COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
OF THE REPUBLIC OF INDONESIA

Presentation Book
of Investor Relations Unit:

Strengthening Synergy and Policy Coordination to Maintain Stability and Revive Economic Growth amidst Heightened Global Uncertainty

Assistant Deputy Minister for Macroeconomic and Fiscal Affairs
Deputy Minister for Economic and Investment Cooperation

April 2026 Edition

COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
OF THE REPUBLIC OF INDONESIA

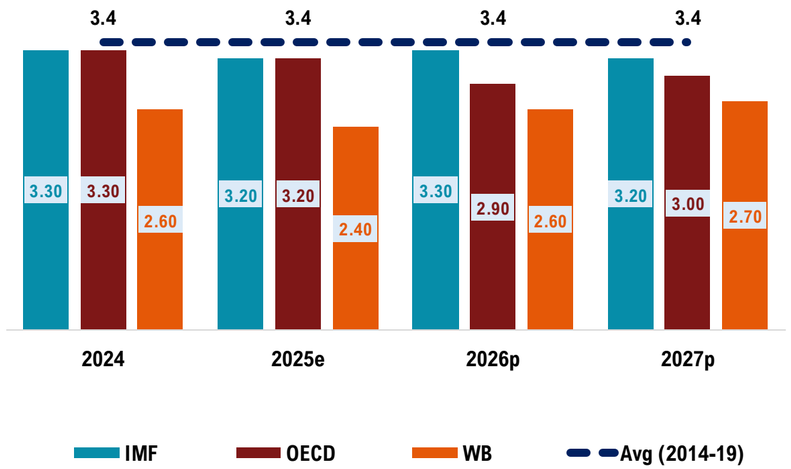
01 MACROECONOMIC UPDATES

Assistant Deputy Minister for Macroeconomic and Fiscal Affairs
Deputy Minister for Economic and Investment Cooperation

Global Tensions Are Easing, yet Future Challenges Remain

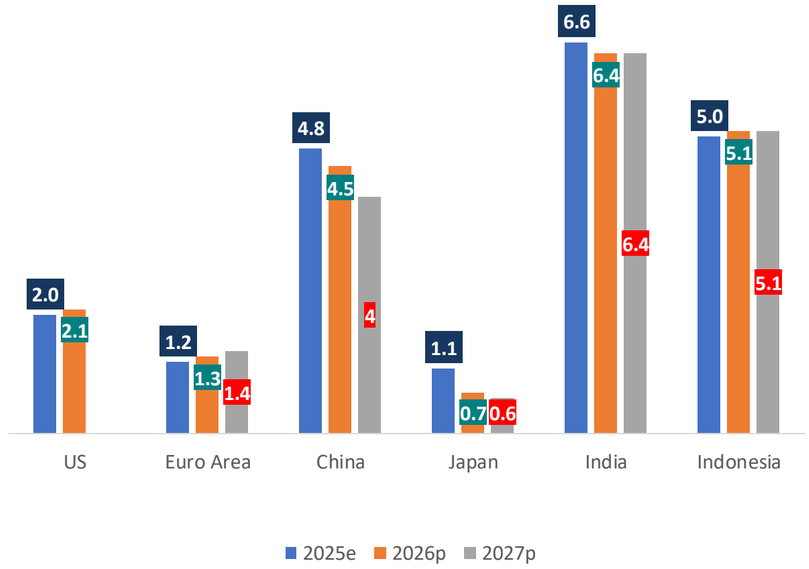
Global growth in 2026 and 2027 is projected quite resilient despite the conflict in the Middle East. Global growth is gradually able to overcome trade shocks and reciprocal tariffs by shifting supply chains and reaching trade agreements. However, challenges remain, particularly related to trade uncertainty, fiscal risks, weak domestic demand and geopolitical developments. Overall, Indonesia's outlook appears relatively resilient compared with its peers.

Global GDP Growth Projection (% YoY)



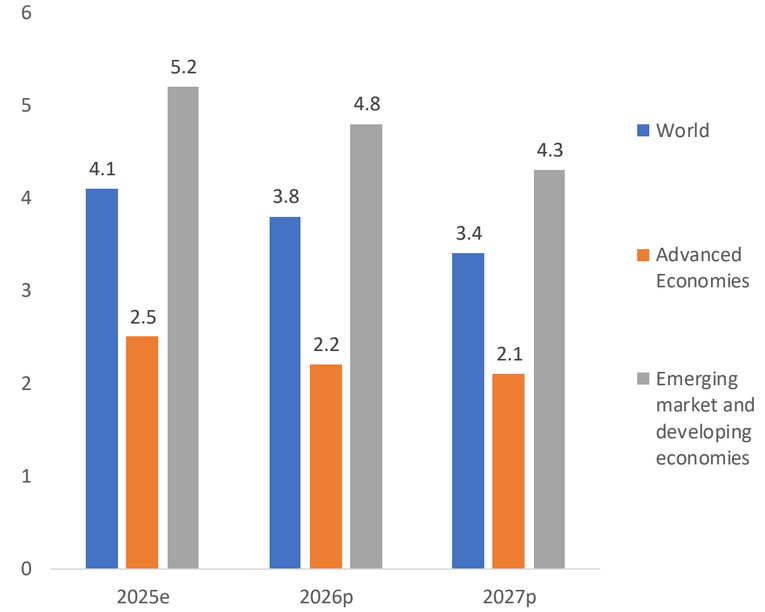
Source: EAP WB Oct'25, OECD Mar'26, WEO IMF Jan'26,

Estimated GDP Growth of Selected Country 2025-2027 (% YoY)



Source: WEO IMF Jan'26

Global Inflation Projection (Average CPI) (% YoY)



Source: WEO IMF Jan '26

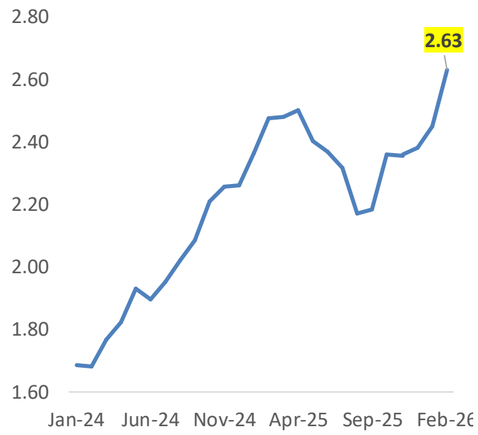
DOWNSIDE RISKS

1. **Escalation of Geopolitcal Tensions**
2. **Reevaluation of Technology Expectations**
3. **Escalating Trade Barriers & Policy Uncertainty**
4. **Tighter Global Financial Conditions**
5. **High Public & Private Debt**
6. **Weak Domestic Demand in Key Economies**

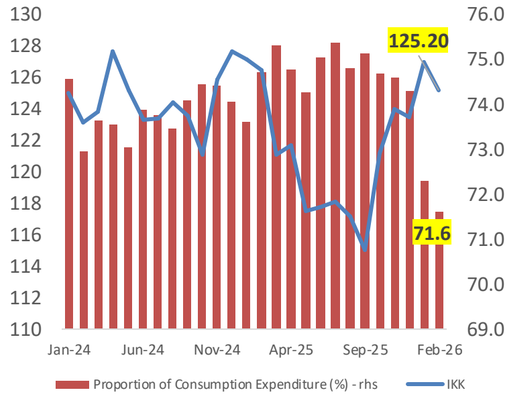
PERFORMANCE OF INDONESIA'S CONSUMPTION INDICATORS

Inflation of 2.63% and a 40% surge in e-money transactions, coupled with retail sales growth rising to 6.80%, indicate that consumption remains strong, despite consumer credit slowing to 6.58% and vehicle sales fluctuating.

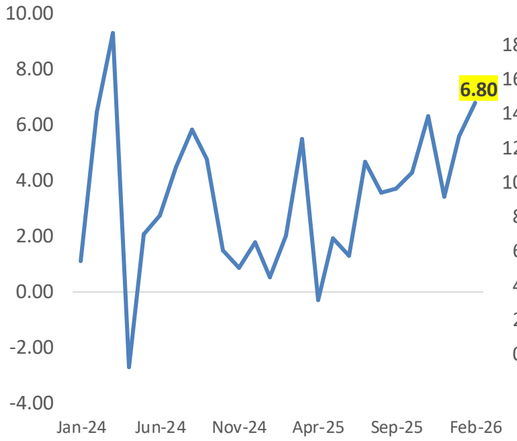
Core Inflation(%)



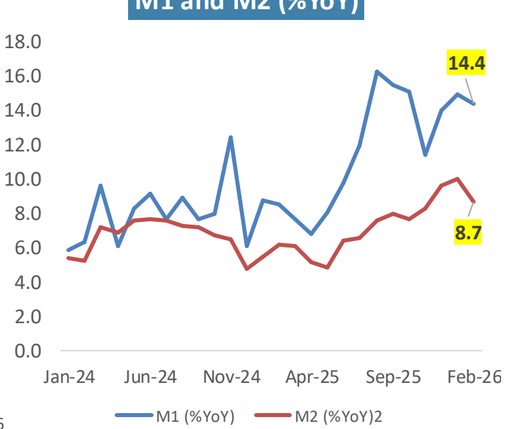
IKK and Proportion of Consumption Expenditure (%)



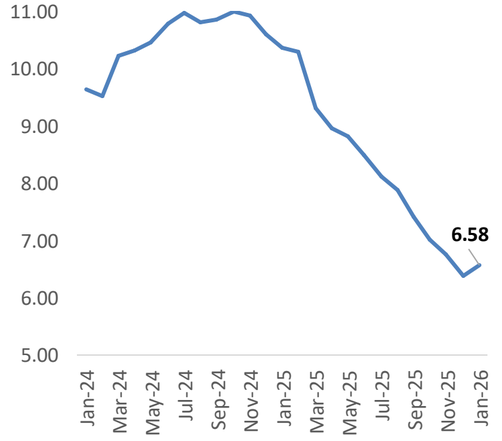
Retail Sales (%YoY)



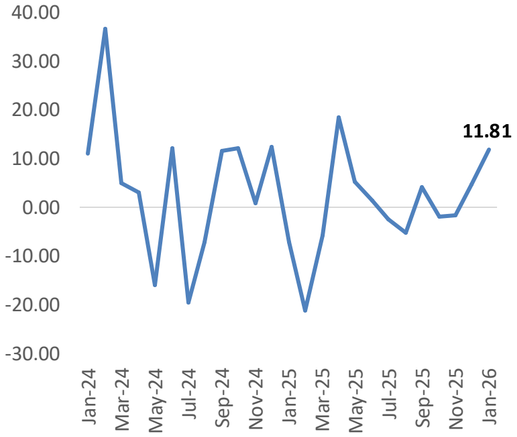
Money Supply M1 and M2 (%YoY)



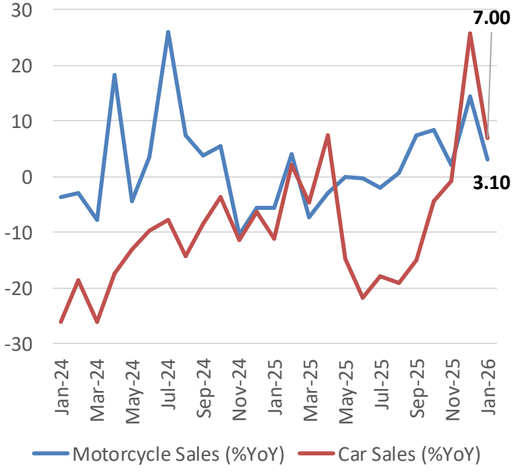
Consumer Credit (%YoY)



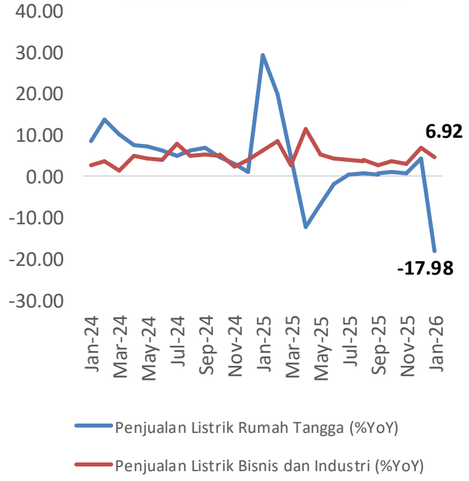
Imports of Consumer Goods (%YoY)



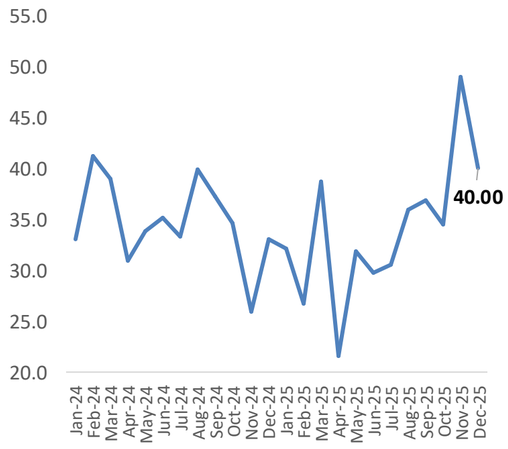
Vehicle Sales (%YoY)



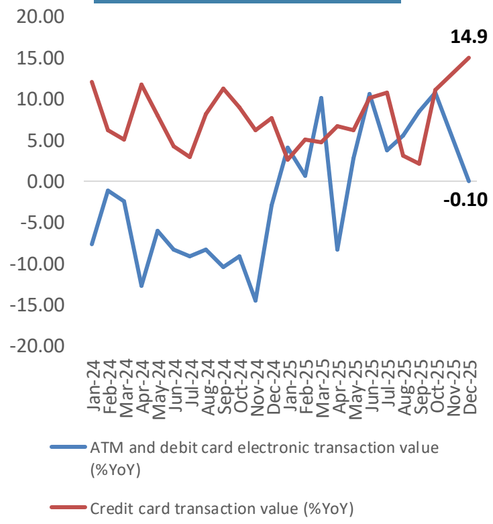
Electricity Sales (%YoY)



E-money transaction value (%YoY)



Transaction Value (%YoY)



Source: BPS, BI, PLN, CEIC (processed data)

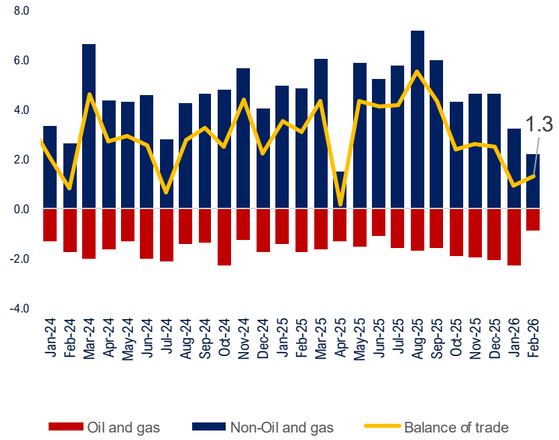
INDONESIA'S EXTERNAL SECTOR RESILIENCE AMID GLOBAL MARKET UNCERTAINTY

Indonesia's external sector performance in 2025 remains solid, with a consistent trade surplus and rising foreign exchange reserves amidst the rupiah's dynamic movements. Meanwhile, a decline in the external debt-to-GDP ratio to around 29.6% further strengthens the foundation of national economic resilience.

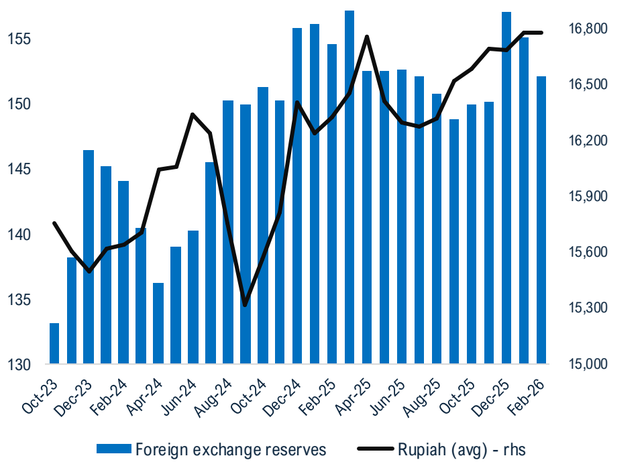
Indicator	Notes	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25*
Fed Funds Rate	*Up/Down (bps)*	0	0	0	0	0	0	0	0	-25	-25	0	-25
Indonesia 10-Year Government Bond Yield	*Up/Down (bps)*	-25	0	0	0	-25	0	-25	-25	-25	0	0	0
Yield US Treasury 10 T	*Up/Down (bps)*	-3.0	-33.0	-0.3	-4.3	23.9	-17.2	14.6	-14.6	-7.8	-7.3	-6.4	14.4
Indonesia Sovereign Yield Spread	*Up/Down (bps)*	0.4	-7.6	9.2	-13.1	-3.2	-20.9	-6.4	-21.0	0.8	-28.9	23.6	-16.3
IHSG (Indonesia Composite Index)	*Strenghten/Weaken (%)*	0.4	-11.8	3.8	3.9	6.0	-3.5	8.0	4.6	2.9	1.3	4.4	0.4
Exchange Rate (Rupiah)	*Apreciation/Depreciation (%)*	-1.2	-1.7	0.1	-0.2	1.9	0.3	-1.3	-0.2	-1.1	0.2	-0.2	-0.6
Net Foreign Flow-Stocks	*Inflow/Outflow (Trillion IDR)*	-3.7	-18.2	-8.0	-20.8	5.5	-8.4	-8.3	11.0	-3.8	13.0	12.2	11.2
Net Foreign Flow – Government Bonds (SBN)	*Inflow/Outflow (Trillion IDR)*	4.6	8.9	1.7	7.79	26.6	-7.6	17	18.1	-45.8	-30.0	-5.9	4.9
Net Foreign Flow – Central Bank Bills (SRBI)	*Inflow/Outflow (Trillion IDR)*	13.54	-7.58	4.09	-22.1	1.27	-23.33	-43.3	-24.3	-31.7	-4.0	-0.1	
Foreign Exchange Reserves	*Up/Down (Billion USD)*	0.2	-1.6	2.6	-4.6	0	0.1	-0.6	-1.3	-2.0	1.2	0.2	
Stock Market Capitalization	*Up/Down (Trillion IDR)*	-17	-1439	246	579	715	-242	1314	690	708	-33	769	
Trade Balance	*Surplus/Defisit (Billion USD)*	3.5	3.1	4.3	0.2	4.3	4.1	4.2	5.5	4.3	2.4		

Current Account (%GDP)

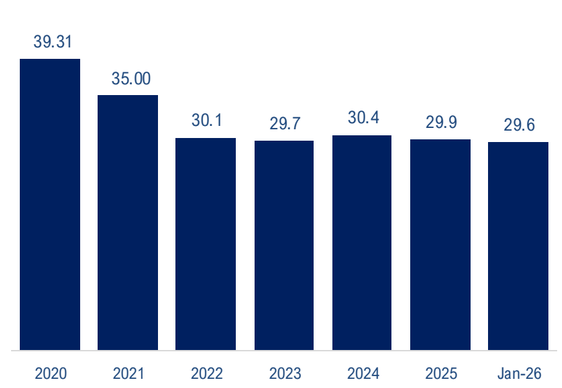
Indonesia's Trade Balance Oil and Gas, Non-Oil and Gas (Billion USD)



Foreign Exchange Reserves (Billion USD) and Rupiah Exchange Rate



Foreign Debt Ratio to GDP (%)

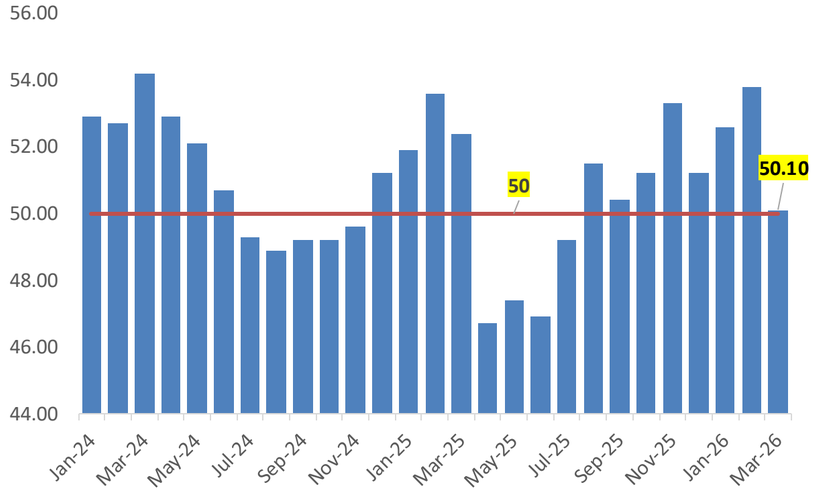


Source: BI, BPS, Bloomberg, CEIC, IDX, DJPPR. Note: *) up to Dec 24, 2025

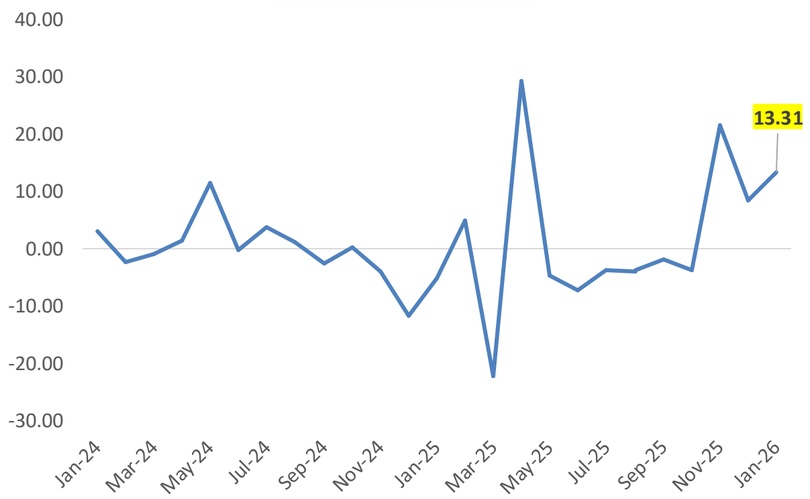
INDONESIAN INVESTMENT INDICATOR PERFORMANCE

The manufacturing sector continues to show expansion, with the PMI at 50.10, supported by a 33.68% increase in capital goods imports and 22.38% growth in investment credit, growth of cement consumption 13.31%, and working capital credit to 4.13%, indicate an industrial recovery.

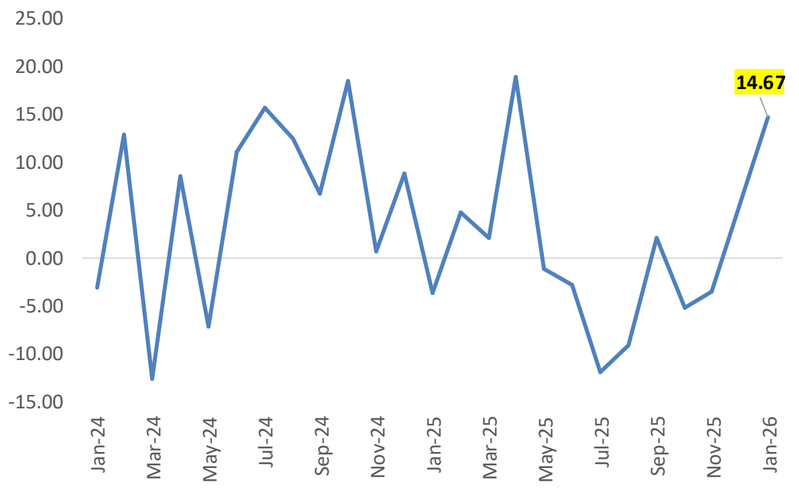
Manufacturing PMI



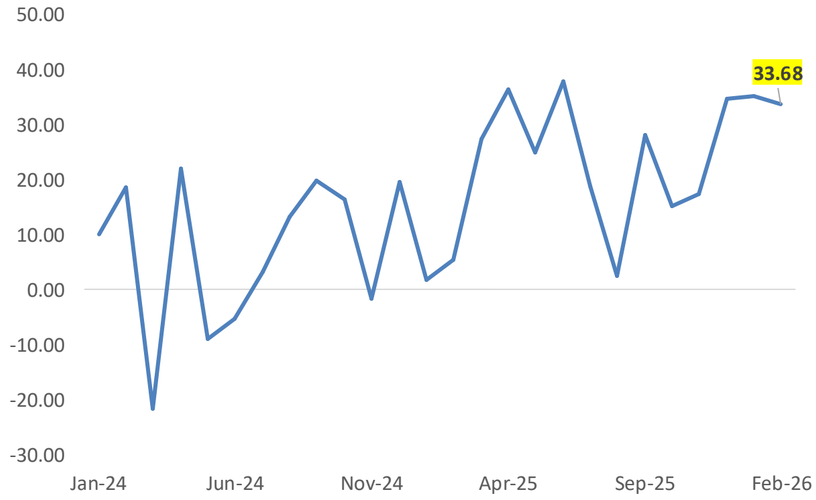
Cement Consumption (%YoY)



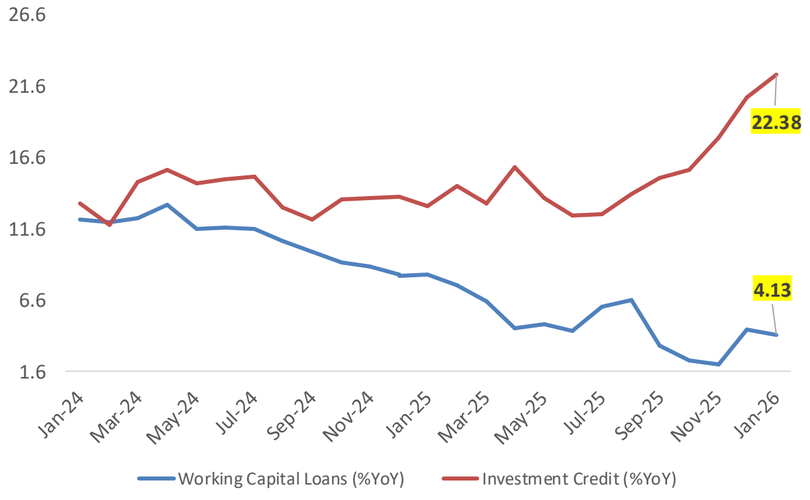
Imports of Raw and Intermediate Goods (%YoY)



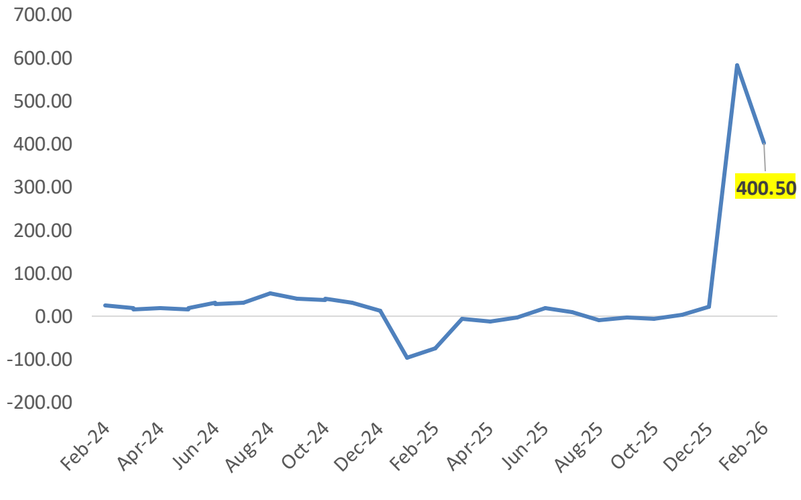
Capital Goods Imports (%YoY)



Working Capital and Investment Credit (%YoY)



Government Capital Expenditure (%YoY)

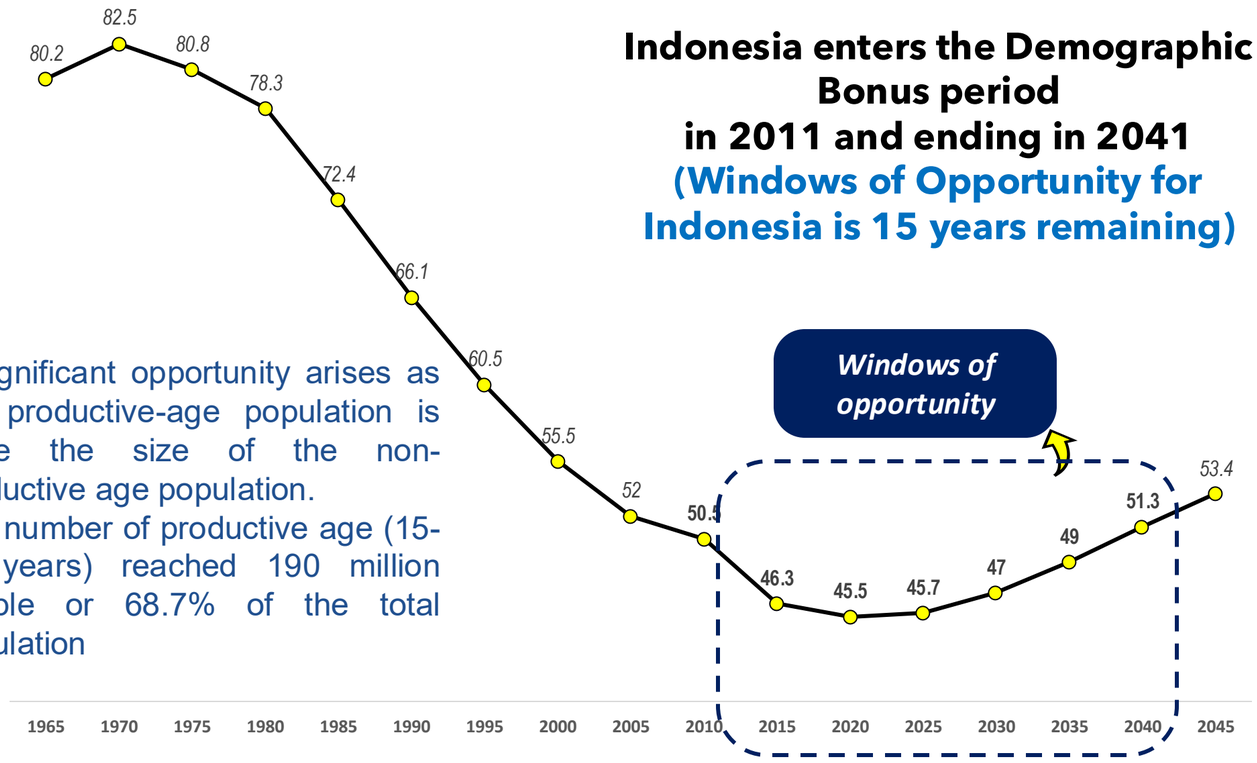


Source: BPS, S&P Global, CEIC, OJK, MOF

Indonesia: A Large and Growing Market

Indonesia has a major opportunity from its demographic bonus period (2011–2041), where the productive-age population dominates, creating strong potential to drive economic growth. This advantage is further supported by rich natural resources, strong social and cultural capital, and significant maritime and environmental assets that can strengthen Indonesia's long-term development.

THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



Indonesia enters the Demographic Bonus period in 2011 and ending in 2041 (Windows of Opportunity for Indonesia is 15 years remaining)

- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- The number of productive age (15-64 years) reached 190 million people or 68.7% of the total population

Dependency Ratio is a comparison between the number of people aged 0-14 years plus the number of people aged 65 years and over (non-productive age population) compared to the number of people aged 15-64 years (productive age).

Source: BPS Preparation of Indonesian Population Projections SUPAS Results 2015-2045

SOCIAL-CULTURAL CAPITAL

Harmonious and Tolerant – Community Collaboration (*Gotong Royong*) – Deliberation to Reach a Consensus – Family – Social Solidarity – Independent Spirit – Cultural Diversity

MARITIME WEALTH

- **16% of the world's coral reefs**
- **25,000 species of flowering plants (10% of the world)**
- **Capture fisheries potential of 12 million tons**
- **The largest mangrove forest of 3.36 million hectares**

- **Geographical location advantages**

NATURAL WEALTH

- **125.57 million hectares of forest areas**
- **Nickel with ore reserves of 5.24 billion tons**
- **Coal reserves of 36.30 billion tons**
- **Renewable energy potential of 3,716 GW**

Source: Bappenas

COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
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02 POLICY UPDATES

Assistant Deputy Minister for Macroeconomic and Fiscal Affairs
Deputy Minister for Economic and Investment Cooperation

MAIN GOVERNMENT POLICIES TO PROMOTE STRONG, SOCIALLY INCLUSIVE, AND ENVIRONMENTAL-FRIENDLY ECONOMIC GROWTH

This policy framework aims to ensure strong, inclusive, and sustainable economic growth by balancing conventional economic revitalization, fostering new economic engines, and enhancing human resource productivity.

NEW PATH OF GROWTH:
HIGH GROWTH, INCLUSIVE, & SUSTAINABLE

1st ENGINE
Revitalizing the Conventional Economic Mechanism

2nd ENGINE
Building a New Economic Engine

3rd ENGINE AS THE FOUNDATION
Enhancing Productivity & Competitiveness of Human Resources

ENABLER FOR ECONOMIC GROWTH

- Macroeconomic Stability
- Maintaining People's Purchasing Power
- Efficiency & Investment Climate Support
- Strengthening & Deepening the Financial Sector
- Enhancing Social Security & Social Safety Nets

Indonesia Gold Vision 2045 : Become a Sovereign, Advanced and Sustainable Country

Indonesia's Gold Vision 2045 outlines a long-term roadmap to become a sovereign, advanced, and sustainable country through five key targets, eight development missions, seventeen strategic directions, and forty-five main development indicators. The plan will be implemented in four phases from 2025 to 2045, supported by social, economic, and governance transformation along with strong legal foundations, equitable regional development, sustainable infrastructure, and environmental resilience.

INDONESIA GOLD VISION 2025-2045 → **5 GOLD VISION TARGETS OF INDONESIA** → **8 DEVELOPMENT MISSIONS** → **17 DEVELOPMENT DIRECTIONS** → **45 MAIN INDICATORS OF DEVELOPMENT**

1. Income per capita equivalents to developed countries
2. Poverty declines and inequality decreases
3. Leadership positions and international influence increase
4. HR competitiveness increases
5. GHG emission intensity towards NZE

Development Phase

First Phase (2025-2029)	**Strengthening the foundation of transformation**
Second Phase (2030-2034)	**With the establishment of a strong foundation, Indonesia is set to accelerate its economy**
Third Phase (2035-2039)	**Indonesia starts steps to expand globally**
Fourth Phase (2040-2045)	**Indonesia succeeds in realizing Indonesia Gold 2045 vision**

TRANSFORMATION

1. **Social Transformation:** Focusing on the development of outstanding Indonesian individuals;
2. **Economic Transformation:** Aiming for the nation to become high-income;
3. **Governance Transformation:** Emphasizing adaptive and principled regulations, as well as governance that is characterized by integrity, agility, and collaboration.

FOUNDATION OF TRANSFORMATION

4. Legal Supremacy, Stability, & Diplomatic Strength
5. Socio-Cultural and Ecological Resilience

TRANSFORMATION IMPLEMENTATION FRAMEWORK

6. Equal and Quality Territorial Development
7. Quality and Environmentally Friendly Facilities and Infrastructure
8. Development Sustainability

Source: RPJPN 2025-2045

National Transformation Strategy: Towards A Golden Indonesia 2045

Indonesia's National Transformation Strategy 2025–2029 focuses on strengthening governance, human capital, and industrial value creation to achieve inclusive and sustainable growth. Through structural reforms and grassroots development, it aims to build a resilient, equitable, and globally competitive nation toward Golden Indonesia 2045.

1

Asta Cita: The 8 Quick Impact Programs

8 National Priorities 2025-2029

1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities
5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added
6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society

Economy Package 2025 (8+4+5 Program)

The 2025 Economic Package is designed to accelerate growth and strengthen employment absorption. It also ensures policy continuity, with several key measures carried forward from previous years and extended into 2026

8 Programs: "8 Accelerated Programs in 2025"

1. **Government Assistance for College Graduates Internship Program:** Ministry of Manpower data: 4,894 companies, 44 institutions, and 92,583 vacancies, for up to 100,000 1-year fresh graduates.
2. **Government-borne Income Tax (PPh21) incentives for the tourism sector workers:** in the Oct-Dec 2025 Period: 552,000 workers.
3. **Food Assistance program:):** Distribution progress: Rice: 6,776.2 tons (1.85%) of the ceiling of 365,541 tons. Cooking oil: 1,355.3 KL (1.85%) of the ceiling of 73,108 KL.
4. **Discount on Work Accident Insurance (JKK) and Death Insurance (JKM) Contributions:** for non-wage recipients in the transportation sector. Government Regulation (PP) draft is being prepared.
5. **Additional Service Benefits – Housing Program of BPJS Ketenagakerjaan:** Revision of the Minister of Manpower Regulation is under discussion; harmonisation is ongoing at the Ministry of Law and Human Rights.
6. **Program Padat Karya Tunai (*Cash for Work*):** Ministry of Transportation realization: 13,163 workers; and Ministry of Public Works realization: 197,972 workers.
7. **Deregulation Program (PP28/2025):** Acceleration of RDTR Integration into OSSAdditional digital RDTR integrated into OSS: target 100 new RDTR, with 17 RDTR realized to date.
8. **Urban Program (Jakarta *Pilot Project*):** Program identification is underway in each ministry/agency and SOE.

4 Programs: Carried Forward to 2026

1. **Adjustment of the Utilization Period and Beneficiaries of 0.5% Final Income Tax for MSME Taxpayers until 2029**
2. **Extension of Government-borne Income Tax (PPh 21) Incentives for Tourism Sector Workers and Labor-Intensive Industries (2026 budget)**
3. **Extension of the VAT DTP for the housing sector:** extended until 2027
4. **Extension and expansion of Discount on JKK and JKM Contributions for all Non-Wage Recipients (BPU)**

5 Programs: Employment Absorption

1. **Operasional for KDKMP (Koperasi Desa/ Kelurahan Merah Putih):** Ground-breaking has been carried out at 800 locations
2. **Value Chain Strengthening for Strategic Plantation and Agricultural Commodities, and Post-Harvest Infrastructure**
3. **Revitalisation of Northern Coast (Pantura) Shrimp Ponds, Integrated Shrimp Area in Waingapu, and Modernisation of Fishing Vessels**
4. **Kampung Nelayan Merah Putih" ProgramStage-2 ABT process is ongoing in 35 locations**
5. **Fish Cultivation Development** to support MBG in 500 districts/cities

Policy Support in the Field of Manpower

Amid escalating trade tensions and weakening global demand that particularly affect labor-intensive industries, the government continues to strengthen worker protection and business resilience. Key measures include a reduction in *Jaminan Kecelakaan Kerja* (JKK) contributions and enhanced benefits under the *Jaminan Kehilangan Pekerjaan* (JKP) program to support workers impacted by layoffs.

Enhancement Benefits of the JKP Program

- Cash benefits increased to 60% of flat wages for 6 months
- Job training benefits increased to IDR 2.4 million
- Ease of participation requirements and benefit claims
- Benefits of access to job market information and job guidance
- Protection for workers affected by layoffs due to company closure/bankruptcy
- JKP contributions are partly covered by the Central Government

50% Reduction in JKK Contributions

- JKK contribution relaxation policy in the form of a 50% discount has been reinstated for periode from August 2025 to January2026
- The discount is given to certain labor-intensive industrialcompanies with a minimum workforce of 50 people, including:
  - food, beverage, and tobacco industry;
  - textile and apparel industry;
  - leather and leather goods industry;
  - footwear industry;
  - children's toy industry; and
  - furniture industry.
- The reduction in contributions does not reduce the JKK benefitsreceived

This employment policy effective as of February 2025 based on: (i) Government Regulation No. 6 of 2025 on Amendments to Government Regulation No. 37 of 2021 concerning the Implementation of the *Jaminan Kehilangan Pekerjaan* (JKP)/Job Loss Insurance Program, and (ii) Government Regulation No.36 of 2025 on Amendments to Government Regulation No. 7 of 2025 on Adjustment of *Jaminan Kecelakaan Kerja*(JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies.

Synchronized Policies to Strengthen Inflation Controlling Efforts

Synchronized monetary and fiscal policies, combined with targeted inflation control measures, are essential to maintain price stability and protect purchasing power. Through coordinated efforts in affordability, supply, distribution, and communication, Indonesia aims to keep inflation within the 2.5±1% target in 2026.

MONETARY POLICY

Support for pro-stability and pro-growth monetary policies

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

FISCAL POLICY

Optimization of State Budget as shock absorbers

- Energy Subsidies and Compensation
- Food Security Budget including optimization of Government Rice Reserves (SPHP distribution)
- Social Assistance Program, including food assistance
- Food distribution facilitation
- Optimization of APBD

INFLATION CONTROL EFFORTS

K1 Price Affordability

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

K2 Supply Availability

- Strengthening Government Food Reserves (CPP)
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3 Smooth Distribution

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

K4 Effective Communication

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

CPI INFLATION 2.5±1%

INFLATION 2026
MAINTAIN WITHIN THE TARGET

Indonesia Economic Growth Framework 2026

Priority Sectors, Presidential Priority Programs, and Productivity Acceleration as Key Growth Drivers, aligned with Government Work Plan 2026 “Food and Energy Sovereignty, and Economic Transformation toward an Advanced Indonesia"

PRIORITY SECTORS

- **Agriculture** → downstream industrialization → food security
- **Manufacturing Industry** → National automotive → Semiconductor → Labor-intensive revitalization
- **Digital** → Data Center : FDI → Gig economy
- **Energy** → Energy security → Clean energy

2026 ECONOMIC GROWTH TARGET

5,4%

PRESIDENTIAL PRIORITY PROGRAMS

- Nutritious Meal Program (MBG) — Demand Creation & Human Capital Development
- Red-and-White Cooperatives (KDKMP) — Investment & Local Competitiveness
- 3 Million Housing Program

PRODUCTIVITY ACCELERATION

- Stronger labor–industry linkages (link & match initiatives)
- Improved ease of doing business
- Financial sector reform
- Expanded financing access for productive and export-oriented sectors

FINANCING:

Foreign direct investment (FDI) and non-state budget financing through the Danantara

SUPPORT:

Deregulation and bottleneck removal, Fiscal and monetary policy synergy, Financial sector stability

GROWTH POTENTIAL: 5,4% - 5,6%:

- ❑ Execution of strategic investment projects under Danantara
- ❑ Effective implementation of government priority programs

Fiscal Incentives to Boost the Economy

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

TAX HOLIDAY & MINI TAX HOLIDAY

- **Applicable to new investments**, particularly in **pioneer industries** and core business activities.
- **18 eligible pioneer industries covering 169 KBLI classifications**, strategically selected for their **strong economic linkages, high added value, advanced technology adoption, and significant national economic impact**.
- **Corporate income tax incentives**:
  - **100% corporate income tax exemption (full tax holiday)** for up to **20 years**, depending on the investment value.
  - **Mini tax holiday**: A **50% corporate income tax reduction for two years** after the initial full exemption period.
  - After the tax holiday and mini tax holiday periods expire, investors remain eligible for a **50% reduction of the standard corporate income tax rate**.
- **Adjustment due to Global Minimum Tax (GMT) Implementation**:
  - Indonesia has aligned its tax policies with **the 15% Global Minimum Tax (GMT) framework** set by the OECD/G20.
  - Companies benefiting from the **Tax Holiday must comply with the minimum tax requirement**, ensuring both regulatory stability and competitive investment incentives.

TAX ALLOWANCE

- Aims to **increase direct investment** in **specific business sectors** or **designated regions**.
- **Incentives include**:
  - **30% net income reduction** based on total investment over six years.
  - **Accelerated depreciation and amortization**.
  - **Reduced income tax on dividends** paid to foreign investors (10% or lower).
  - **Compensation for losses** of up to **10 years.**
- Criteria include **high investment value for export**, **significant labor absorption**, or **high local content**.

INVESTMENT ALLOWANCE

- Encourages **investment in labor-intensive industries**, supporting **job creation and workforce absorption**.
- **Net income deduction of 60%** of the investment in **tangible fixed assets, including land**, used for the taxpayer's main business activities.
- **Deduction is spread over six years** (10% annually) from the **fiscal year when commercial production starts**.
- Covers **45 labor-intensive industrial sectors**, employing an **average of 300 workers per tax year**.

SUPER DEDUCTION TAX

Super Deduction for Vocational Activities

- Encourages industries to **participate in vocational programs**, facilitating **knowledge transfer and skill development**.
- **Maximum reduction of 200% in gross income** for costs related to **work practice, apprenticeships, and learning activities**.

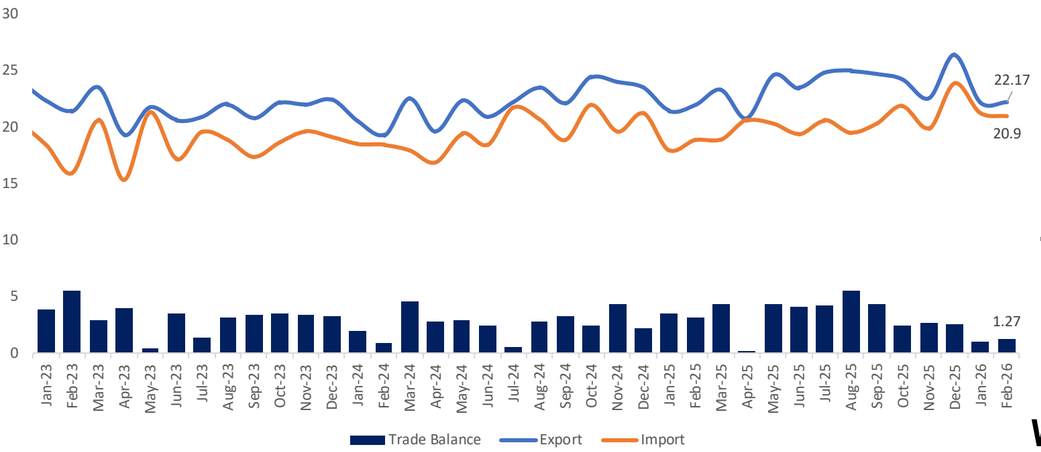
R&D Super Deduction

- Supports **industry-driven innovation** and the **adoption of the latest technology** in production processes.
- **Maximum gross income deduction of 300%** for **eligible R&D expenditures in Indonesia**.

Task Force for Increasing National Exports to Strengthen Trade Balance

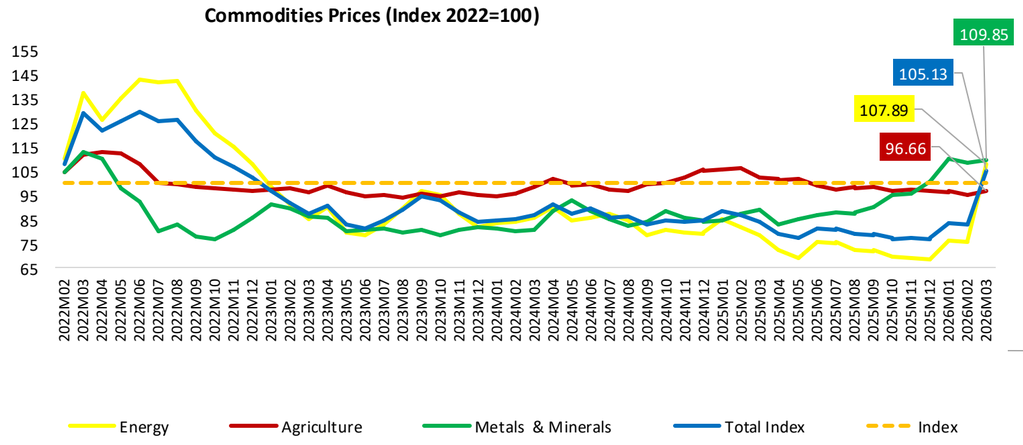
The government has established a task force to boost national exports to maintain export performance, strengthen the trade balance, and support economic growth. The initiative focuses on improving export industry productivity, expanding markets, simplifying processes, enhancing export financing, increasing MSME exports, and strengthening regulations while Indonesia continues to maintain a trade surplus for many consecutive months despite global uncertainty.

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



Source: BPS

Commodities Prices Volatility



Source: World Bank

VISION

TARGET

WORKING GROUP

DRIVERS

TASK FORCE FOR
INCREASING NATIONAL EXPORTS
"MAINTAIN AND IMPROVE NATIONAL EXPORT PERFORMANCE"

STRENGTHENING THE TRADE BALANCE TO DRIVE NATIONAL ECONOMIC GROWTH

WG I	WG II	WG III	WG IV	WG V	WG VI
Increasing Productivity and Competitiveness of Export Industries	Diplomacy, Promotion, and Development of Export Market	Simplify, Synchronize, and Integrate of Export's Processes and Services	Export Financing	Increasing MSME Exports	Regulations

AMIDST GLOBAL UNCERTAINTY, INDONESIA STILL SUCCESSFULLY MAINTAIN A TRADE SURPLUS FOR 47 CONSECUTIVE MONTHS.

INVESTMENT POLICY: IMPLEMENTATION OF RISK-BASED BUSINESS LICENSING

Indonesia has implemented OSS with Risk-Based Business Licensing since November 2025. The Government Regulation No. 28 of 2025 (PP 28/2025), which replaces PP No. 5 of 2021, strengthens the Risk-Based Business Licensing framework by providing businesses with clearer procedures, greater legal certainty, and a more transparent regulatory environment

3 major changes in PP No 28/2025

- 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 28/2025 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 28/2025

Regulation in PP 28/2025

Consists of 14 chapters:

- Two new chapters added (Basic Requirements and PBUMKU)
- Basic requirement reform
- Simplification of NSPK chapters and adjustment of sector names according to UUCK (Job Creation Law)
- Improvement and completion of norms

Improvement of Annexes I – IV:

- Provide clarity
- Substantial improvements to Annexes I and II
- Details of the requirements and obligations of PB and PB UMKU

Risk-Based Business Licensing Development

June 2025
Issuance of Government Regulation No. 28 of 2025

November 2025
OSS with Risk-Based Business Licensing (PP 28/2025) has been implemented since November 2025, with minor adjustments still ongoing

Government law updates

- 17 has been enacted
- 5 finished harmonisation process
- 3 is in harmonisation process

Source: Coordinating Ministry for Economic Affairs

Policy Direction of the PP 10/2021 JO. PP 49/2021

The revision of PP 10/2021 and PP 49/2021 aims to create a more open and competitive investment climate through eased restrictions, stronger incentives, and simplified business processes. The policy prioritizes green and digital industries while expanding opportunities in strategic sectors and Special Economic Zones.

THE URGENCY OF REVISION

- To reflect current economic dynamics
- To create a more conducive investment climate
- To increase efficiency, support industrial transformation, and strengthen national competitiveness

THE OBJECTIVE OF REVISION

MORE OPEN, LESS RESTRICTIVE

- Easing of restrictions
- Strategic sectors are now more open to investment: health, trade, tourism, public works, and education.

MORE OPEN INVESTMENT OPPORTUNITIES IN SPECIAL ECONOMIC ZONES (SEZ)

- No minimum investment limit
- Simplified business processes with various convenient facilities
- Fiscal and non-fiscal incentives to support investment
- Various strategic SEZ zone options, including: tourism, production and processing, logistics & distribution, research & technology, and energy

THE STRATEGY

FISCAL INCETIVE

- Tax Holiday, Tax Allowance, Investment Allowance
- Super Tax Deduction
- Customs Incentives

NON-FISCAL INCETIVE

- Ease of Licensing & Infrastructure
- Support for Energy, Raw Materials, Immigration, and Employment

NEW PRIORITIES

- Green industry
- Digital industry

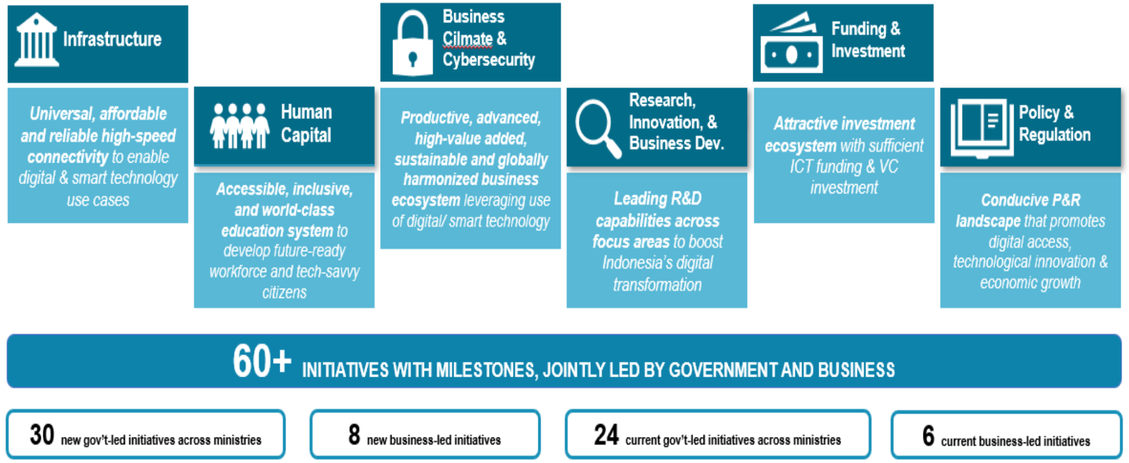
Digital Economy's Policy: Domestic and Regional

Indonesia is strengthening its digital economy through a national strategy targeting a USD 600 billion market by 2030, supported by infrastructure, talent, funding, and regulatory reforms. At the regional level, ASEAN DEFA and RCEP enhance cross-border digital trade, payments, and data governance to boost integration and growth.

DOMESTIC

Indonesia's Digital Economy: A USD 600 Billion Opportunity by 2030

- Indonesia's Coordinating Ministry for Economic Affairs launched the National Digital Economy Development Strategy White Paper in December 2023 — establishing the policy architecture for a digital economy projected to reach USD 600 billion by 2030, equivalent to 10% of GDP
- The White Paper operationalizes this ambition through six interconnected policy pillars spanning infrastructure, human capital, business climate & cybersecurity, research & innovation, funding & investment, and regulatory frameworks — with 60+ government-led and private sector initiatives currently in execution.
- Designed as a living document, the White Paper provides a structured, adaptive roadmap aligned with Indonesia's broader Golden Indonesia 2045 development vision



Source : White Paper on The National's Digital Economy Development Strategy; Kemenko Perekonomian

REGIONAL

1. ASEAN DIGITAL ECONOMY FRAMEWORK AGREEMENT

ASEAN DEFA establishes a unified digital economy rulebook across 10 member states — covering cross-border digital trade, payment interoperability, and data governance

- **Status :** SUBSTANTIALLY CONCLUDED
- Cross-border digital trade
- Payment interoperability
- Data governance framework

2. REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

- World's largest trade bloc by GDP — 15 economies including China, Japan, SouthKorea, Australia, New Zealand + all 10 ASEAN member states
- Combined footprint: ~30% of global GDP (USD 29.7 trillion) | 2.2 billion people
- Digital economy provisions covering e-commerce facilitation, cross-border data
- Indonesia is a founding member since inception

Bullion Bank: Synergy of Bullion Industry Ecosystem in Indonesia

Indonesia's bullion banking ecosystem marks a major step in transforming gold resources into a structured financial instrument, enhancing financial inclusion and value creation. With strong regulatory support and growing market traction, it is set to strengthen the domestic gold industry and position Indonesia as a key player in the global bullion market.

TIMELINE

Initiation and Planning Stages

15 March 2021

The Initiation of Bullion Bank System

Regulation Provision

12 January 2023

The establishment of Law No. 4/2023 as the legal basis of Bullion Business Activity

18 October 2024

The issuance of OJK Regulation (POJK) No. 17/2024 as the technical rule of Bullion Business

Business Licensing

23 December 2024

PT Pegadaian Indonesia

12 February 2025

Syariah Bank of Indonesia (BSI)

The Launch of Bullion

26 Februari 2026

The launch of Bullion Business Activity in Indonesia by the President

Strategic Rationale & Policy Foundation

Indonesia's bullion banking framework transforms the country's position as the world's sixth-largest gold producer into a structured financial intermediation opportunity. By channeling domestic gold holdings into regulated, yield-bearing instruments, the framework simultaneously deepens financial inclusion and captures downstream economic value that previously accrued offshore.

Two licensed institutions are currently operational: PT Pegadaian (Persero), licensed December 2024, and PT Bank Syariah Indonesia Tbk (BSI, IDX: BRIS), licensed February 2025 – together managing a combined 148.77 metric tons of gold assets under management as of October 2025, establishing Indonesia as one of Southeast Asia's most substantive gold-backed financial intermediation platforms.

Regulated Business Lines

- **Gold Saving;** monetized, yield-bearing retail gold accounts
- **Gold Financing;** gold-backed credit facility (sharia-compliant)
- **Gold Transaction:** physical gold bar trading through licensed channels
- **Gold Deposit:** non-monetized physical custody

Market Validation Box

Customer Traction: within its first year of full operations, BSI has acquired over 1 million gold product customers – comprising approximately 640,000 customers in gold instalments and pawning services, and 530,000 in pure bullion products (trading and custody). Bullion gold sales volume reached 2.2 metric tons in FY2025.

Product Completion: BSI is activating its Gold Saving (Simpanan Emas) product in February 2026, completing the full product suite authorized under OJK Regulation No. 17/2024 – covering trading, custody, and savings. This milestone positions BSI to progress toward gold financing (pembiayaan emas) in subsequent phases.

Growth Trajectory: Customer base expansion and wholesale segment development – targeting corporate and institutional gold services – are designated as primary strategic priorities for 2026

Utilizing LCT to Maintain Indonesian Exchange Rate Stability

BI implemented the Local Currency Transaction Framework as an effort to improve market efficiency, to accelerate financial market development, and reduce exchange rate volatility…

Implementation Progress

- Currently, the implementation of Local Currency Transaction (LCT) cooperation between Indonesia has been established with Malaysia, Thailand, Japan, China, South Korea, and United Arab Emirates.
- LCT Indonesia with Singapore and India is currently in the finalization stage of the operational guidelines
- From January to October 2025, the total LCT transactions have reached the equivalent of USD 20.19 billion, or 1.24 times the total transactions for the entire year of 2024 (equivalent to USD 16.28 billion)

Promote the greater use of local currency for currency diversification among Asian countries, create eco-system for efficient transactions, and encourage financial market development in local currency to facilitate cross-border transaction towards fostering financial resilience and deeper financial integration

- **Transaction Cost Efficiency from Direct Quotation**
- **Accessibility (participation) of market player**
- **Money Market Development**
- **Currency Diversification of Exposures**

LCT NATIONAL TASK FORCE PILLAR

- Trade and Direct Investment
- Banking and Financial Markets
- Expanding the use of LCT and Payment Transactions between countries

TRADE POLICY: IMPORT POLICY DEREGULATION

Following up on the President's instruction regarding deregulation policies to facilitate trade for businesses, enhance Indonesia's competitiveness, create jobs, and accelerate investment in labor-intensive sectors to drive economic growth, new regulations on Import Policies and Regulations have been issued.

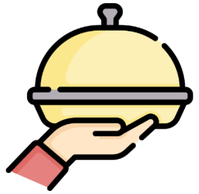
Deregulated Import Commodity Groups (482 HS Codes)

Industrial Raw/Supporting Materials (29 HS)

- ❑ Subsidized Fertilizer
- ❑ Other Fuels
- ❑ Plastic Raw Materials
- ❑ Saccharin, Cyclamate, Alcohol-Containing Fragrances
- ❑ Certain Chemicals
- ❑ Pearls

Competitive Industrial Products (10 HS)

- ❑ Footwear
- ❑ Two-Wheeled & Three-Wheeled Bicycles



National Program Supporting Products (2 HS)

- ❑ Food Tray

Forestry Products (441 HS)

Import Deregulation Policy Output

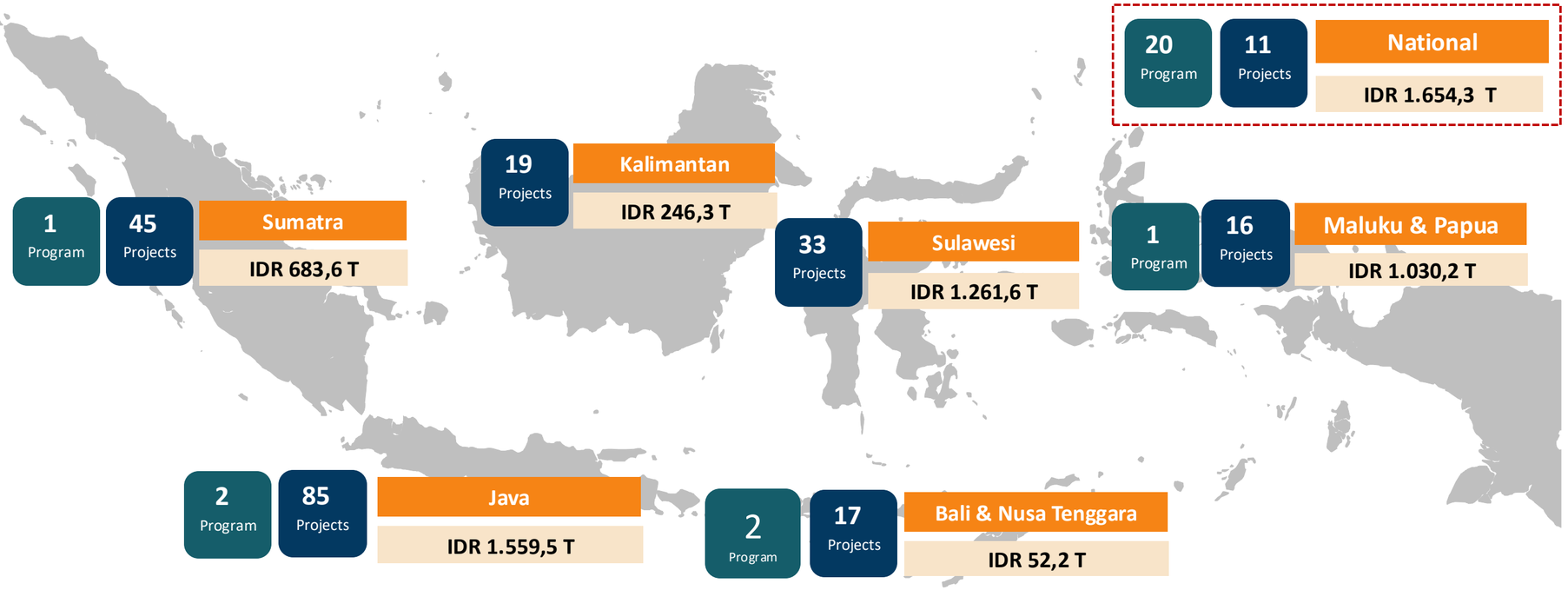
As part of the regulatory update, **Minister of Trade Regulation No. 37 of 2025** was issued to replace Minister of Trade Regulation No. 16 of 2025 and was officially promulgated on **22 October 2025**. This regulation serves as the latest legal framework governing **import policy and import administration**.

Coomodities Clustered Based MoT, as detailed :

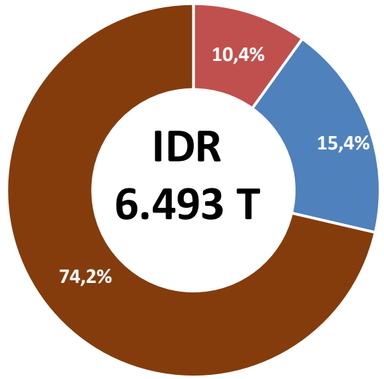
1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textiles and Textile Products**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agricultural and Livestock Products**;
3. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials (B3), and Mining Materials**;
4. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electrical and Telecommunications Products**;
5. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
6. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumer Goods**;
7. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous (Non-B3) Waste; and**
8. MoT Regulation No 38 of 2025 on Import Policy and Regulation for **Salt and Fishery Commodities.**

INVESTMENT ON INFRASTRUCTURE: THE NATIONAL STRATEGIC PROJECT (PSN)

Based on Coordinating Minister Regulation No. 16/2025 dan No. 19/2025 , there are 226 projects and 26 programs as PSN with an estimated total investment value (CapEx) of IDR 6.493 trillion.



Portion of the Investment Plan Scheme Funding



14 Sector of PSN

- Road — 50 Projects
- Dams and Pond — 57 Projects
- Industrial Estate — 44 Projects
- Train — 13 Projects
- Agriculture & Plantations — 2 Projects
- Energy — 18 Projects
- Port — 15 Projects
- Water and Sanitation — 9 Projects
- Airport — 7 Projects
- Tourism — 1 Projects
- Education — 1 Project
- Seawall — 1 Project
- Technology — 6 Projects
- Housing — 2 Projects

26 Programs of PSN

SEZ, Sugar and Palm, Ecocity, Smelter, Superhub, Tourism and Aviation, Economic Equality, Operation of Toll Roads, Free Nutritious Food, Koperasi Merah Putih, Poverty Alleviation, North Coast Fish Ponds, Exit Tol Acess, Food Security, Tourism, Waste Management, Flood Control, Traffic Management, and Livability, Accelerated Regional Development, Electricity, Border Area, People School, Digitalisasi Pendidikan, Food, Energy, and Water Self-Sufficiency Zon, Integrated Shrimp Farming Development

Source: KPPIP (2026)

PSN Regulations Issued in 2025

The 2025 PSN regulatory updates strengthen governance, streamline project selection, and enhance accountability in the implementation of national strategic projects. These reforms aim to improve efficiency, ensure timely completion, and align priority sectors such as food, energy, and industry with Indonesia's long-term development goals.

Enacted on March 7, 2025

Coordinating Minister for Economic Affairs Regulation No. 2 of 2025

Seventh Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021

Addition of Article 2A, as follows:

1. PJPK (Project Owner) must complete PSN on time in accordance with the planning documents at the time of PSN proposal.
2. PJPK (Project Owner) shall report the implementation and proposed revisions to the completion plan to the Coordinating Minister for Economic Affairs in the event of a delay.

Enacted on September 24, 2025

Coordinating Minister for Economic Affairs Regulation No. 16 of 2025

Eighth Amendment to Coordinating Minister for Economic Affairs Regulation No. 7 of 2021

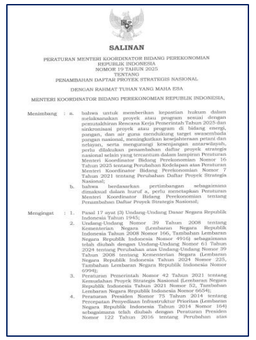
Changes to the National Strategic Projects (PSN) list are as follows:

The list of Projects has been changed from 228 to 226 Projects, and the list of Programs has been changed from 24 to 26 Programs.

Enacted on December 12, 2025

Coordinating Minister for Economic Affairs Regulation No. 19 of 2025

Addition to the PSN List



Additions to the National Strategic Projects (PSN) list include:

1. National Food, Energy, and Water Self-Sufficiency Program from Forest Area Control
2. National Salt Industry Center Area Program.

Enacted on December 12, 2025

Coordinating Minister for Economic Affairs Regulation No. 20 of 2025

Procedures for Submission, Verification, Evaluation, Determination, Monitoring, and Reporting of PSN

Additions to the Provisions on the Determination of PSN Business Entities in the Food Sector are as follows:

1. The Coordinating Minister for Food may determine PSN business entities in the Food, Energy, and Water sectors in accordance with the provisions of Presidential Decree No. 19 of 2025.
2. Furthermore, the determination of these business entities shall be submitted to the Coordinating Minister for Economic Affairs.

Source: KPPIP (2026)

RECAPITULATION OF PSN TARGETS TO BE COMPLETED IN 2026-2029

The PSN, which is targeted for completion in 2026–2029, requires a budget of +/- IDR 3,105.8 trillion, with the PSN supporting downstreaming, competitiveness improvement, tourism, and technology having the largest total investment +/- IDR 2,119.3 trillion

Strengthening Food Security and the Environment

Water and Sanitation
5 Projects
Investment Value: IDR 88 T

Dams and Irrigation
18 Projects
Investment value: IDR 39,5 T

Seawall
1 Project
Investment value : IDR 30,9 T

Agriculture and Plantation
2 Projects
Investment value : IDR 1,1 T

TOTAL INVESTMENT

IDR 159,6 T

Connectivity and Accessibility

Roads and Bridges
35 Projects
Investment value : IDR 647 T

Train
5 Projects
Investment value: IDR 131,1 T

Port
3 Proyek
Investment value: IDR 49,6 T

IDR 827 T

Downstreaming, Competitiveness Enhancement, Tourism & Technology

Industrial Estate
24 Projects
Investment value: IDR 779,8 T

Energy
15 Projects
Investment value : IDR 1.329 T

Tourism
1 Project
Investment value: IDR 1,9 T

Technology
1 Project
Investment value: IDR 8,6 T

IDR 2.119,3 T

Source: KPPIP

List of PSNs with Completion Targets in 2026

In 2026, based on KPPIP curation, it is estimated that there will be 10 PSN Projects and 2 PSN Sub-ProgramsThe construction of the smelter "can be completed" with an estimated investment value of IDR 136.7 trillion

List of National Strategic Programs with Target Completion Date of 2026

No	List of PSN	Sector	Location	Investment
1	Pembangunan Fasilitas Pengolahan dan Pemurnian Bauksit oleh PT Borneo Alumina Indonesia di Mempawah, Provinsi Kalimantan Barat Fase I	Energy	West Kalimantan	15.28 T
2	Pembangunan Fasilitas Pengolahan dan Pemurnian Komoditas Tembaga oleh PT Amman Mineral Industri di Sumbawa Barat, Nusa Tenggara Barat	Energy	East Nusa Tenggara	20.6T

Source: KPPIP (2026)

List of National Strategic Programs with Target Completion Date of 2026

No	List of PSN	Sector	Location	Investment
1	Jalan Tol Sigli – Banda Aceh	Road	Aceh & North Sumatera	IDR 16.5T
2	Jalan Tol Kayu Agung - Palembang - Betung	Road	South Sumatera	IDR 17.3 T
3	Jalan Tol Serang - Panimbang	Road	Banten	IDR 9.9 T
4	Konstruksi Tangki Penyimpanan LPG (lokasi di Kupang)	Energy	East Indonesia	IDR 0,32 T
5	Pembangunan Pipa Transmisi Gas Bumi Ruas Cirebon - Semarang (Tahap II Ruas Batang - Indramayu)	Energy	West & Central Java	IDR 2,79 T
6	Kawasan Industri Tanah Kuning (PT ISI)	Industrial Estate	North Kalimantan	IDR 55 T
7	Bendungan Jragung	Dam	Central Java	IDR 2,8 T
8	Sistem Penyediaan Air Minum (SPAM) Regional Benteng - Kobema (Bengkulu Tengah, Kota Bengkulu, dan Seluma)	Water & sanitation	Bengkulu	IDR 0,9 T
9	Kawasan Industri Kuala Tanjung	Industrial Estate	North Sumatera	IDR 28,8 T
10	Kawasan Industri Wiraraja Green Renewable Energy & Smart-Eco Industrial Park (GESEIP)	Industrial Estate	Riau Island	IDR 343.79 T

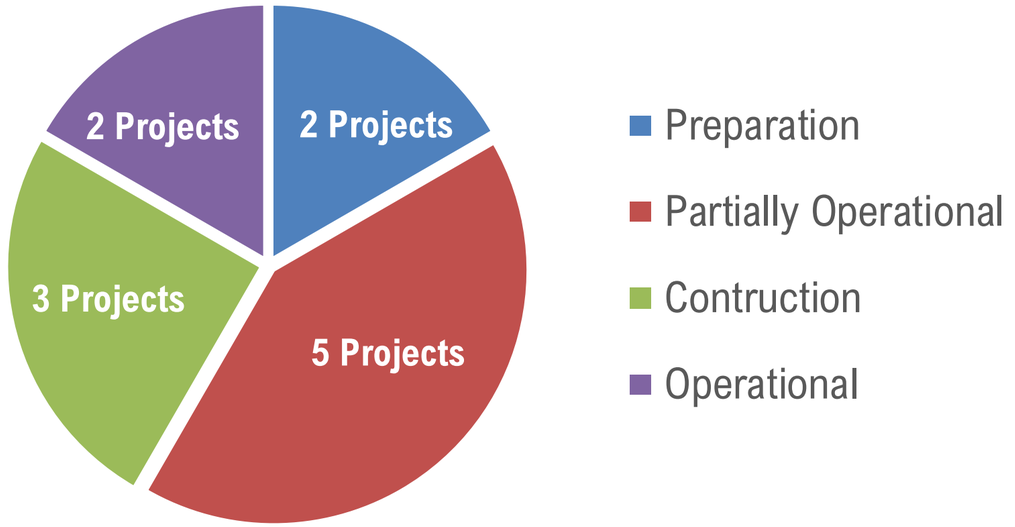
Overview of PSN with a Target Completion Date of 2026

12 National Strategic Projects (PSN) are targeted for completion by 2026 with total investment of IDR 136.7 trillion, dominated by energy, industrial estates, and road infrastructure. Most projects have progressed into construction, partial operation, or operation stages, signaling strong momentum toward completion.

Water and Sanitation 1 Project	**IDR 0,9 Trillion**
Dams and Irrigation 1 Project	**IDR 2.8 Trillion**
Road 3 Project	**IDR 38.5 Trillion**
Energy 4 Project	**IDR 39 Trillion**
Industrial Estate 3 Project	**IDR 55.5 Trillion**
Total Investment	**IDR 136.7 Trillion**

Source: KPPIP (2026)

Current Project Status (As of December 2025)



Project Status Based on Sector

Preparation
2 Industrial Estate

Partially Operational
2 Road
2 Energy
1 Industrial Estate

Finish/Operational
2 Energy

Construction
1 Road
1 Dam
1 Water and Sanitation

INVESTMENT ON INFRASTRUCTURE: SPECIAL ECONOMIC ZONES (SEZs) PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH

7 SEZs in Java and 18 SEZs outside Java (13 Industrial SEZs, 12 Service SEZs)

- Investment realization (cumulative) amounted to IDR 294,4 trillion
- Employment absorption of 187 thousand worker

Cumulative achievements of the SEZ until June 30, 2025

IDR 294,4 T

Business Operator Realization

IDR 31,6 T (10,8%)

Business Entity (tenant) Realization

IDR 262,7 T (89,2%)

- Export realization data from SEZs continues to increase, reaching IDR 82.04 trillion in Q2-2025.
- **Largest exports:** Galang Batang SEZ (alumina), Kendal SEZ (anodes), Gresik SEZ (copper)

Source: Special Economic Zones

Development of SEZs

Increasing Exports and Import Substitution
Export-competitive industries and halal industries

Industrial Downstreaming
To increase added value by processing raw materials into high value-added goods

Acceleration of Industry 4.0 Implementation
Automation-based manufacturing industry

Accelerating the Development of the Service Sector
Digital industry, information technology, finance, education, and health services

Equitable Development (Inclusive)
Development of industrial centers in the regions to spur economic growth

Promoting Trade Surplus
Import substitution industries, such as chemicals, machinery, and electronics, including the development of the service sector, have been causing foreign exchange outflows.

Resilience and Sustainability
Green Economy, Blue Economy, and Circular Economy Development

MEMBERSHIP IN THE OECD AS A CATALYST FOR STRUCTURAL REFORM IN INDONESIA

Indonesia's accession to the OECD is a strategic measure to ESCAPE THE "MIDDLE INCOME TRAP" and ACHIEVE "GOLDEN INDONESIA 2045" VISION.

Structural Reform through OECD Membership (Domestic Reform Catalyst)

Strengthening competitiveness and economic resilience

Enhance sound and equitable **business competitiveness**, accelerate the **transformation of an inclusive digital economy**, and achieve a sustainable and equitable economy.

Reform Credibility

Demonstrates Indonesia's **commitment to implementing best practices and following international standards**. This strengthens the reputation and credibility of Indonesia's economic reforms and ensures domestic policies remain relevant in the face of global dynamics.

Improved policy quality and institutional governance

Strengthen public policies and improve institutional governance according to **international standards**. This is expected to improve public services and accelerate Indonesia's transition to a developed country.

Signaling Indonesia's readiness as a global player

Accession and membership of the OECD shows Indonesia's **readiness to stand alongside other global players** and commitment to the principles of democracy, rule of law, and market openness and transparency.

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

- Indonesia's **ACCESSION ROADMAPS'S** handover at the OECD MCM in **MAY 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN.**
- Indonesia is optimistic about **COMPLETING ITS OECD ACCESSION** within the **NEXT 3–4 YEARS**, following the submission on **3 June 2025** of its **32-chapter INITIAL MEMORANDUM (IM)** outlining self-assessments of policies, regulations, and alignment with **240 OECD LEGAL INSTRUMENTS**.
- Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.
- **ON PROGRESS:** The OECD has initiated the **TECHNICAL REVIEW** stage of Indonesia's accession process in Q3 2025, involving information gathering through questionnaires, independent studies, and fact-finding missions, with the questionnaire distribution targeted for completion in early 2026. Target to complete OECD accession by around 2027

IEU-CEPA: Strengthening Economic Diplomacy, Expanding Market, Investment, and Partnership

TIMELINE IEU-CEPA

Sep 2025

Announcement of the Substantial Completion of the Negotiations

Sep 2025 - Q2 2026

Legal scrubbing, text translation, and other domestic procedures.

Q2/Q3 2026

Signing of the ICA-CEPA

Q2-Q4 2026

Ratification

Q4 2026 - Q1 2027

Implementation and Entry into Force of the ICA-CEPA

BENEFITS OF THE IEU-CEPA AGREEMENT

A. Increased Market Access for Indonesia to the European Union

Liberalization of 98.61% of the European Union's tariff lines for Indonesia, covering 100% of the value of imports from Indonesia. On the other hand, Indonesia will eliminate 97.75% of its tariff lines for the European Union, covering 98.14% of Indonesia's import value from the European Union.

B. Increase in Indonesia's Economic Value

The implementation of the IEU-CEPA is expected to substantially increase Indonesia's economic benefits, similar to the implementation of CEPA agreements in Vietnam and Singapore.

C. Implementation of the Schengen Visa Cascade Policy

The implementation of the *"Schengen Visa Cascade Policy"* for Indonesian citizens through a five-year multiple-entry mechanism is expected to facilitate economic and investment cooperation, as well as improve Indonesians' access to education in Europe.*

INDONESIA'S KEY EXPORT COMMODITIES WITH ZERO TARIFF

Agriculture and Plantation Crops
(Palm Oil, Coffee, Cocoa, Rubber, and Rubber Products)

Fisheries and Seafood Products
(Fish, Lobster, Shrimp, etc.)

Forestry and Furniture
(Wood, Processed Wood, Wood Panels, etc.)

Textiles / TPT
(Garments, Fabrics, and Accessories); Footwear (Leather Shoes, Sneakers, Sports Shoes, Sandals)

Electrical and Electronic Components
Machinery and Priority Spare Parts of Indonesia (Steel and Its Derivative Products).

JETP INDONESIA STANDS AS THE LARGEST INDIVIDUAL ENERGY TRANSITION FINANCING EFFORT

On 16 November 2022, Indonesia and the International Partners Group (IPG) — supported by 7 global financial institutions under GFANZ — launched JETP Indonesia, the world's largest individual country-level energy transition financing commitment at USD 21.8 billion

X

IPG MEMBERS

&

GFANZ
Glasgow Financial Alliance for Net Zero

Bank of America, Citi, Deutsche Bank, HSBC, Macquarie, MUFG, and Standard Chartered

2030 TARGET

- Target in 2030: CO2 emissions 250 MT (on-grid power sector)
- Renewable energy: 44% share of power mix
- Total Financing needed: USD 97.3 billion by 2030
- 400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030
- largest individual energy transition financing effort

THE ENERGY TRANSITION AND GREEN ECONOMY TASKFORCE (SATGAS TEH) PLAYS A CENTRAL ROLE IN ADVANCING INDONESIA'S ENERGY TRANSITION AND SUPPORTING JETP IMPLEMENTATION

Governance and Coordination Framework, established under CMEA Decree No. 141/2025

Structure

Chairman
Coordinating Minister of Economic Affairs (CMEA)

Vice-Chairman
Coordinating Minister for Infrastructure & Regional Development (CMIRD)

Supervisory
Chairman of the Financial and Development Supervisory Agency (BPKP)

Members
18 lines ministries represented as members

Four Working Groups

Green Energy & Upstream Decarbonization
Led by,
MEMR Directorate General EBTKE

Green Industry and Downstream Decarbonization
Led by,
Ministry of Industry

Partnership, Finance and Green Investments
Led by,
Director General of Risk Management and Financing, Ministry of Finance

Social, Economy, Environment, and Human Resource Capacity Development
Led by,
Exec. Director for Policy Synchronization of Economic Priority Programs, National Economic Council

THE COMPREHENSIVE INVESTMENT AND POLICY PLAN (CIPP) 2023 PROVIDES THE TECHNICAL, FINANCING, POLICY, AND JUST TRANSITION ROADMAP — IDENTIFYING 400+ PRIORITY PROJECTS REQUIRING USD 66.9 BILLION INVESTMENT BY 2030.

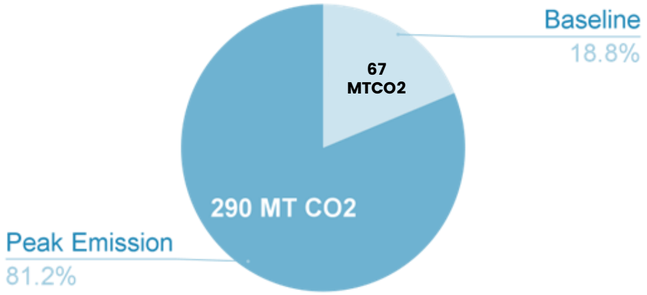
Source: Coordinating Ministry for Economic Affairs

JETP Indonesia's Target & Investment Outlook

Indonesia aims to peak electricity sector emissions at no more than 290 $MTCO_2$ by 2030 and accelerate the transition toward cleaner energy. This transition is supported by a target of at least 34% renewable power generation and the mobilization of over USD 21 billion in public and private financing.

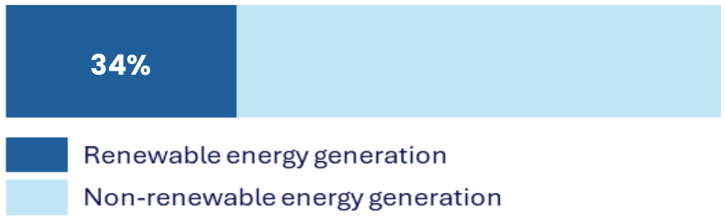
The shared targets for the electricity sector as outlined in the Joint Statement:

Total Electricity Sector Emissions



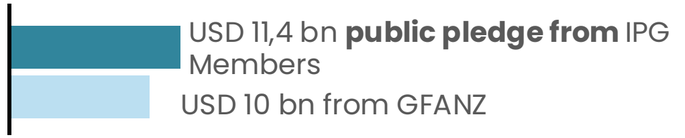
Achieve total electricity sector emissions peak at an absolute value of no more than 290 MTCO2 in 2030 (down from the 2030 baseline of 357 MTCO2) and **immediate decline** as it shifts the projected emissions peak into the future.

Power Generation in 2030



Accelerating the deployment of renewable energy so that renewable energy generation comprises at least 34% of all power generation by 2030, roughly doubling total renewables deployment over this decade compared to current plans.

Funding Mobilization (USD)



Mobilizing **USD 21,4 billion in public and private financing** to decarbonize Indonesia's energy sector, of which USD 11,4 billion will be mobilized by the IPG members and the other USD 10 billion will be facilitated by GFANZ for private finance. The financing was later increased to USD 21.4 billion in total in 2026.

Investment Focus Area (IFA)

1. Promoting Energy Efficiency and Electrification Implementation
2. Development of electricity transmission and distribution
3. Dispatchable renewable energy acceleration
4. Variable renewable energy (VRE) acceleration
5. CFPP Repurposing
6. Development of renewable energy supply chains

JETP INDONESIA: USD 3.4 BILLION MOBILIZED OF USD 21.8 BILLION PLEDGE — DECEMBER 2025

Loan/Equity[1]

6	4	> 20
Approved Programs totaling	**Approved Projects[2]** totaling	**Loan/Equity In Process[2]** totaling
USD 1.2 billion	**USD 2.0 billion**	**USD 4.4 - 5.2 billion**

[1]Programs are defined as non-project specific investment, such as Result Based Lending, Policy Based Loan, and equity investment
[2]Project costs estimated by FWG from published Indonesia generation cost data.

Grant/TA programs

45	8
Approved programs totaling	**Programs In Process totaling**
USD 215.7 million	**USD 82.3 million**

MDB Guarantees[3]

1
In Process Guarantee totaling
USD 1.0 billion

[3]The LoI for the MDB Guarantee has been signed between the UK Government, the Government of Indonesia, and the IBRD, which means that this $1 billion guarantee can now be accessed through the IBRD.

Implemented by

ADB, KFW, AFD Agence Française de Développement, Danida Sustainable Infrastructure Finance, Palladium Make It Possible, Guidehouse, IESR, IEA, The World Bank, Energy Transition Partnership, UNOPS, European Union, GGGI, giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, OECD, IISD International Institute for Sustainable Development

Source: JETP Secretariat

***Notes:*
1. *Certain grant programs are still in the process of confirming amounts*
2. ***FX conversion** from respective currencies to USD (Source: WSJ) are as of **31 December 2025** and variety of FX depending on the signing or approval of the grants.*
3. *The nominal differences from the previous publications are mostly due to FX fluctuations*
4. *Nominal are rounded to the nearest one decimal*

Disbursement Note: Disbursement data by instrument available upon request from JETP Secretariat / JDU disbursement tracker

JETP ACHIEVEMENTS TO DATE: TOTAL OF ~USD 3.4-3.5 BILLION ACROSS PROJECTS, PROGRAMS, AND GRANTS AS OF DECEMBER 2025

PROJECTS

Saguling 60 MW Floating Solar PV on existing reservoir — no additional land acquisition required :
USD 60 Million

Muara Laboh Operational geothermal plant, Solok Selatan, West Sumatra — baseload renewable energy 83 MW :
USD 138 Million

largest single JETP project by value

MRT Jakarta North-South and East-West Line: Modal shift from private vehicle to mass transit
USD 1,791.5 Million

PROGRAMS

No	Funding Type	Description	Value	Status
1	PBL / Concessional loan	Policy Based Lending (PBL) Affordable & Sustainable Energy Transition (ASET):	USD 377.5 Million (EUR 350 Million)	✓ Active
2	RBL / Concessional loan	Indonesia Sustainable Least-cost Electrification -1 (ISLE-1) Program	USD 47.5 Million (CAD 64.3 Million)	✓ Active
3	Equity	Xurya Solar Rooftop	USD 30 Million	✓ Active
4	RBL / Concessional loan	Results Based Loan (RBL) Sustainable Reliable Energy Access Program (SREAP)	USD 69 Million (EUR 63.9 Million)	✓ Active
5	RBL / Concessional loan	Results-Based Loan (RBL) Accelerating Indonesia's Clean Energy Transition (AICET)	USD 327 Million (EUR 300 Million+ USD 20 Million)	✓ Active
6	Concessional loan	Green Energy Corridor Sulawesi (GECS)*	USD 353.2 Million (EUR 300 Million)	Loan disbursement process
7	Grants and Technical Assistance	45 Grants and Technical Assistance*	USD 215.7 Million	✓ Active

Note:

*JETP reach further milestone as of December 2025 which are ready for Joint Announcement:
1. **EUR 300 Million** for GECS Loan Agreement between KfW and PT PLN (Persero)
2. **EUR 7.82 Million** for GBDF Grant Agreement between KfW and PT SMI (Persero)

Source: JETP Secretariat and JDU

AZEC COLLABORATION ACCELERATES STRATEGIC CLEAN ENERGY PROJECTS IN INDONESIA THROUGH MAJOR INVESTMENTS, PROJECT DEBOTTLENECKING, AND STRENGTHENED REGIONAL COOPERATION TOWARD NET-ZERO EMISSIONS

AZEC cooperation is accelerating Indonesia's clean energy transition through project debottlenecking, major investments, and stronger regional coordination toward net-zero emissions. Key strategic projects such as geothermal, waste-to-energy, and transmission development are advancing with multi-billion-dollar investment commitments.

AZEC
Asia Zero Emission Community

AZEC (Asia Zero Emission Community) is a regional cooperation initiative in Asia led by Japan to achieve carbon neutrality or net-zero emissions, promoting sustainable energy transition involving 11 partner countries (including Indonesia).

The total number of Indonesia's MoUs under AZEC has reached 74 MoUs, consisting of:36 MoUs in 2023, 38 MoUs in 2024, 20 MoUs in 2025.

Join Study | Renewable Energy | SAF | Peat | Green Ammonia

Few needs *debottlenecking*

The Coordinating Ministry for Economic Affairs together with related ministries/agencies plays a role in debottlenecking AZEC projects in Indonesia. The 9th AZEC EGM was successfully held at the end of January 2026. In addition to the project progress listed above, achievements include:

- Approval of the JICA Loan Agreement for Hululais Geothermal Power Plant (PLTP)
- Positive intention for a joint study on the PPA Template for geothermal power plants

Success Example:

Debottlenecking of Muara Laboh Geothermal Phase 2

Project Categorization	Project Name	Details	Investment Value
I (Commercial Project)	Muara Laboh Geothermal Project – Phase 2 (approx. 80 MW)	• April 18, 2025: Financial Close • Ceremony on May 5, 2025	Approx. USD 500 million
I (Commercial Project)	Legok Nangka Waste to Energy (40.79 MW)	• Currently in the process of negotiating the PPA. • Expected to reach Financial Close in August 2026 and be inaugurated by the President of Indonesia. • Currently discussing the signing of a grant from international investors.	Approx. USD 420 million
I (Commercial Project)	Expansion of Sarulla Geothermal Power Plant	• Two issues: Force majeure related to acidity and tariff adjustment. • A joint team is being formed between both parties, including PLN.	
II (Preparing for Commercial Project)	Java – Sumatra Transmission Line	• JBIC and Kansai Electric have conducted capacity building on transmission with PLN. • Kansai Electric is conducting a feasibility study for the Java–Sumatra connection.	Approx. USD 3.5 billion

The Legok Nangka Waste-to-Energy Project has the potential to become a low-hanging fruit and a model success for AZEC debottlenecking after Muara Laboh Geothermal, contributing to the circular economy, renewable energy, and waste management solutions in Greater Bandung.

Source: Coordinating Ministry for Economic Affairs

COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
OF THE REPUBLIC OF INDONESIA

Thank You

Assistant Deputy Minister for Macroeconomic and Fiscal Affairs
Deputy Minister for Economic and Investment Cooperation