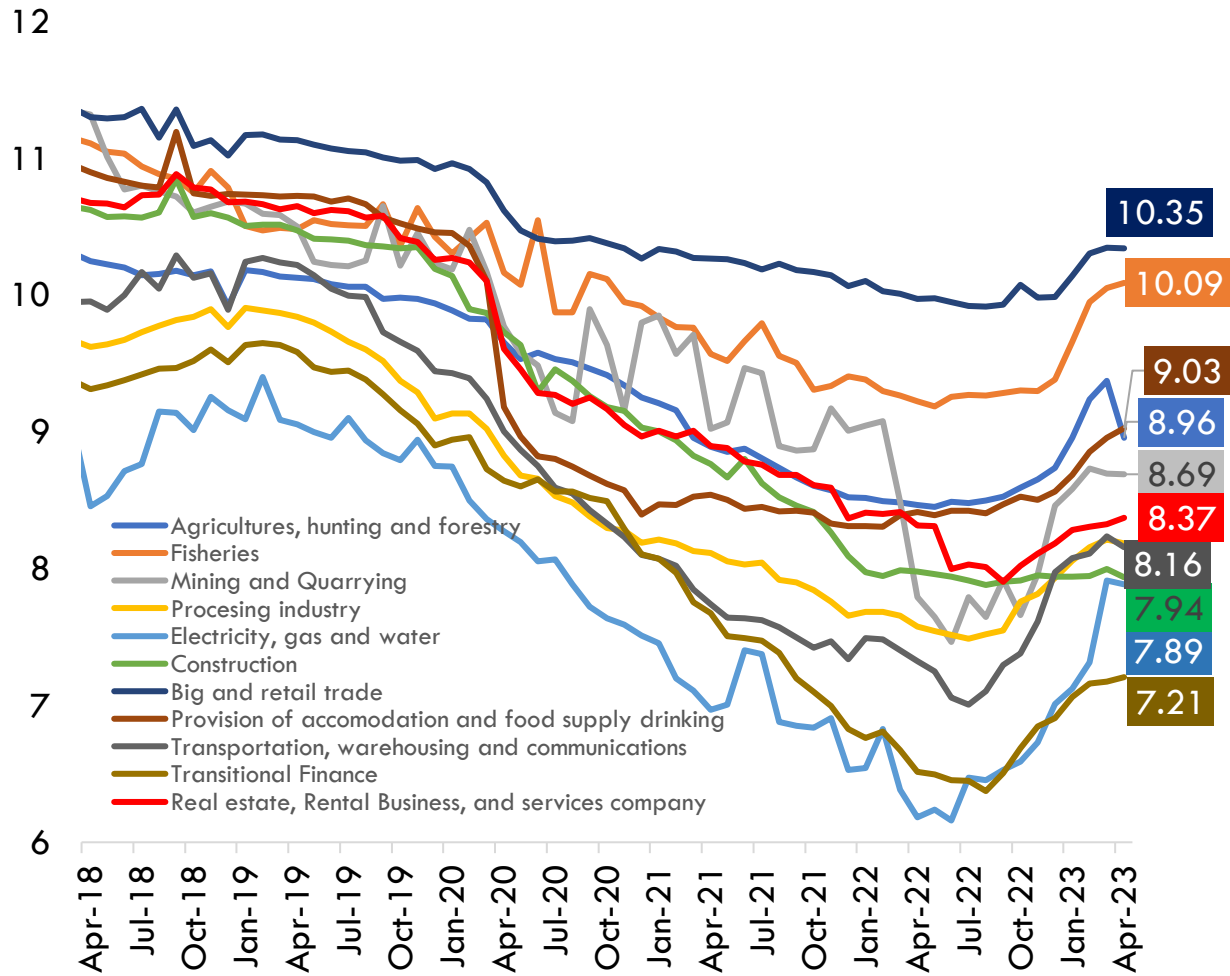
Placement at BI instruments (IDR tn)



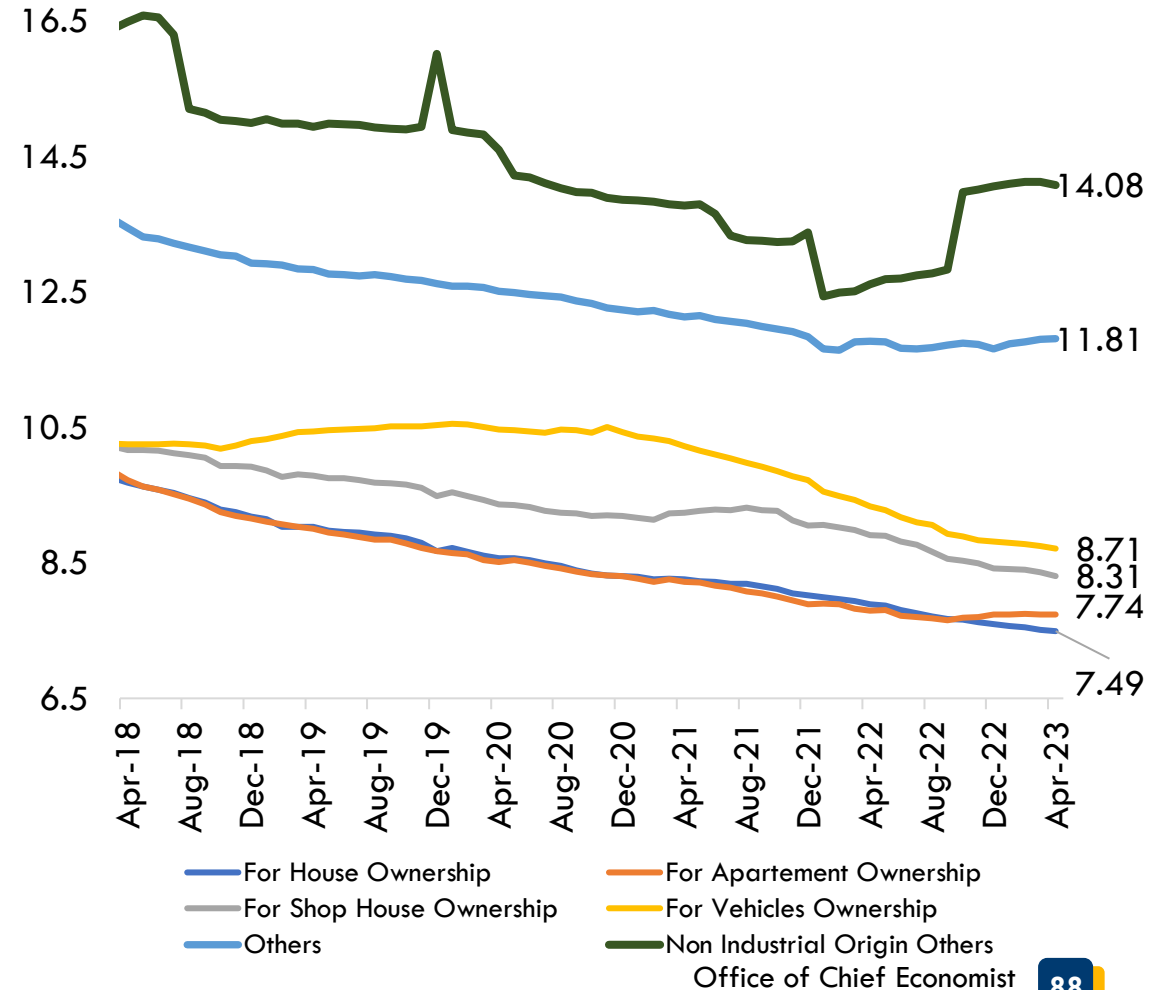
# Lending Rate by Sector

The pace of lending rate hikes have moderated for most sectors

### Lending rates by industrial origin (%)



### Lending rates for consumer segments (%)



Source : OJK, as of Apr 2023

# Third Party Fund by Currency

FX deposit growth increased 20.29% yoy in Apr-23

IDR tn

Period	Total	DOC		Time Deposit		Demand Deposit		Time Deposit Certificate		Saving Account		Total TPF	
		IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex
2020	6,644.09	53.24	9.43	2,425.33	307.97	1,261.73	415.62	0.00	-	2,014.79	155.97	5,755.10	888.99
2021	7,460.64	52.78	8.56	2,534.48	303.57	1,590.42	541.29	0.24	-	2,263.87	165.42	6,441.80	1,018.85
2022	8,129.15	52.01	5.80	2,584.65	339.14	1,837.90	694.65	2.81	0.17	2,422.75	189.27	6,900.13	1,229.03
Apr-23	7,975.63	48.31	5.24	2,624.05	320.77	1,715.29	673.49	3.10	0.16	2,390.14	195.07	6,780.90	1,194.73

## Growth % yoy

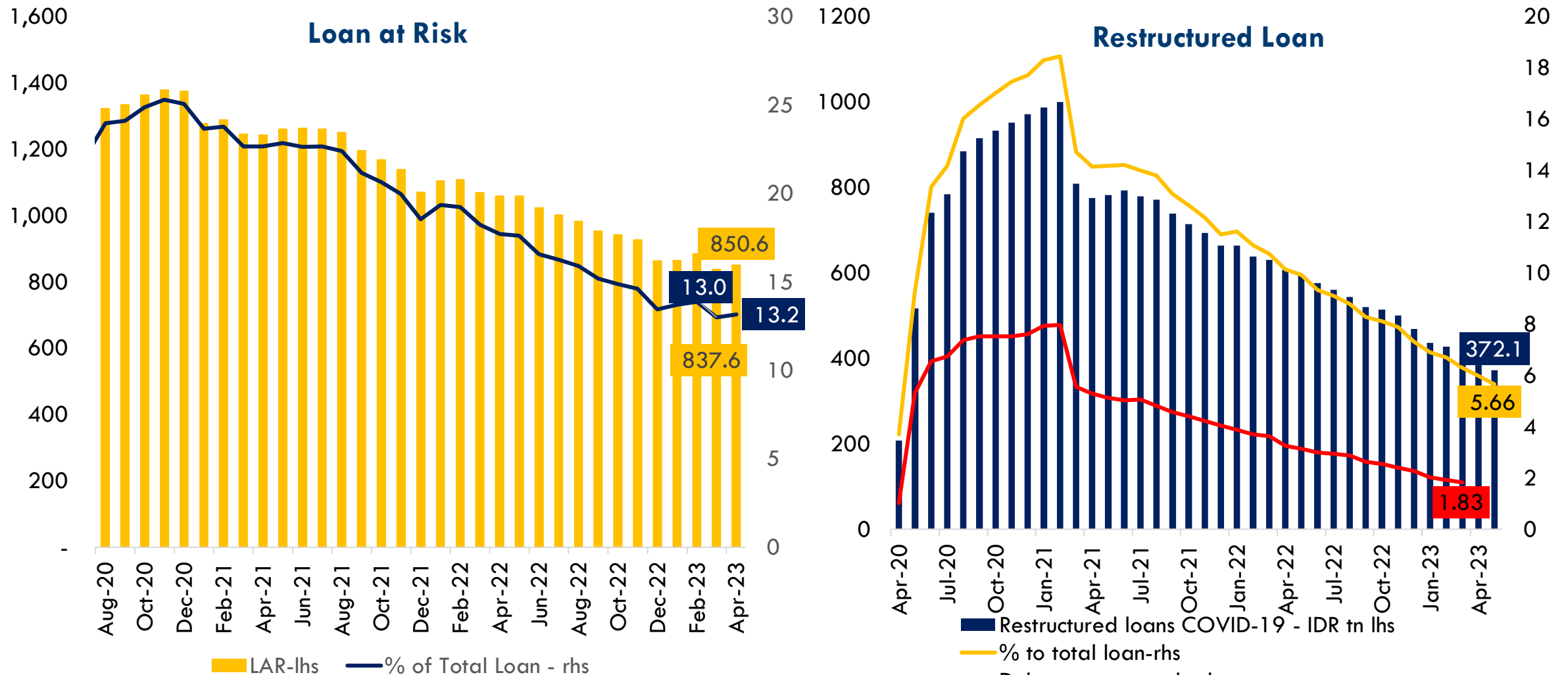
Period	Total % yoy	DOC		Time Deposit		Demand Deposit		Time Deposit Certificate		Saving Account		Total TPF	
		IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex	IDR	Forex
2020	11.07	16.10	-7.50	10.17	-4.89	14.81	16.00	-99.54	-	11.09	20.88	11.52	8.24
2021	12.29	-0.86	-9.26	4.50	-1.43	26.05	30.24	7814.74	-	12.36	6.06	11.93	14.61
2022	8.96	-1.47	-32.30	1.98	11.72	15.56	28.33	1092.66	-	7.02	14.41	7.11	20.63
Apr-23	6.81	13.80	41.48	4.43	12.02	8.67	28.98	475.83	-	2.16	7.77	4.74	20.29

Source: LPS, as of Apr-23, notes % yoy

Office of Chief Economist

# Restructured Loan Decreased in May-23

In line with the economic recovery and improving credit quality



# Asset Growth of Commercial Banks

## Bank assets grow at a slower pace in Apr-23

Size of Banking Industry	Apr-22	Dec-22	Apr-23	% yoy
Total Asset (IDR tn)	10,173	11,113	10,932	7.5
Deposits (IDR tn)	7,486	8,154	7,997	6.8
- Demand Deposits	2,114	2,546	2,401	13.6
- Savings Accounts	2,523	2,615	2,588	2.6
- Time Deposit	2,849	2,992	3,007	5.6
Loans (IDR tn)	5,981	6,424	6,465	8.1

Banking Ratios	Apr-22	Dec-22	Apr-23	ppt change
Capital Adequacy Ratio (%)	24.3	25.6	24.5	0.2
NPL Gross (%)	3.0	2.4	2.5	-0.5
Return on Assets (%)	2.3	2.5	2.8	0.4
Net Interest Margin (%)	4.7	4.8	4.9	0.1
Ops, Expense/Ops, Income (%)	78.5	78.7	78.7	0.2
Loan to Deposit Ratio (%)	80.3	79.0	81.1	0.8
Number of Banks	107	106	106	

# Loan and Deposit Growth of Banking Sector

Credit grew moderately in May 2023 while deposits slowed down

Year/Month	Deposit (IDR tn)	% yoy	% mom	Loan (IDR tn)	% yoy	% mom
2015	4,413	7.3		4,058	10.4	
2016	4,837	9.6		4,377	7.9	
2017	5,289	9.4		4,738	8.2	
2018	5,630	6.5		5,295	11.8	
2019	5,999	6.5	0.9	5,617	6.1	1.7
2020	6,665	11.1	0.5	5,482	-2.4	0.6
2021	7,478	12.2	2.0	5,767	5.2	1.0
2022	6,423	9.0	1.3	6,423	11.4	1.9
Jan-23	7,954	8.0	-2.5	6,310	10.5	-1.8
Feb-23	7,988	8.2	0.4	6,376	10.6	1.0
Mar-23	8,006	7.0	0.2	6,445	9.9	1.1
Apr-23	7,997	6.8	-0.1	6,465	8.1	0.3
<b>May-23*</b>	<b>8,008</b>	<b>6,6</b>	<b>0.1</b>	<b>6,572</b>	<b>9.3</b>	<b>1.7</b>

# Loan Growth by Currencies

FX credit growth flat in Apr-23

Year/Month	IDR Loans (IDR tn)	% yoy	% mom	Forex Loans (IDR tn)	% yoy	% mom
2012	2,281	24.0		427	18.2	
2013	2,721	19.3		572	34.1	
2014	3,058	12.4		616	7.7	
2015	3,423	11.9		635	3.0	
2016	3,737	9.2		641	0.9	
2017	4,045	8.2		693	8.2	
2018	4,494	11.1		800	15.5	
2019	4,831	7.5	1.7	786	-1.8	1.8
2020	4,724	-2.2	0.7	758	-3.6	0.1
2021	4,956	4.9	1.3	813	7.3	0.0
2022	5,475	10.5	1.6	948	16.6	-1.1
Jan-23	5,415	10.6	-1.1	896	10.0	-5.6
Feb-23	5,454	10.3	0.7	921	12.8	2.9
Mar-23	5,537	10.3	1.5	909	8.0	-1.4
<b>Apr-23</b>	<b>5,575</b>	<b>9.5</b>	<b>0.7</b>	<b>890</b>	<b>0.0</b>	<b>-2.1</b>

# Mortgage loan growth slowed down in Apr-23

Motor vehicle loan growth increased in Apr-23 in line with the increasing sales trend

Year/Month	Vehicles Ownership Loan (IDR tn)	% yoy	% mom	% Share*	Mortgage Loan (IDR tn)	% yoy	% mom	% Share*
2012	99	-6.7			211	15.8		
2013	104	5.9			269	27.1		
2014	123	17.9			303	12.7		
2015	121	-2.1			326	7.7		
2016	118	-2.0			354	8.4		
2017	125	5.4			393	11.1		
2018	140	12.8			445	13.3		
2019	140	0.0	-0.1	2.5	480	7.8	0.9	8.5
2020	106	-24.7	-2.1	1.9	497	3.5	0.7	9.1
2021	99	-6.3	0.8	1.7	544	9.5	1.0	9.4
2022	116	17.0	1.3	1.8	587	7.8	0.9	9.1
Jan-23	117	14.9	1.2	1.9	587	7.7	0.2	9.3
Feb-23	118	14.9	0.6	1.9	591	7.8	0.7	9.3
Mar-23	120	15.4	1.3	1.9	597	7.3	0.9	9.3
<b>Apr-23</b>	<b>123</b>	<b>16.3</b>	<b>2.6</b>	<b>1.9</b>	<b>600</b>	<b>6.8</b>	<b>0.4</b>	<b>9.3</b>

\*) Share to total loan  
Source: OJK

# Working Capital loan slowed down in Apr-23

## Investment loan slowed in Apr-23

Year/Month	Investment Loan (IDR tn)	% yoy	% mom	% Share*	Working Capital Loan (IDR tn)	% yoy	% mom	% Share*
2012	591	27.4			1,317	23.2		
2013	798	35.0			1,586	20.4		
2014	903	13.2			1,757	10.8		
2015	1,036	14.7			1,916	9.0		
2016	1,125	8.6			2,049	6.9		
2017	1,180	4.8	1.8	24.9	2,223	8.5	3.9	46.9
2018	1,309	10.9	2.8	24.7	2,512	13.0	3.3	47.5
2019	1,481	13.2	2.3	26.4	2,576	2.5	1.7	45.9
2020	1,469	-0.8	0.9	26.8	2,465	-4.3	0.6	45.0
2021	1,528	4.0	0.6	26.5	2,621	6.3	1.5	45.4
2022	1,711	12.0	-0.5	26.6	2,940	12.2	2.2	45.8
Jan-23	1,713	12.6	0.1	27.1	2,828	10.0	-3.8	44.8
Feb-23	1,744	13.0	1.8	27.4	2,849	9.8	0.8	44.7
Mar-23	1,733	11.4	-0.6	26.9	2,915	9.5	2.3	45.2
<b>Apr-23</b>	<b>1,731</b>	<b>10.1</b>	<b>-0.2</b>	<b>26.8</b>	<b>2,931</b>	<b>6.6</b>	<b>0.5</b>	<b>45.3</b>

\*) Share to total loan

Source: OJK

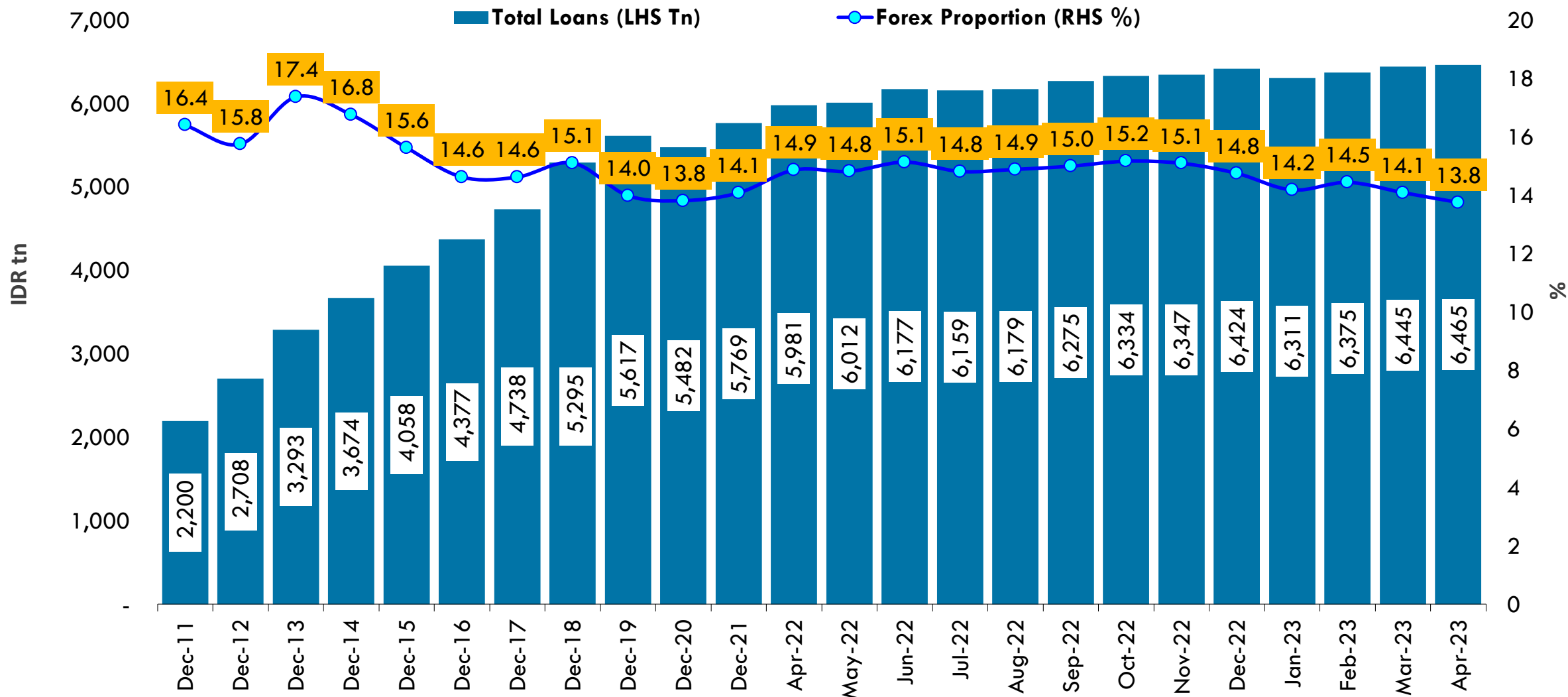
# Third party fund growth by types

Demand deposit growth accelerated, while saving and time deposit slowed down in Apr-23

Year/Month	Demand Deposit (IDR tn)	% yoy	% mom	Saving Deposit (IDR tn)	% yoy	% mom	Time Deposit (IDR tn)	% yoy	% mom
2012	767	17.5		1,077	19.9		1,381	11.9	
2013	847	10.4		1,213	12.6		1,604	16.2	
2014	890	5.1		1,284	5.9		1,940	20.9	
2015	892	9.6		1,396	8.7		2,030	4.6	
2016	1,124	13.8		1,552	11.2		2,161	6.5	0.4
2017	1,223	9.7	1.0	1,701	9.6	5.5	2,355	9.0	-0.5
2018	1,315	6.6	-3.8	1,825	7.3	4.9	2,490	5.8	0.9
2019	1,466	11.5	0.5	1,945	6.6	4.2	2,588	3.9	-1.3
2020	1,687	15.1	-2.5	2,174	11.7	3.6	2,805	8.4	-0.1
2021	2,144	27.1	3.2	2,432	11.9	3.3	2,904	3.5	0.4
2022	2,546	18.8	3.8	2,615	7.5	2.8	2,992	3.0	0.6
Jan-23	2,418	16.9	-5.0	2,540	5.6	-2.9	2,996	3.7	0.1
Feb-23	2,440	16.2	0.9	2,532	5.2	-0.3	3,017	4.9	0.7
Mar-23	2,436	11.3	-0.2	2,541	4.4	0.4	3,029	5.9	0.4
<b>Apr-23</b>	<b>2,401</b>	<b>13.6</b>	<b>-1.4</b>	<b>2,588</b>	<b>2.6</b>	<b>1.8</b>	<b>3,007</b>	<b>5.6</b>	<b>-0.7</b>

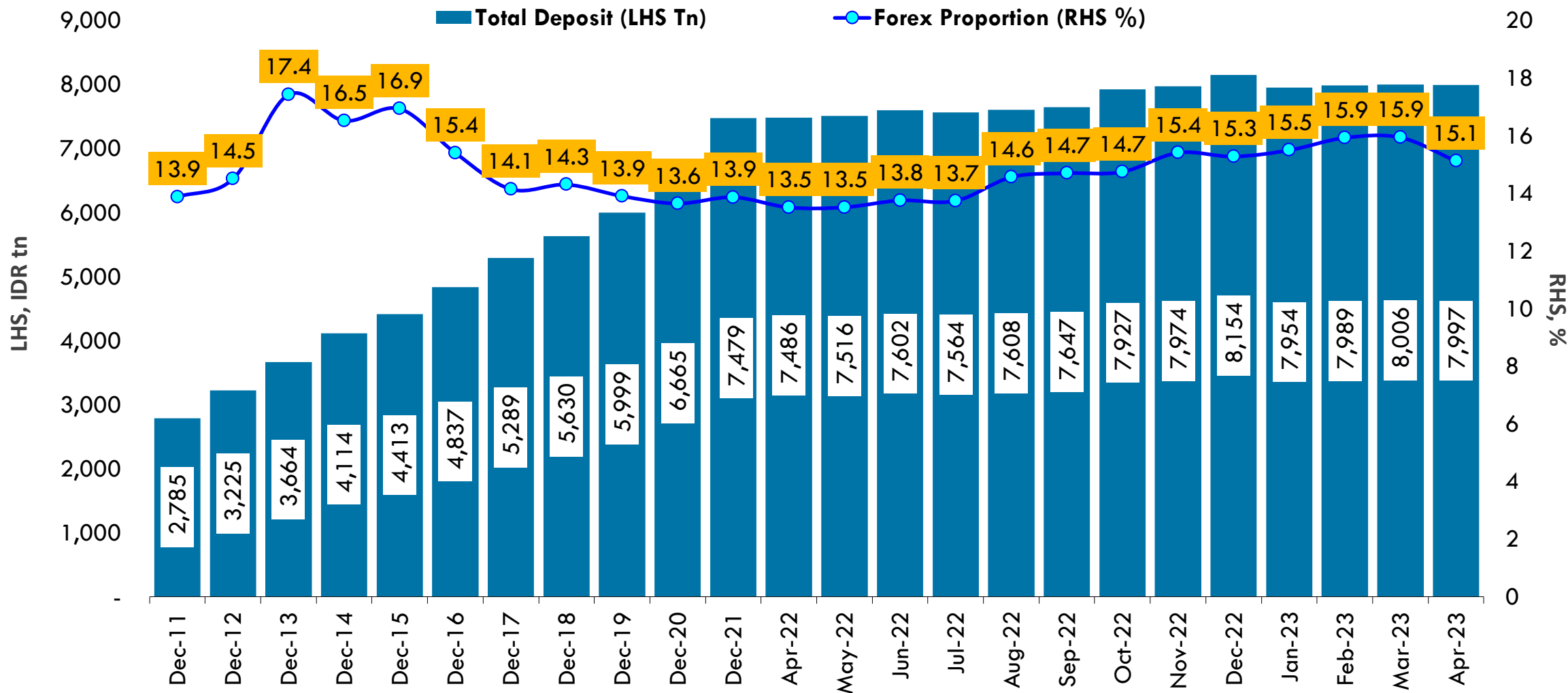
# Proportion of FX Loan to Total Loan

Proportion of foreign currency loans to total loans declined in Apr-23



# Proportion of FX Deposit to Total Deposit

Proportion of FX deposit to total deposit declined in Apr-23



# Percentage of Undisbursed Loan

Proportion of undisbursed loans to total loans slowed in Apr-23

Year/Month	Undisbursed Loan (IDR tn)	% Total Loan	Total Credit (IDR tn)
2012	817	30.2	2,708
2013	1,013	30.8	3,293
2014	1,138	31,0	3,674
2015	1,220	30.1	4,058
2016	1,304	29.8	4,377
2017	1,408	29.7	4,738
2018	1,545	29.2	5,295
2019	1,603	28.5	5,617
2020	1,643	30.0	5,482
2021	1,705	29.6	5,769
2022	2,143	33.4	6,424
Jan-23	1,924	30.5	6,311
Feb-23	1,952	30.6	6,375
Mar-23	1,933	30.0	6,445
<b>Apr-23</b>	<b>1,926</b>	<b>29.8</b>	<b>6,465</b>

# CAR & NPL by Bank Category

CAR remained high, NPL mostly stable in Apr 23

## CAR (%)

Category	2016	2017	2018	2019	2020	2021	2022	Feb-23	Mar-23	Apr-23
SOE Bank	21.5	21.1	20.9	21.2	18.8	21.4	21.2	21.7	19.5	19.2
Regional Dev't Bank	21.7	21.7	22.1	21.2	22.1	22.8	23.6	23.4	22.8	22.4
Domestic Private Bank	18.1	18.8	19.0	20.1	23.4	26.8	27.0	27.7	26.9	27.1
Foreign Bank	48.9	53.1	47.9	50.4	54.6	60.9	57.3	53.6	55.2	53.1
Banking Industry	22.9	23.2	23.0	23.4	23.9	25.7	25.6	26.0	24.8	24.5

## NPL (%)

Category	2016	2017	2018	2019	2020	2021	2022	Feb-23	Mar-23	Apr-23
SOE Bank	2.86	2.50	2.27	2.56	3.47	3.20	2.54	2.78	2.60	2.65
Regional Dev't Bank	3.30	3.23	2.68	2.62	2.77	2.54	2.13	2.26	2.28	2.36
Domestic Private Bank	3.04	2.68	2.47	2.55	2.83	2.91	2.45	2.51	2.48	2.50
Foreign Bank	1.89	1.44	1.71	1.66	1.36	2.80	1.46	1.44	1.46	1.45
Banking Industry	2.93	2.59	2.37	2.53	3.06	3.00	2.44	2.58	2.49	2.53

# NPL by Loan Types

NPL for all loan types mostly stable in Apr-23

Loan Types	NPL (%)													Nominal (IDR tn) Apr-23
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Mar-23	Apr-23	
Working Capital	2.2	2.0	2.5	3.0	3.6	3.2	2.8	3.2	3.9	4.0	3.3	3.4	3.4	98.9
Investment	1.7	1.7	2.3	2.6	3.2	2.6	2.4	2.3	3.0	2.7	2.0	1.9	1.9	32.9
Consumption	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.6	1.8	1.7	1.5	1.6	1.7	31.5

# NPL by Industries

NPLs of most industries flat in Apr-23

Industries													NPL (%)	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Mar-23	Apr-23	
<b>Agriculture</b>	1.9	1.5	1.8	1.9	2.2	1.4	1.3	1.7	2.1	1.7	1.6	1.7	1.7	
<b>Mining</b>	1.2	1.5	2.5	4.1	7.2	6.2	4.4	3.7	7.1	4.6	2.7	2.7	2.6	
<b>Manufacturing</b>	2.4	1.7	1.9	2.5	3.4	2.7	2.8	3.8	4.9	5.1	3.5	3.7	3.6	
<b>Utilities</b>	0.4	0.7	1.9	2.3	1.6	1.1	2.3	3.4	4	4.6	3.3	3.5	3.5	
<b>Construction</b>	3.6	4.1	4.6	4.1	3.9	3.7	2.5	2.6	2.8	2.9	2.7	2.7	2.8	
<b>Trade, Hotel and Restaurant</b>	2.4	2.3	3	3.4	4.1	4.1	3.5	3.5	4.2	3.9	3.6	3.7	3.8	
<b>Transportation and Communication</b>	2.1	2	3.2	3.8	4.8	3.7	3.8	3.7	4.5	4.3	3.8	3.9	3.9	
<b>Business Services</b>	1	1.1	1.5	1.7	2	1.6	3.6	2.8	3.1	3.3	2.7	2.3	2.1	
<b>Social Services</b>	2.6	1.8	2.3	2.5	2.1	1.9	1.9	1.1	1.4	1.7	1.2	0.9	0.9	
<b>Other</b>	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.4	1.9	2.1	1.4	1.2	1.3	

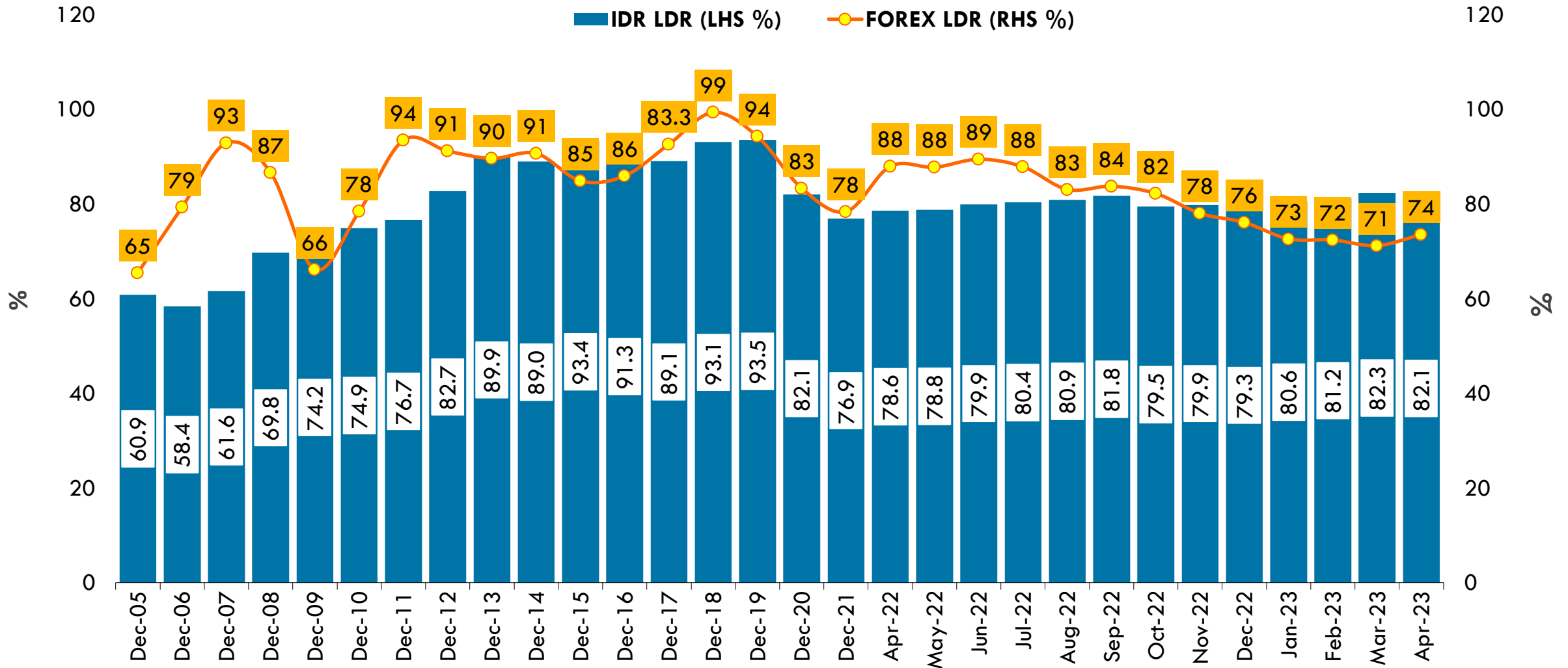
# LDR by Bank Category

Both IDR and FX liquidity is relatively still ample

Category	LDR (%)								
	2016	2017	2018	2019	2020	2021	2022	Mar-23	Apr-23
SOE Bank	88.7	88.7	92.8	94.2	85.1	82.5	80.8	85.9	86.5
Regional Dev't Bank	93.7	87.6	88.9	88.1	83.1	75.9	77.9	78.5	77.6
Domestic Private Bank	88.6	89.5	94.6	93.7	78.8	72.4	77.7	77.1	77.3
Foreign Bank	122.4	122.2	139	126.5	95.9	81.3	72.3	65.9	67.8
Banking Industry	90.7	90	94.8	94.4	82.5	77.5	79.0	80.8	81.1

# LDR by Currencies

FX liquidity is still ample, reflected in the declining LDR

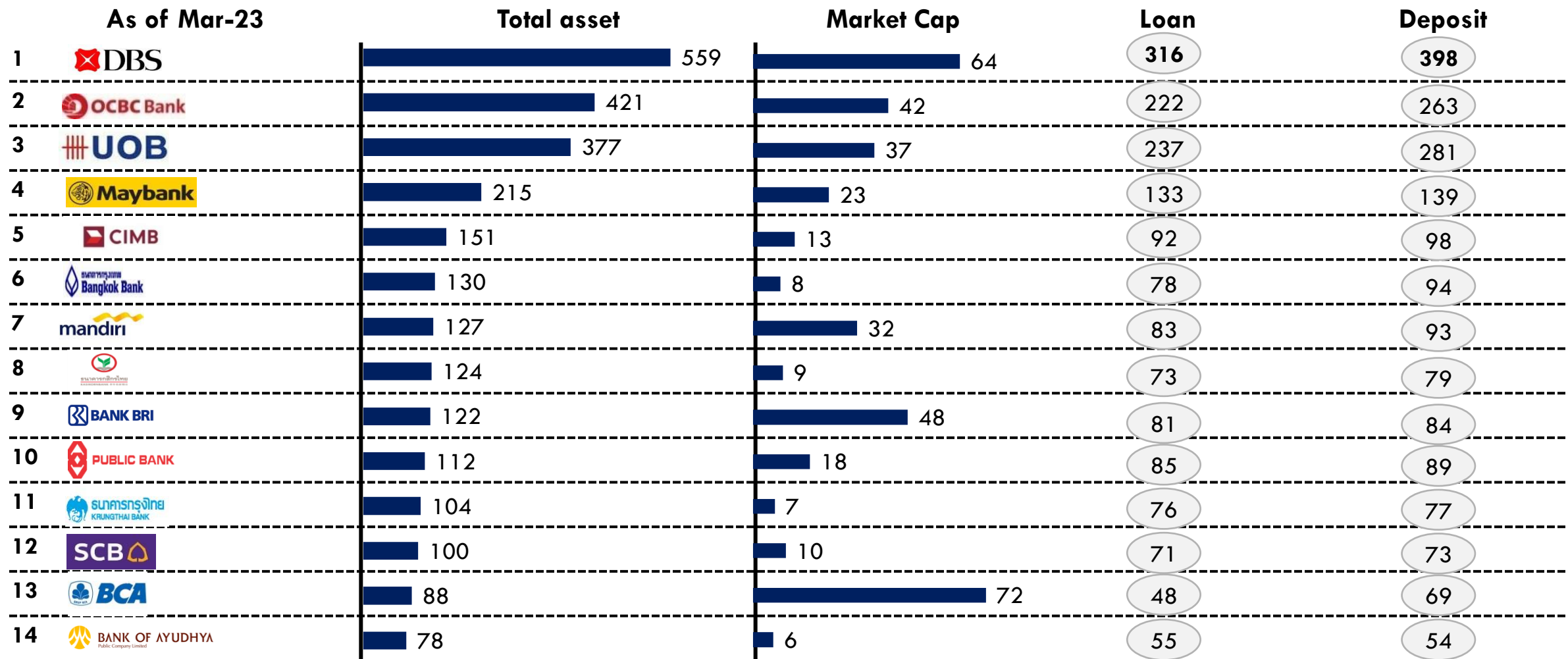


# Islamic Banking: Recent Development

Islamic Banking Network	2014	2015	2016	2017	2018	2019	2020	2021	2022	Feb-23	Mar-23
<b>Islamic Commercial Bank</b>											
Number of Banks	12	12	13	13	14	14	14	12	13	13	13
Number of Offices	2,151	1,990	1,869	1,825	1,875	1,919	2,034	2,035	2,007	2,002	1,930
<b>Islamic Business Unit</b>											
Conventional Banks that have Islamic Business Unit	22	22	21	21	20	20	20	21	20	20	20
Number of Offices	320	311	322	344	354	381	392	444	438	453	453
<b>Sharia Commercial Bank and Sharia Business Unit Operation</b>											
Number of Banks	34	34	34	34	34	34	34	35	33	33	33
Number of Offices	2,471	2,301	3,259	2,169	2,229	2,300	2,426	2,479	2,445	2,455	2,383
<b>Growth of Assets of Sharia Bank (IDR bn)</b>											
Sharia Commercial Banks	204,961	213,423	254,184	288,027	316,691	350,364	397,073	441,789	531,860	525,393	539,919
Sharia Business Units	67,383	82,839	102,320	136,154	160,636	174,200	196,875	234,947	250,240	245,898	253,680
<b>Earning Assets of Sharia Bank (IDR bn)</b>											
Financing	249,560	270,735	324,034	382,697	438,338	484,059	550,949	629,062	707,008	707,839	727,376
a, Current	227,257	241,755	295,826	352,038	411,771	455,068	520,409	602,159	678,453	674,375	695,895
b, Special Mention	13,406	19,507	17,680	19,517	17,346	17,923	18,331	15,843	16,697	21,383	19,399
c, Sub-Standard	2,474	2,417	3,015	3,376	2,070	3,407	3,027	2,991	3,067	3,259	3,283
d, Doubtful	1,702	924	1,326	1,919	1,474	954	1,382	1,653	1,379	1,320	1,315
e, Lost	4,721	6,132	6,187	5,847	5,676	6,707	7,800	6,415	7,412	7,502	7,483
Non-Performing Financing (Nominal)	8,632	9,473	10,528	11,142	9,132	11,068	12,209	11,059	11,857	12,082	12,082
Ratio Non-Performing Financing (%)	4,95	4,84	4,42	4,77	2,85	3,11	3,08	2.57%	2.31%	2.35%	2.30%

# Comparison of asset, market cap, loan and deposit of ASEAN banks

Singaporean banks were still dominating in terms of total asset, loan and deposit



# EQUITY AND BOND MARKET DEVELOPMENT

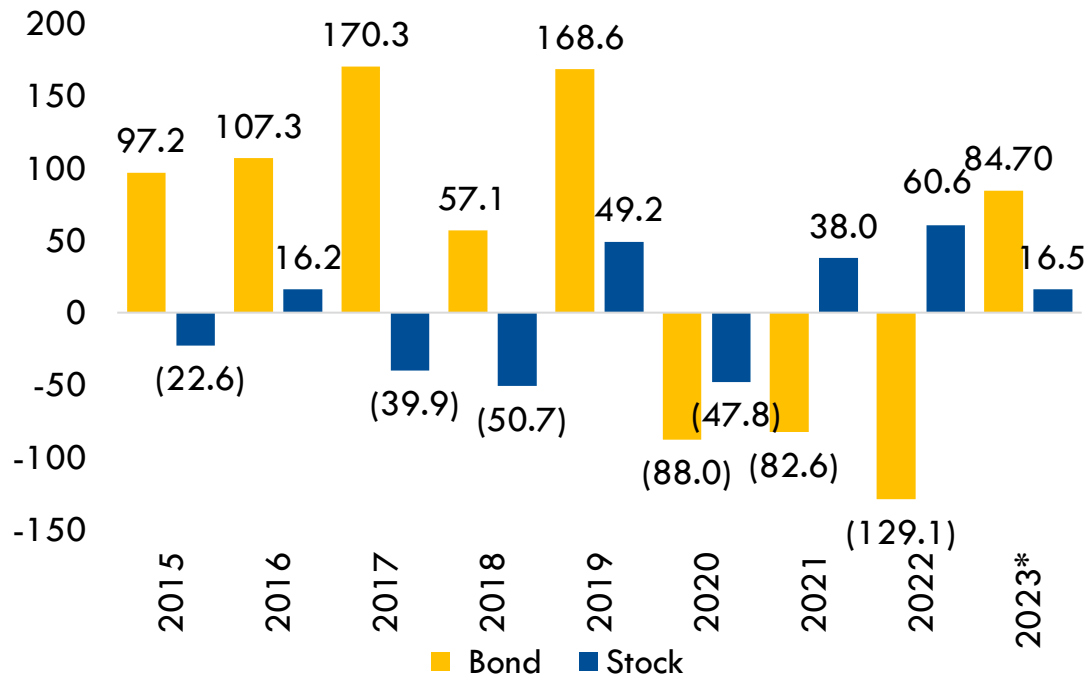


# Foreign Capital Flows in Stock and Bond Market

Capital market posted net inflow of IDR101.2 tn in 2023 ytd

## Yearly Net Capital Inflow/Outflow in Stock and Bond Markets (IDR tn)

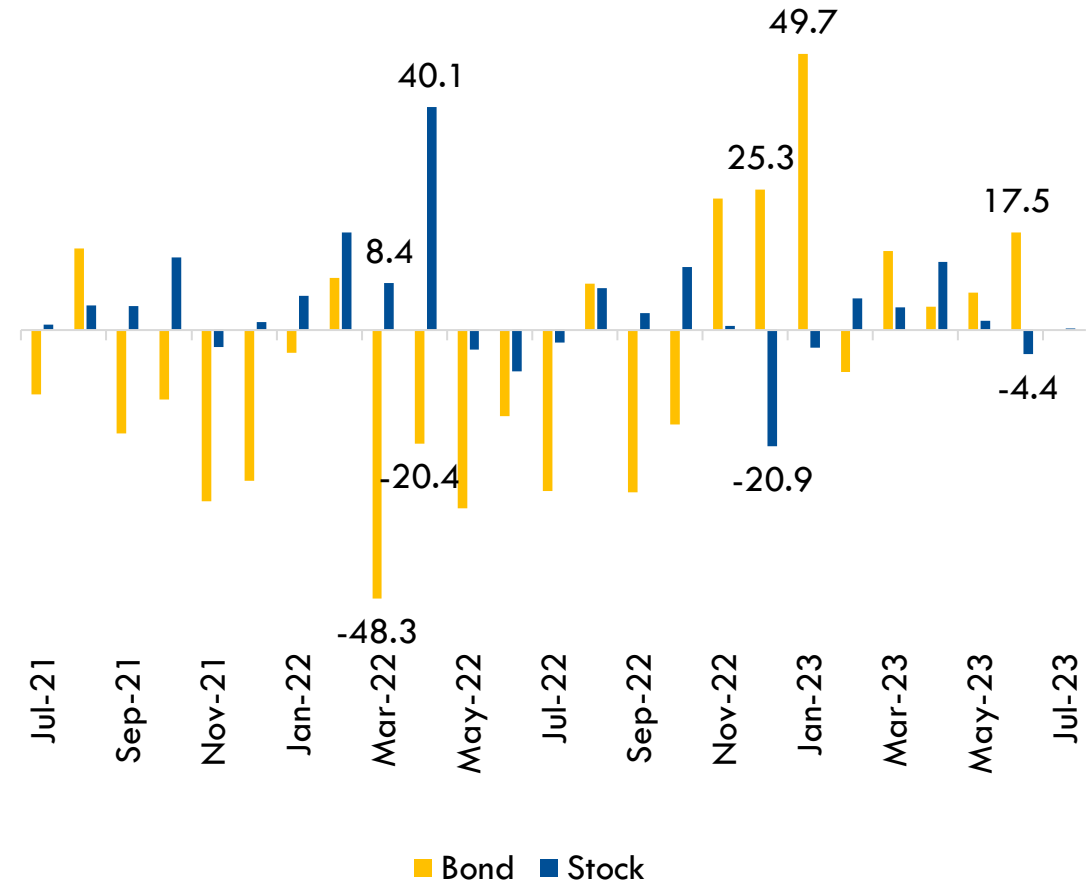
Bond market as of 27 Jun-23: Net inflow IDR84.7 tn ytd  
 Stock market as of 03 Jul-23: Net inflow IDR16.5 tn ytd



2015: Net inflow of IDR74.6 tn  
 2016: Net inflow of IDR123.5 tn  
 2017: Net inflow of IDR130.5 tn  
 2018: Net inflow of IDR6.4 tn

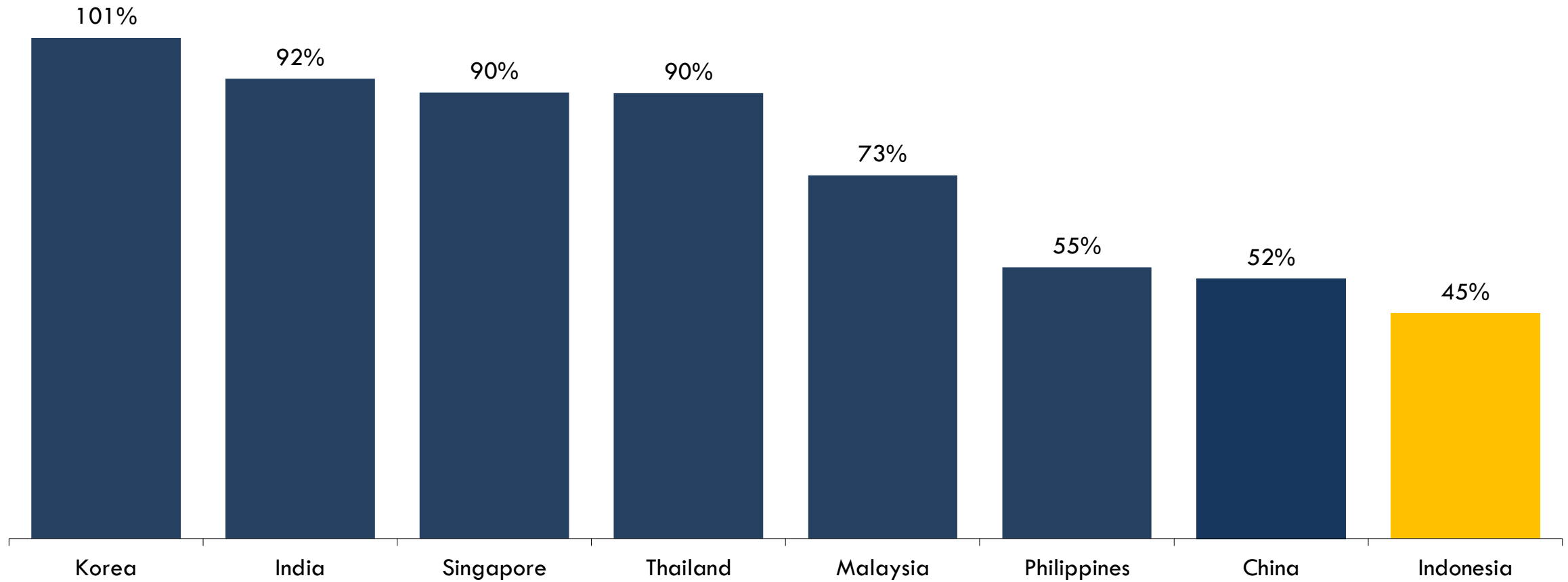
2019: Net inflow of IDR217.8 tn  
 2020: Net outflow of IDR135.8 tn  
 2021: Net outflow of IDR44.6 tn  
 2022: Net outflow of IDR68.5 tn  
 \*2023: Net inflow of IDR101.2 tn

## Monthly Net Capital In Outflow in Stock Market (IDR tn) mtd



# Market Capitalization to GDP Comparison in Asia

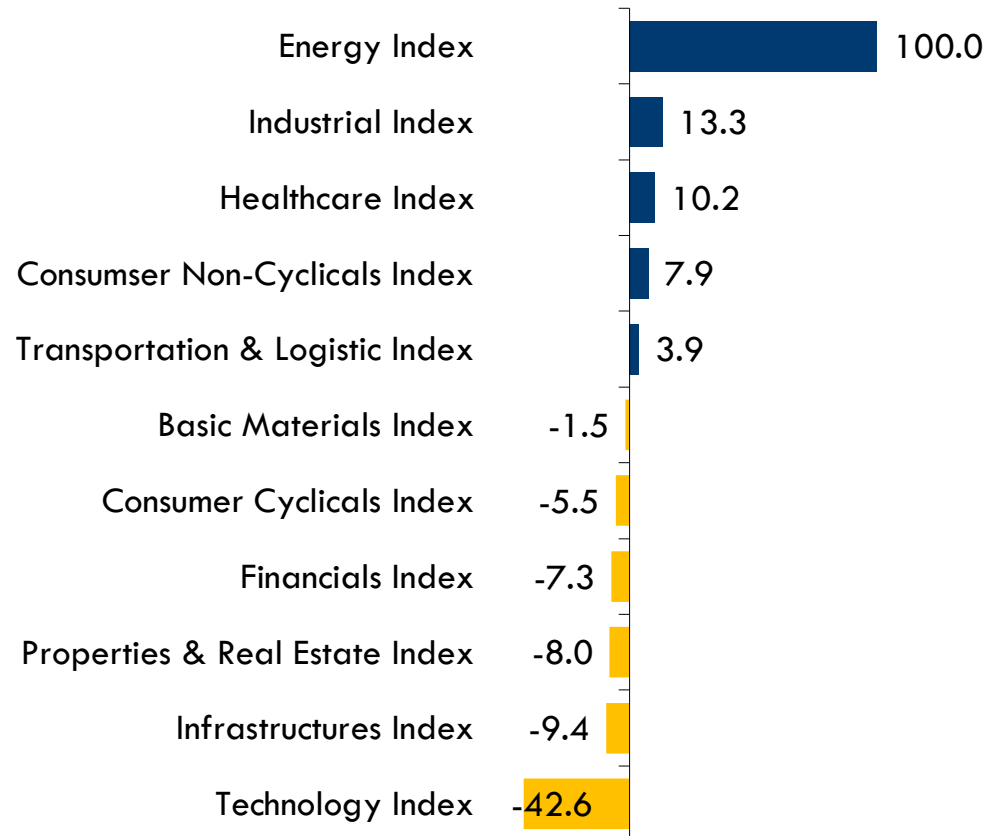
Indonesia has the lowest market cap to GDP ratio



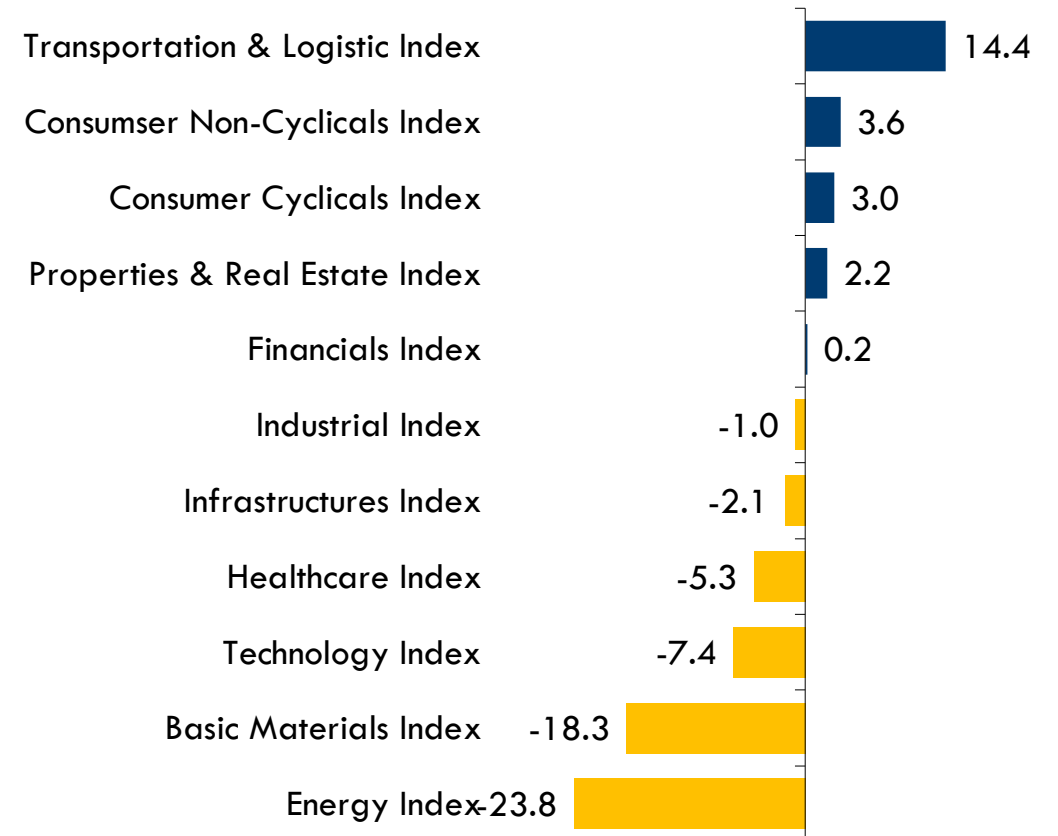
# Sectoral Index in Indonesia Stock Exchange

Transportation & Logistic index improved the most in 6M23

## Index Performance - 2022 (%)



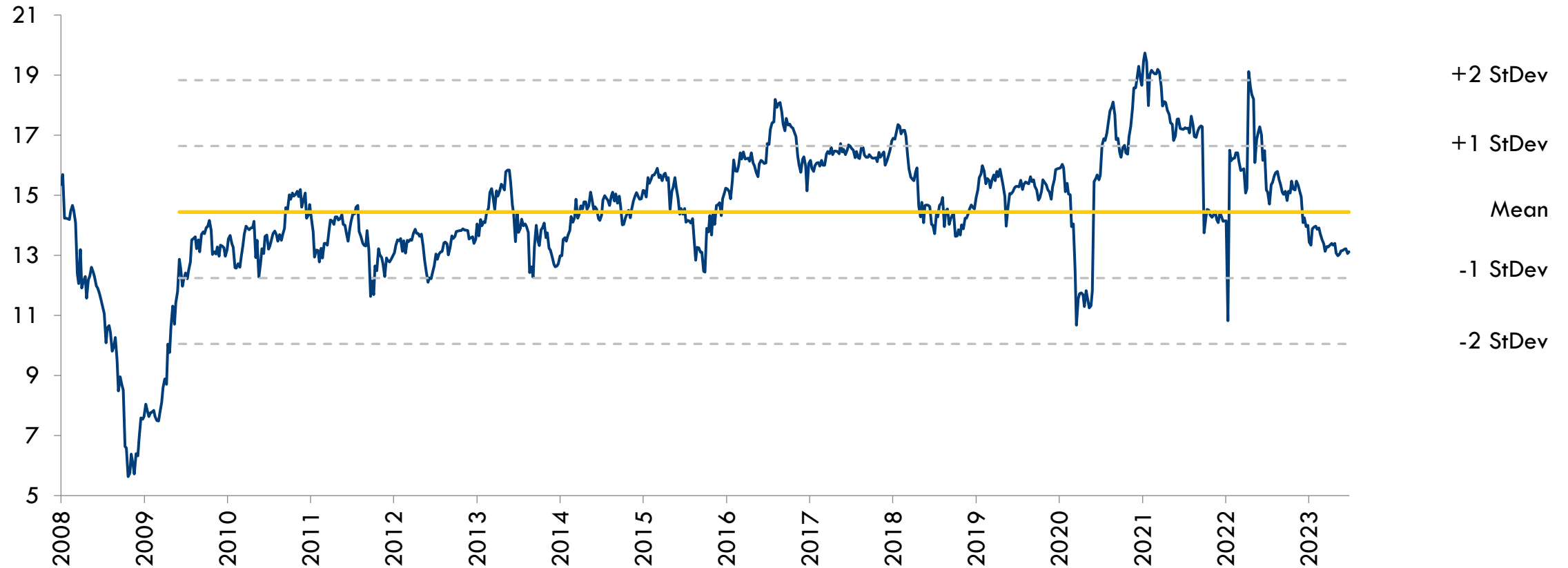
## Index Performance - 6M23 (%)



# JCI 12M Forward PER band is 13.2x, below the average of 14.4x

## Jakarta Composite

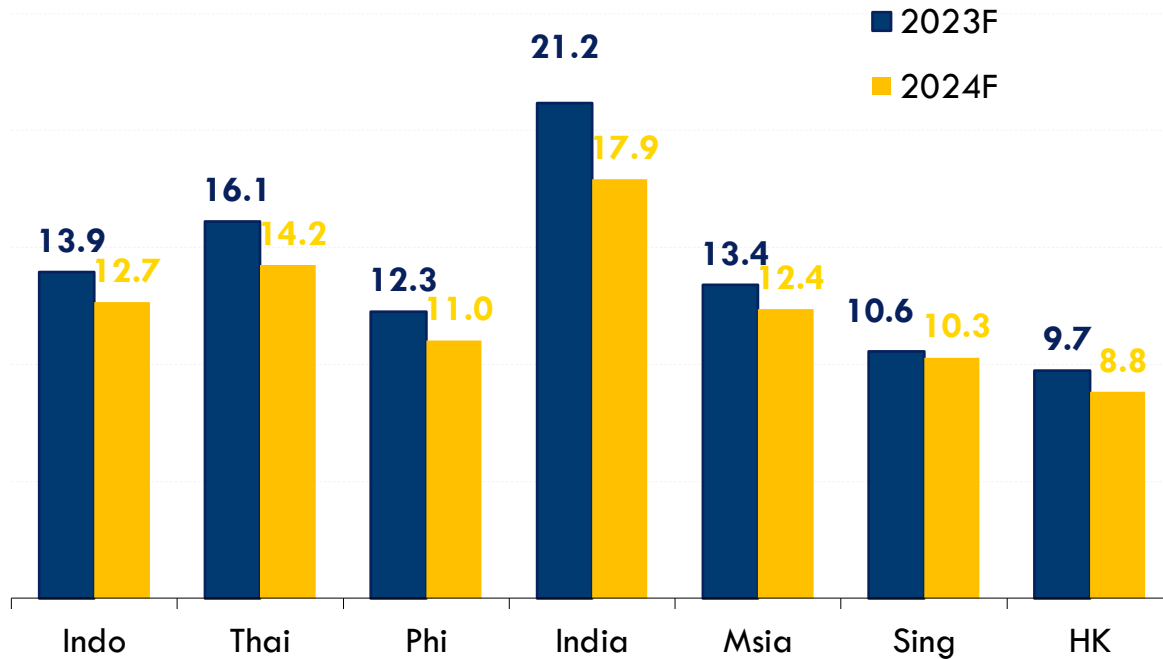
12M fwd PE



# PE Ratio Comparison in Asia

At 13.7x PER23F, the JCI's valuation is relatively in-line with peers

PER comparison

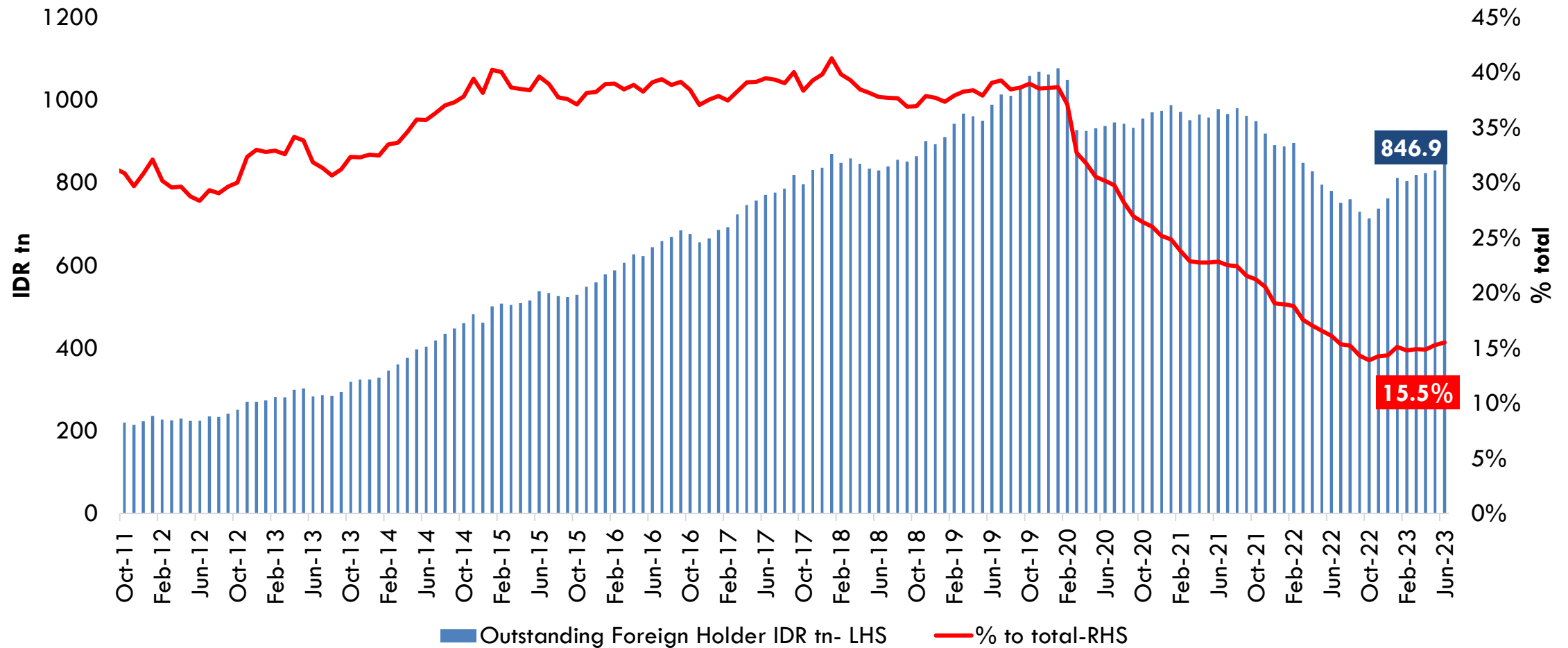


EPS Growth comparison

	EPS Growth	
	FY23	FY24
Hong Kong	-27.9%	10.3%
Indonesia	-6.1%	10.2%
India	19.2%	18.2%
Malaysia	9.1%	8.5%
Phillipines	23.4%	11.3%
Thailand	-18.2%	13.2%

# Foreign Investor Activity in Government Bond

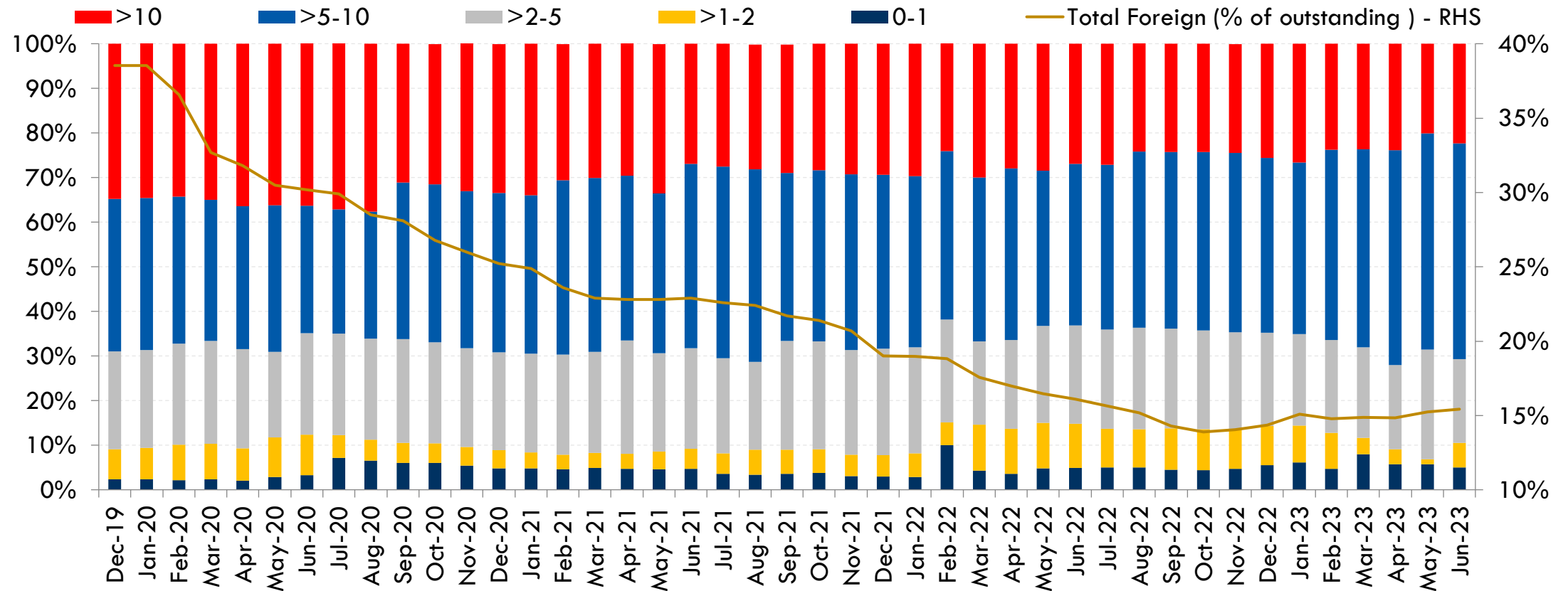
Foreign ownership in the government bond as of 27-Jun-23 was IDR846.9 tn (15.5% of total)



# Foreign Bond Ownership: Portfolio Distribution by Tenor

Foreign investors accumulated longer term government bonds (>5 year)

Foreign ownership in SBN by tenor



# MACROECONOMIC FORECAST



# Consensus Forecast: GDP Growth

Market expects Indonesia's economic growth to slow down in 2023

Country	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US	3.7	1.8	1.9	0.9	1.8	2.0	1.1	0.4	2.1	1.3	0.7
UK	10.5	3.8	2.0	0.6	0.2	0.2	0.4	0.3	4.3	0.2	0.9
Euro Zone	5.5	4.4	2.5	1.8	1.0	0.5	0.4	0.7	3.5	0.6	1.0
Australia	3.0	3.1	6.0	2.6	2.3	1.6	1.1	0.7	3.7	1.5	1.5
Japan	0.7	1.8	1.5	0.4	1.9	0.7	1.3	1.3	1.1	1.2	1.1
China	4.8	0.4	3.9	2.9	4.5	7.5	5.0	5.4	3.0	5.5	4.8
Indonesia	5.0	5.5	5.7	5.0	5.0	4.9	5.0	4.9	5.3	5.0	5.0
Brazil	2.4	3.7	3.6	1.9	4.0	2.3	1.4	1.7	2.9	2.1	1.5

# Consensus Forecast: Inflation Rate

Indonesia's average inflation will remain relatively high in 2023

Country	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US	8.0	8.7	8.3	7.1	5.8	4.1	3.5	3.2	8.0	4.1	2.6
UK	6.2	9.2	10.0	10.8	10.2	8.3	6.6	4.5	9.1	7.2	2.9
Euro Zone	6.1	8.0	9.3	10	8.0	6.2	4.8	2.9	8.4	5.4	2.5
Australia	5.1	6.1	7.3	7.8	7.0	6.3	5.3	4.3	6.6	5.6	3.2
Japan	0.9	2.5	2.9	3.8	3.6	3.2	2.7	2.0	2.5	2.8	1.5
China	1.1	2.2	2.7	1.8	1.3	0.2	0.6	1.2	2.0	1.2	2.2
<b>Indonesia</b>	<b>2.3</b>	<b>3.8</b>	<b>5.2</b>	<b>5.6</b>	<b>5.2</b>	<b>4.0</b>	<b>3.5</b>	<b>3.2</b>	<b>4.2</b>	<b>4.0</b>	<b>3.1</b>
Brazil	11.3	11.9	8.7	6.1	5.3	3.6	5.4	5.2	9.3	5.0	4.2

# Consensus Forecast: Exchange Rates

Rupiah exchange rate is expected to appreciate in 2023

Currency	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
EUR/USD	1.11	1.05	0.98	1.07	1.08	1.09	1.1	1.12	1.07	1.12	1.15
GBP/USD	1.31	1.22	1.12	1.21	1.23	1.27	1.25	1.26	1.21	1.26	1.29
USD/JPY	121.70	135.72	144.74	131.12	132.86	144.31	136.00	132.00	131.12	132.00	125.00
AUD/USD	0.75	0.69	0.64	0.68	0.67	0.67	0.68	0.69	0.68	0.69	0.72
USD/IDR	<b>14,363</b>	<b>14,903</b>	<b>15,227</b>	<b>15,573</b>	<b>14,996</b>	<b>15,066</b>	<b>14,800</b>	<b>14,700</b>	<b>15,573</b>	<b>14,700</b>	<b>14,500</b>
USD/SGD	1.35	1.39	1.44	1.34	1.33	1.35	1.33	1.32	1.34	1.32	1.30
USD/CNY	6.34	6.70	7.12	6.90	6.87	7.25	7.09	6.95	6.90	6.95	6.70

# Consensus Forecast: Central Bank Rates

Most central banks will continue to hike policy rates in 2023

Interest Rate	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F	2022	2023F	2024F
US Fed Rate	0.50	1.75	3.25	4.50	5.00	5.25	5.45	5.35	4.50	5.35	3.90
JP BOJ Rate	0.00	0.00	-0.10	0.00	0.00	-0.10	0.00	0.00	0.00	0.00	0.00
ECB Refinancing Rate	0.00	0.00	1.25	2.50	3.50	4.00	4.25	4.25	2.50	4.25	3.50
UK BOE Bank Rate	0.75	1.25	2.25	3.50	4.25	5.00	5.40	5.35	3.50	5.35	4.20
AU RBA Cash Rate	0.10	0.85	2.35	3.10	3.60	4.10	4.45	4.50	3.10	4.50	3.70
CN PBoC Rate	3.70	3.70	3.65	3.65	3.65	3.55	4.30	4.30	3.65	4.30	
BI 7DRRR	3.50	3.50	4.25	5.50	5.75	5.75	5.60	5.55	5.50	5.55	4.80

# Bank Mandiri's Macroeconomic Forecast

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023F
<b>National Account</b>											
Real GDP (% yoy)	5.56	5.01	4.88	5.03	5.07	5.17	5.02	-2.07	3.70	5.31	5.04
Real Consumption: Private (% yoy)	5.43	5.15	4.96	5.01	4.94	5.05	5.04	-2.63	2.02	4.93	5.00
Real Consumption: Government (% yoy)	6.75	1.16	5.31	-0.14	2.12	4.82	3.27	2.12	4.24	-4.51	4.20
Real Gross Fixed Capital Formation (% yoy)	5.01	4.45	5.01	4.47	6.15	6.68	4.45	-4.96	3.80	3.87	4.75
Real Exports (% yoy)	4.17	1.07	-2.12	-1.66	8.9	6.51	-0.48	-8.42	17.95	16.28	8.04
Real Imports (% yoy)	1.86	2.12	-6.25	-2.41	8.07	12.14	-7.13	-17.60	24.87	14.75	7.14
GDP (IDR tn) - nominal	9,546.13	10,569.71	11,526.33	12,401.73	13,589.83	14,838.76	15,832.66	15,443.35	16,976.69	19,588.45	21,503.18
GDP (USD bn) - nominal	912.59	890.56	860.85	931.85	1,015.62	1,042.19	1,119.10	1,059.04	1,186.36	1,319.10	1,432.17
GDP per capita (USD) - nominal	3,667.70	3,531.64	3,369.80	3,601.98	3,878.03	3,932.58	4,192.77	3,928.69	4,350.68	4,783.27	5,130.76
<b>External Sector</b>											
Goods Exports (% yoy)	-2.81	-3.73	-14.93	-3.12	16.90	7.01	-6.79	-3.00	42.49	25.64	2.20
Goods Imports (% yoy)	1.35	4.51	19.75	4.39	-16.20	-20.58	8.85	18.09	-39.92	-21.60	10.94
Goods Balance (USD bn)	5.83	6.98	14.05	15.32	18.81	-0.23	3.51	28.30	43.81	62.67	43.971
Current Account (% of GDP)	-3.19	-3.09	-2.04	-1.82	-1.59	-2.94	-2.71	-0.42	0.30	1.00	-0.65
Current Account (USD bn)	-29.11	-27.51	-17.52	-16.95	-16.20	-30.63	-30.28	-4.43	3.51	13.13	-9.34
IDR/USD (period average)	10,439	11,875	13,394	13,305	13,384	14,247	14,141	14,543	14,321	14,874	15,031
IDR/USD (year end)	12,170	12,385	13,788	13,473	13,568	14,390	13,866	14,050	14,253	15,568	14,864
<b>Other</b>											
BI rate (% year end)	7.50	7.75	7.50								
BI 7 days reverse repo rate (% year end)				4.75	4.25	6.00	5.00	3.75	3.50	5.50	5.75
Headline Inflation (% yoy, period average)	6.40	6.40	6.40	3.50	3.81	3.20	3.03	2.04	1.56	4.21	4.62
Headline Inflation (% yoy, year end)	8.08	8.36	3.35	3.00	3.61	3.13	2.72	1.68	1.87	5.51	3.60
S&P's Rating - FCY	BB+	BB+	BB+	BB+	BBB-	BBB-	BBB	BBB	BBB	BBB	BBB
S&P's Rating - LCY	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB	BBB	BBB	BBB	BBB



**THANK YOU**

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