



INDONESIA ECONOMIC SUMMIT (IES) 2026

Turning Volatility into Velocity: Accelerating Inclusive Growth Through Reform

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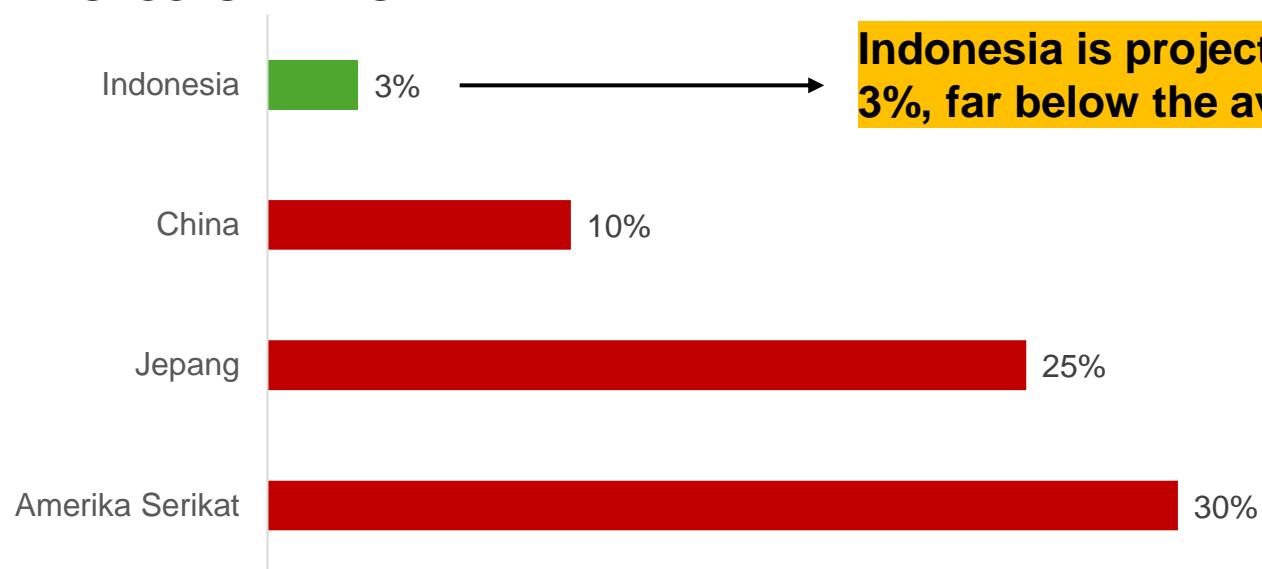


INDONESIA'S RESILIENCE IN 2026: ROBUST POLICIES IN A VOLATILE GLOBAL ENVIRONMENT

Drivers

- AI / Innovation spending:** productivity gains (innovation-supporting reforms)
- More Stable Inflation**
- Monetary Easing:** policy rates expected to decline
- Lower Energy Prices**

RECESSION PROBABILITY



A PUSH-PULL BETWEEN GLOBAL TAILWINDS



Challenges

- Tariffs / Protectionism:** “new wave of tariffs”
- Policy Uncertainty:** elevated trade & fiscal policy uncertainty
- Capital Outflows (EMs):** net outflows from emerging markets
- Debt / Fiscal Stress:** elevated debt & rising debt service; need rebuild fiscal space
- Geopolitical Shocks/ Geoeconomy confrontation:** commodity price spikes risk

Indonesia is projected to remain solid with a recession probability of only 3%, far below the average of other advanced and emerging countries.



... “**Robust & credible policies** keep Indonesia **resilient in 2026** by sustaining strong growth, more inclusive gains that **raise welfare** and kept aligned with **long-term national priorities** to sustain **high-quality development**.”

LATEST ECONOMIC INDICATORS SHOW POSITIVE PROSPECTS

Economic Growth 2025: Q3 → 5,04% YoY; 5,01% CtoC

- 2025e: 5.20%, 2026 target: 5.40%
- Almost all major GDP sectors recorded positive growth. The **manufacturing industry** made the largest contribution (19.15% of GDP)

Inflation Remains Under Control

- In January 2026, inflation reached **3,55% (yoy)** and deflation **0.15% (mtm)**. Core inflation stood at **2,45% (yoy)** and **0.37% (mtm)**, indicating relatively stable underlying inflationary pressures

Demand Side Remain Positive

- **Real Sales Index** growth remain positive at 4.4% yoy (Dec 2025)
- **Consumer Confidence Index** remains optimistic at 123.50 (Dec 2025)

Trade Balance Remain Surplus

- **Trade Balance December 2025:** Surplus of **USD2.51 billion** (Jan-Dec 2025 Surplus **USD 41,05 billion**), surplus for 68 consecutive months
- **Export Growth Rate 6.15% (ctc); Import Growth Rate 2.83% (ctc)**

Financial Market and External Indicators

- **Exchange Rate** was recorded at **Rp16.781/USD** (January 30, 2026)
- **Foreign Exchange Reserves** Remain high at **USD156,1 Billion**
- **Indonesia's Balance Of Payments Q3-2025**
 - a. **Overall Balance:** Deficit USD 6,4 billion
 - b. **Current Account:** Surplus of US D4,0 billion (1,1% GDP)
 - c. **Capital and Financial Account:** Deficit of USD 8,1 billion

Real Sector and Investment Climate

- **Manufacturing PMI January 2025:** 52,6 remain at expansion level
- **Indonesia's investment realization throughout 2025 was recorded at IDR 1,931.2 trillion**, exceeding the target of IDR 1,905.6 trillion (101.3% of the target).

Financial Sector Remain Strong

- **Credit Growth December 2025** remains positive at **9,69 (% YoY)**
- **Banking Liquidity (AL/DPK)** still maintained at **28,57% (Dec 2025)**

8-Point Capital Market Reform Agenda

Focus: liquidity quality, beneficial-ownership transparency, governance/enforcement, and integrated market market deepening

Liquidity

- 1. Free Float Policy:** raise minimum free float float to 15% for new IPOs; phased transition transition for existing issuers.

Transparency

- 2. Ultimate Beneficial Owner (UBO) Disclosure:** strengthen strengthen affiliation & UBO transparency; tighter supervision and enforcement.
- 3. Ownership Data Upgrade (KSEI):** more granular, reliable investor-type taxonomy aligned to global best practices; stronger shareholder disclosure rules.

Governance & Enforcement

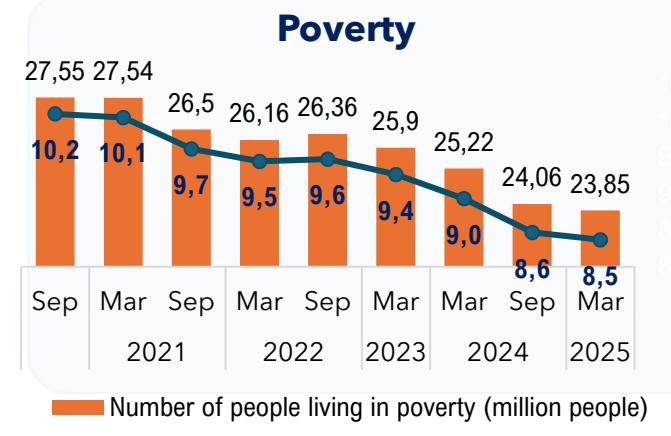
- 4. Exchange Demutualization:** prepare implementation to mitigate mitigate conflicts of interest; OJK–Government coordination. coordination.
- 5. Rules & Sanctions:** sustained, decisive action against market abuse (e.g., manipulation, misleading disclosures).
- 6. Issuer Governance:** mandatory continuing education for boards/audit committees; CA certification for preparers of listed-company financial statements.

Market Deepening & Coordination

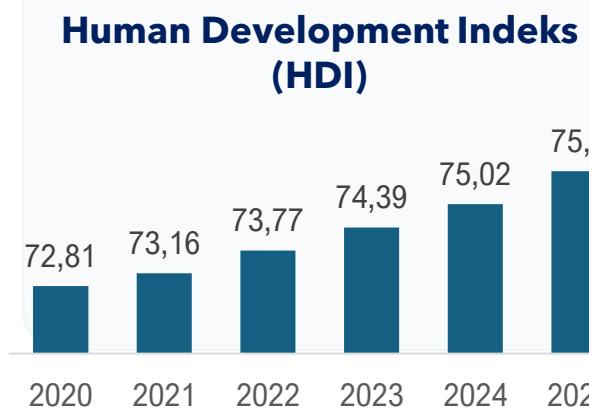
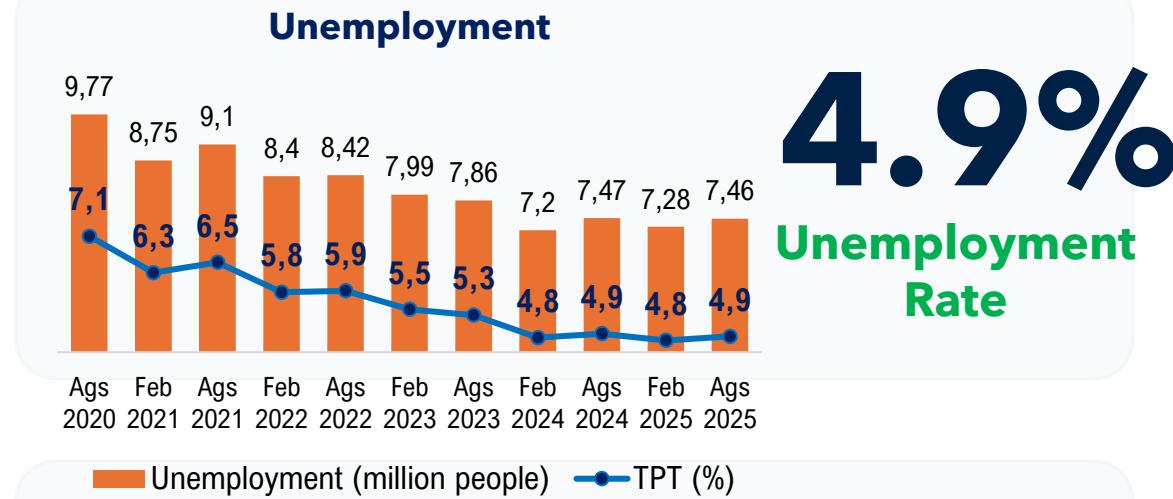
- 7. Integrated Market Deepening:** accelerate demand-, supply-, and infrastructure-side initiatives through a single integrated program.
- 8. Stakeholder Synergy:** deepen collaboration with Government, SROs, industry participants, and other strategic stakeholders for sustained structural reform.

QUALITY ECONOMIC GROWTH: PROVERTY RATE, UNEMPLOYMENT RATE, AND GINI RATIO ON A DOWNWARD TREND

Poverty, unemployment, and the Gini Ratio continue to decline. The number of people living in poverty decreased by 1,37 million (Mar24/Mar25), the number of unemployed fell by 4092 people (Ags24/Ags25), the share of formal workers increased to 42,4%, the gini ratio declined to 0,375, and the Human Development Index (HDI) continued to rise 75,9.



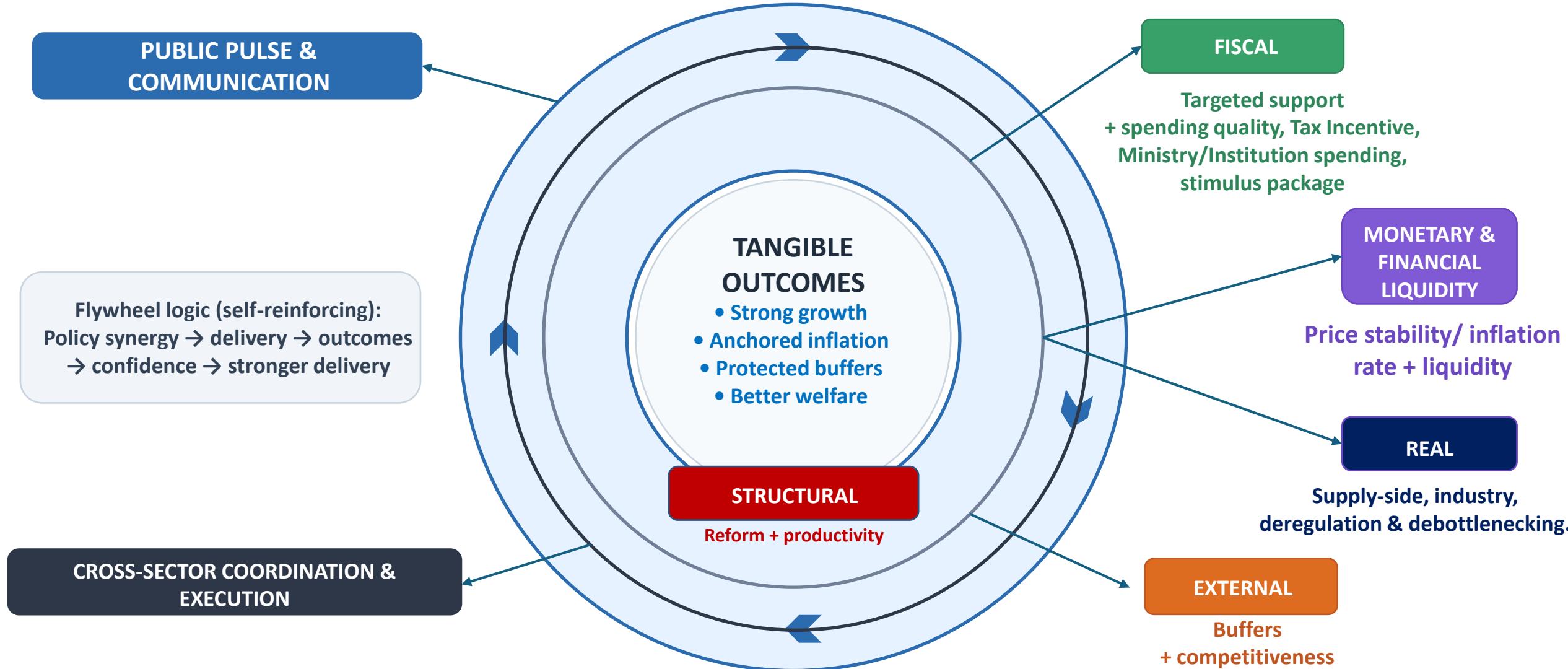
8.5%
Poverty Rate



75.9
Human Development Index



INDONESIA'S MACRO RESILIENCE IS BUILT THROUGH ROBUST POLICIES, CROSS-SECTOR COORDINATION, AND TRUSTED COMMUNICATION. NOT BY CHANCE



NATIONAL MEDIUM-TERM DEVELOPMENT PLAN (2025-2029): ACHIEVING AN ECONOMIC GROWTH RATE OF 8% BY 2029

- Historically, Indonesia has achieved an **economic growth rate of 8%** in 1968, 1973, 1977, 1980, and 1995, driven by **strong investment performance** and the expansion of the **manufacturing, automotive, and services sectors**.

PRIORITY GROWTH SECTORS 2025-2029

- **Services Sector** → Strengthening the financial sector, tourism, digitalisation, and the creative economy
- **Manufacturing** → Downstream processing, labour-intensive industries, export-oriented manufacturing
- **Agriculture** → Food self-sufficiency and the MBG programme
- **Renewable Energy** → Blue economy and green economy
- **Construction** → The 3-million homes development programme

FINANCING: FDI (Foreign Direct Investment) and off-budget (non-APBN) financing through DANANTARA

ENABLING MEASURES: Deregulation and stronger fiscal-monetary policy coordination



iqbal Asaputro/Suara



ECONOMIC STIMULUS PACKAGES TO SUPPORT PURCHASING POWER AND ADVANCE THE GROWTH OBJECTIVE

2025

Stimulus Package I

Jan-Feb 2025

Measures to support household purchasing power and business activity

Rp33,3T

Stimulus Package II

Jun-Jul 2025

Measures to stimulate domestic consumption:
Public transportation fare discounts

Rp24,4T

Stimulus Package III

Measures to sustain economic growth:

Rp15,6T

Stimulus Package IV

Oct-Dec 2025

Measures to safeguard purchasing power, strengthen economic activity, and support youth employment:

Rp37,4T

FREE NUTRITIOUS MEAL PROGRAM (MBG)

Free Meal Program Implementation (2025)

- Budget disbursed: **Rp51.5 tn**
- Direct benefits delivered to beneficiaries: **Rp43.3 tn**
- Beneficiaries (as of 7 Jan 2026): **56.13 million people**
- Service units established (**SPPG**): **19,343 units**
- Employment supported: **789,319 jobs**

Free Meal Program 2026

- Approx. **Rp390,000 per month**
- Coverage: **82.9 million** students, plus pregnant/breastfeeding mothers and toddlers
- Indicative Q1-2026 realization: **Rp60 tn**

2026

Stimulus Package Q1

Feb – Mar 2026

Measures to support purchasing power and facilitate mobility:

- Eid travel transportation discounts (rail, sea transport, ferry crossings, air transport)
- Government-borne VAT for air tickets (**VAT DTP**)
- Food assistance (rice and cooking oil)
- Graduate internship programme (continuation of the 2025 Q4 measure)

Rp12,83 T

IMPLEMENTATION OF RISK-BASED BUSINESS LICENSING TO IMPROVE COMPETITIVENESS, PROMOTE INVESTMENT AND INCREASE EXPORTS

The government issued **Government Regulation No. 28 of 2025** as a **replacement for Government Regulation No. 5 of 2021 on June 5, 2025**, which aims to **simplify processes, accelerate services, and provide clarity and legal certainty** for all business actors as well as harmony between central and regional policies.

3 MAIN CHANGES TO PP NO. 28 OF 2025



Implementation of service time (SLA/Service Level Agreement) in the process of issuing business permits



Implementation of Fictitious-Positive policies



The licensing process is carried out electronically through the OSS RBA system.

SINGLE PREFERENCE PRINCIPLE

PP No. 28 of 2025 is a single reference: there are **no additional requirements or permits** issued by ministries, institutions, regional governments, or area managers that **are not regulated in PP No. 28 of 2025**.

REGULATIONS IN PP 28/2025

Consists of 14 chapters :

- Addition of 2 New Chapters (Basic Requirements and PBUMKU)
- Reform of Basic Requirements
- Simplification of NSPK Chapters and adjustment of sector names to align with UUCK
- Improvement and Supplementation of Norms

Corrections to Appendix I – IV:

- Providing clarity
- Improving the substance of Appendices I and II
- Detailing the requirements and obligations of PB and PB UMKU

THE POTENTIAL FOR DOWNSTREAM INVESTMENT IN STRATEGIC COMMODITIES IS SPREAD ACROSS ALL REGIONS OF INDONESIA

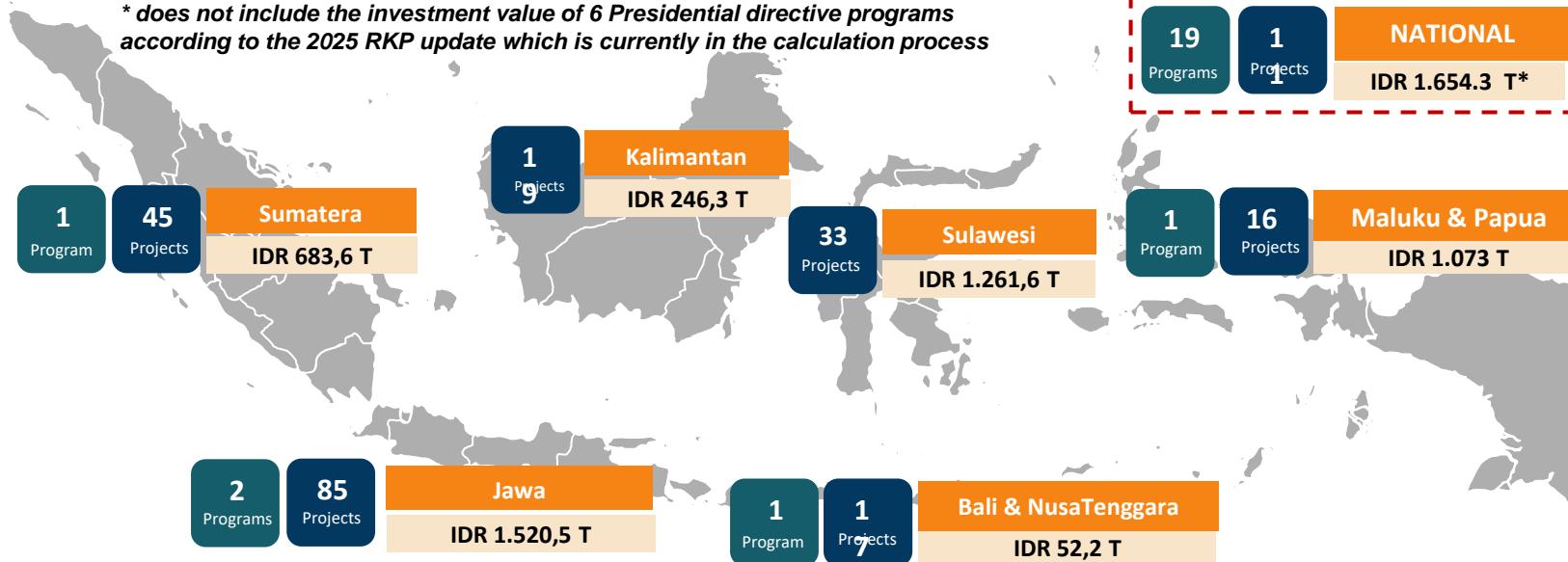
The utilization of Indonesia's natural resources has the potential to generate significant economic impacts by 2040, with investments reaching USD 618.1 billion, exports USD 857.9 billion, GDP contributions of USD 235.9 billion, and employment for approximately 3 million people.



DISTRIBUTION OF NATIONAL STRATEGIC PROGRAMS AND PROJECTS THROUGH COORDINATING MINISTER'S REGULATION 16/2025)

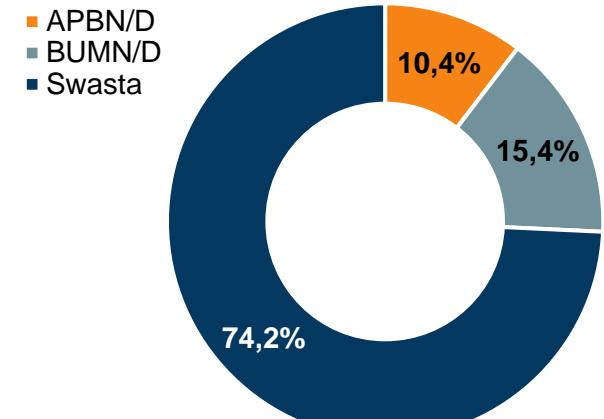
Based on Coordinating Minister's Regulation Number 16 of 2025, there are 226 Projects and 24 Programs as National Strategic Projects (PSN) with a potential investment value (Capex) of IDR 6,493 trillion*.

* does not include the investment value of 6 Presidential directive programs according to the 2025 RKP update which is currently in the calculation process



19 Programs
1 Projects
NATIONAL
IDR 1.654,3 T*

INVESTMENT FUNDING PLAN SCHEME PORTION



The total number of PPP projects in the National Strategic Project (PSN) reached 46, with the largest contribution coming from Roads and Bridges (33 projects). The rest were spread across the Clean Water & Sanitation (5 projects), Dams & Irrigation (1 project), Regions (1 project), Railways (2 projects), Ports (2 projects), and Technology (2 projects).

14 PSN SECTORS



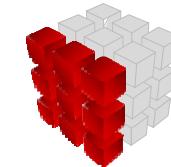
24 PROGRAMS



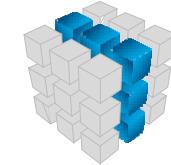
PRESIDENTIAL DIRECTIVE (11/01): INDONESIA WILL REVITALIZE AND STRENGTHEN A MODERN AND INTEGRATED TEXTILE INDUSTRY VALUED AT USD 100 BILLION



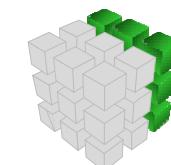
OBJECTIVES



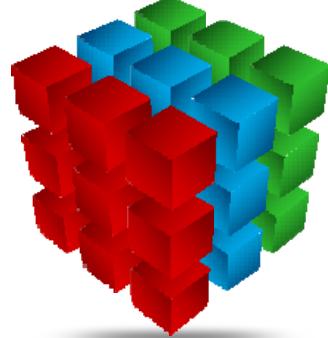
1 | Technology upgrade...



2 | Increasing vertical integration...



3 | Encouraging exports...



IMPACTS

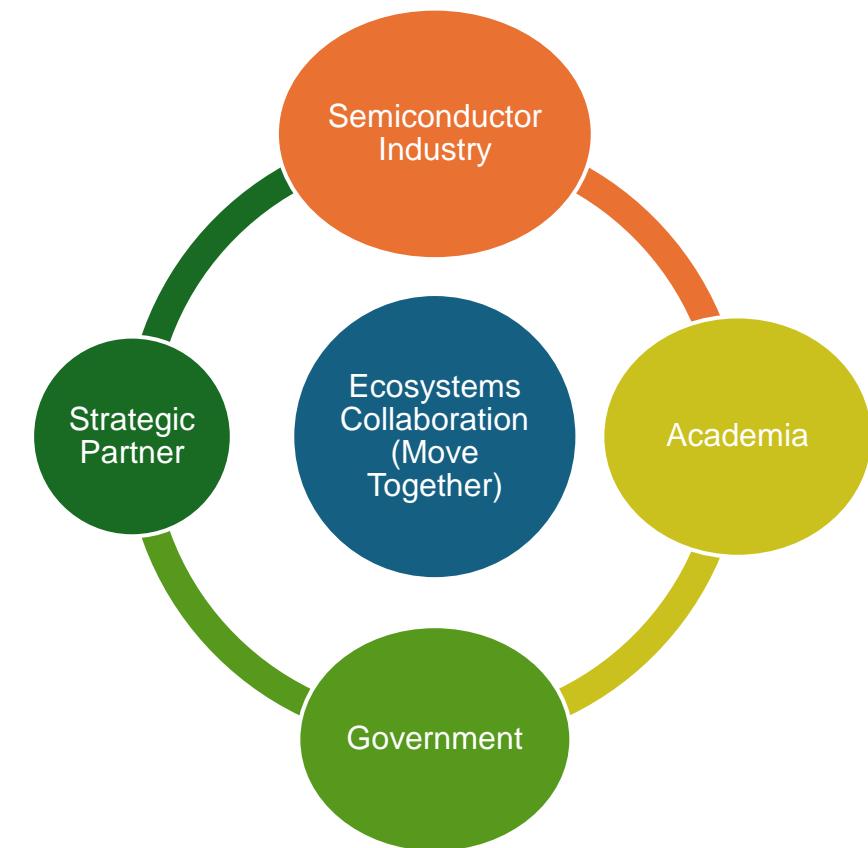
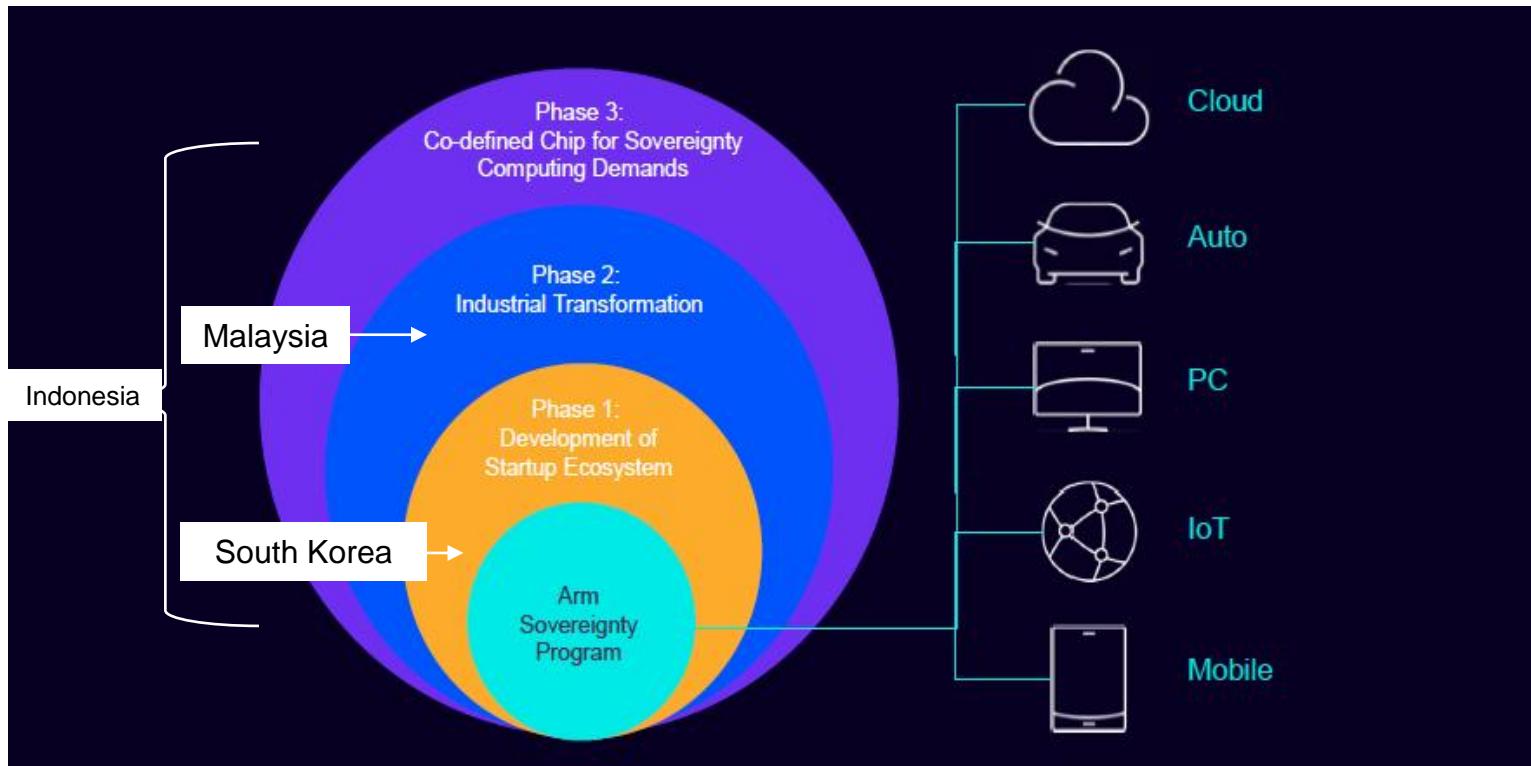
A new investment of US\$ 40 billion is needed across the textile value chain for modernization and expansion. An additional approximately US\$ 6 billion to US\$ 20 billion for retraining.

2 million new jobs were created and supported by skills development initiatives

Sustainable and circular production through increasing the share of renewable energy, efficient water use, and material recycling.

PRESIDENTIAL DIRECTIVE (11/01): INDONESIA WILL ALSO STRENGTHEN THE AUTOMOTIVE AND ELECTRONICS SECTORS THROUGH INVESTMENT IN THE DEVELOPMENT OF SEMICONDUCTOR TECHNOLOGY

The cooperation currently being initiated by the Government with a strategic partner will facilitate the preparation of Indonesia's semiconductor industry ecosystem, covering three phases simultaneously and saving years of research time. The President's focus is to build Indonesia's future chip industry, which will be utilized for the automotive, digital, and electronics sectors.



PRODUCTIVITY AND EMPLOYMENT ENHANCEMENT PROGRAM

01

University Graduate Internship Program
(100.000 fresh graduates)

02

Acceleration of the Welder and Hospitality Upskilling Program
(target: 500.000 workers)

03

Revitalization of Vocational Education Training
(link & match reformulation)

04

Protection for Digital Platform Workers

(Discounts on death benefits and work accident benefits for non-wage earners)

05

2026 Minimum Wage Determination

(reflecting a comprehensive effort to balance workforce welfare with industrial growth)

INDONESIA'S READINESS STRATEGY TO COMPETE IN THE DIGITAL AND INTELLIGENCE ECONOMY ERA

DIGITAL ECONOMY IN INTERNATIONAL AGREEMENTS

1. ASEAN DEFA (Digital Economic Framework Agreement)



- ❖ Through DEFA, the value of the digital economy has the potential to double to USD 2 trillion.

2. Indonesia Accession to the OECD



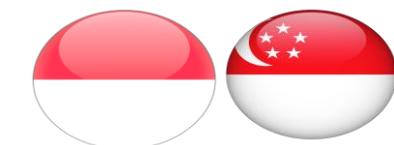
- ❖ On 3 June 2025, Indonesia through the Coordinating Minister For Economy Affairs, completed and submitted the OECD initial Memorandum (IM)
- ❖ In the IM, there are **2 instruments related to AI**:
 - Instrument 449: Recommendation of the Council on AI
 - Instrument 463: Data Sharing

3. IEU CEPA

The Digital Economy is also one of the clusters in the IEU-CEPA Agreement.

DIGITAL TALENT DEVELOPMENT

PROGRAM TECH X: INDONESIA-SINGAPURA



TECH:X PROGRAM: Is a digital talent exchange program between Indonesia and Singapore aimed at strengthening and enhancing the competencies and capacities of young talent in the digital sector.



DIGITALEMENT SCHOLARSHIP (DTS)

DTS is a competency development training program that has been provided to Indonesia's digital talent since 2018.



INTERNSHIP PROGRAM

Short-term target (2025): 20,000 fresh graduates or those who graduated within the past year, provided with a monthly stipend for six months.



GLOBAL ECONOMIC DIPLOMACY ACHIEVEMENTS

✓ **I-EU CEPA:** Market access covering 14.7% of global GDP.

✓ **I-Canada CEPA:** Tariff-free access for more than 90% Indonesian products.

✓ **I-EAEU FTA:** Market access to the Eurasian region.

✓ **Decarbonization:** Acceleration through AZEC & JETP toward a green economy.

✓ **U.S Tarif Negotiations :** finalized the agreement

✓ **Indonesia's Accession to the OECD:** high standards of governance.





Coordinating Ministry for Economic Affairs
Republic of Indonesia

THANK YOU
