

# PIER Snapshot: Feb-25 BI-Rate

19 February 2025

Indicators	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Jun-24	Sep-24	Dec-24	Jan-25	Feb-25
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.25	6.00	6.00	5.75	5.75
Deposit Facility Rate (%)	4.25	3.00	2.75	4.75	5.25	5.50	5.25	5.25	5.00	5.00
Inflation Rate (%yoy)	2.72	1.68	1.87	5.51	2.81	2.51	1.84	1.57	0.76	
Core Inflation Rate (%yoy)	3.02	1.60	1.56	3.36	1.82	1.90	2.09	2.26	2.36	

## Bank Indonesia retained the BI-rate at 5.75% to alleviate external pressures on the Rupiah

Authors: Josua Pardede – Chief Economist – [josua.pardede@permatbank.co.id](mailto:josua.pardede@permatbank.co.id)

Faisal Rachman – Head of Macro. & Fin. Market Research – [faisal.rachman1@permatbank.co.id](mailto:faisal.rachman1@permatbank.co.id)

Qolbie Ardie – Economist – [qolbie.ardie@permatbank.co.id](mailto:qolbie.ardie@permatbank.co.id)

- **Bank Indonesia (BI) opted to maintain the policy rate at its current level amid concerns over global uncertainty.**

During the Feb-25 monetary policy meeting, BI maintained the policy rate or BI-rate at 5.75%, citing concerns over external pressures, particularly from the US. This decision was aimed at preserving stability amid escalating global risks, including trade war tensions and the Federal Reserve's 'high-for-longer' policy stance. BI acknowledged that the Fed is likely to implement only a single rate cut in the second half of 2025, given the sustained strength of the US economy and persistently elevated inflation. Additionally, BI anticipated further risks stemming from the upward trajectory of US Treasury yields, driven by various US fiscal policies, including the potential removal of the debt ceiling. During the question-and-answer session, BI reaffirmed that it retains room for future rate cuts to support economic growth when conditions allow.

To bolster economic growth through macroprudential policy measures, BI raised the incentive rate from a maximum of 4% to 5%. Additionally, BI progressively increased the allocation of Macroprudential Liquidity Incentive Policy (KLM) incentives for public housing from IDR23 billion to IDR80 billion.

Furthermore, to support the government's policy on Foreign Exchange Proceeds from Natural Resource Exports (DHE SDA), BI expanded the available instruments, including:

- Placement in Foreign Currency Term Deposit (TD) instruments with a tenor of up to 12 months.
- Placement in SVBI and SUVBI instruments with a tenor of up to 12 months.
- Utilization through:
  - a. Conversion of Foreign Currency TD DHE into an FX Swap.
  - b. FX Swap hedging using Foreign Currency TD DHE as the underlying asset.
  - c. Use of Foreign Currency TD DHE, SVBI, and SUVBI as collateral for Rupiah-denominated bank loans.

- **Latest Advancements in Indonesia's Banking Sector.**

In Jan-25, loan growth moderated slightly to 10.27%yoy from 10.39%yoy, supported by liquidity in the banking sector and the KLM policy. Investment loans remained the primary driver, expanding by 13.22%yoy, followed by consumer loans and working capital loans, which grew by 10.37%yoy and 8.40%yoy, respectively. Meanwhile, loan growth to Micro, Small, and Medium Enterprises (MSMEs) continued to decelerate, declining from 3.37%yoy to 2.88%yoy. As of Dec-24, the banking sector's overall Non-Performing Loan (NPL) ratio remained stable at 2.08% (gross), marking an improvement from 2.19% (gross) in Nov-24.

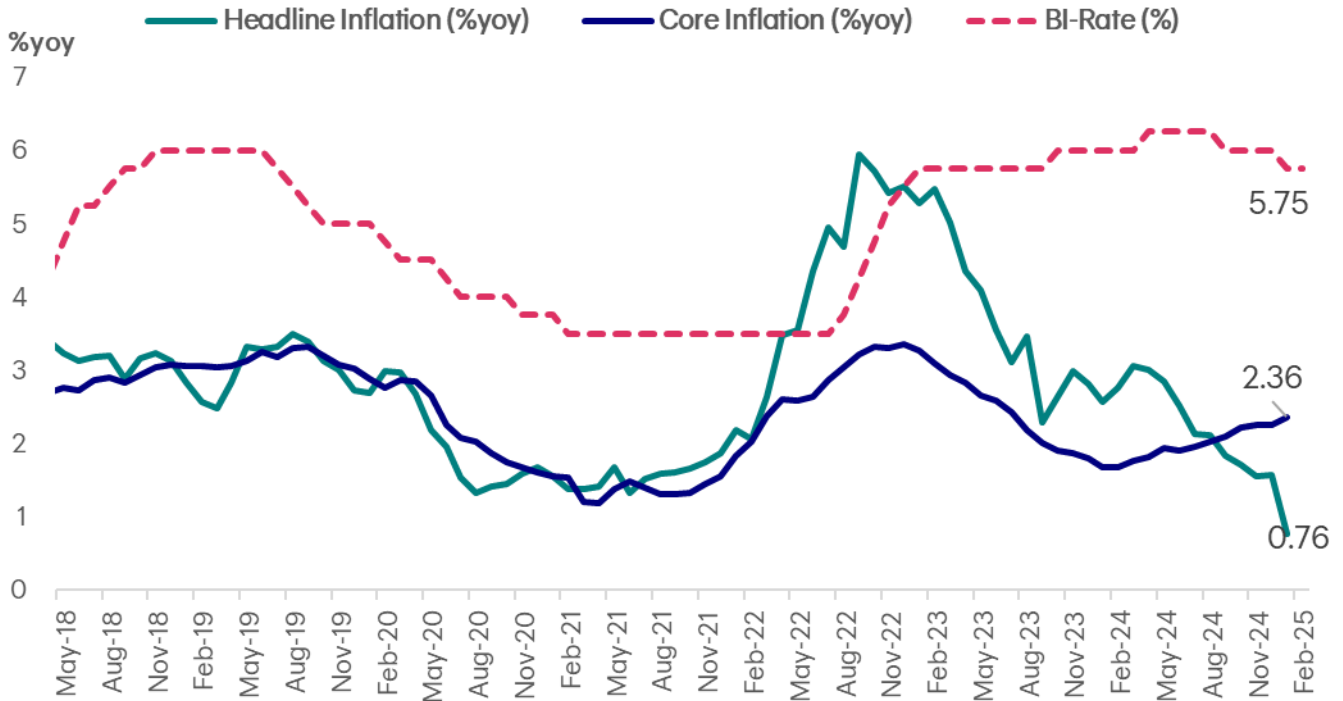
- **Our PIERspectives: We expect BI to continue balancing growth and stability in 2025, guided by external and domestic indicators.**

We believe that the room for further BI-rate cut going forward will heavily depend on global and domestic data development. However, due to ongoing trade and currency war risks, we still project the BI-rate to remain at 5.75% through year-end. From external side, markets expect the Fed to cut the FFR by only 25bps in second half of 2025, hence keeping risks to Rupiah stability elevated. Domestically, the widening current account deficit (CAD) poses stability risks, especially amid President Prabowo's pro-growth agenda, which will boost imports, and Trade War 2.0, which may weaken exports thus limiting BI-rate cut flexibility. The current low inflation is seen as temporary, driven by electricity tariff discounts ending at the end of Feb-25.

# PIER Snapshot: Feb-25 BI-Rate

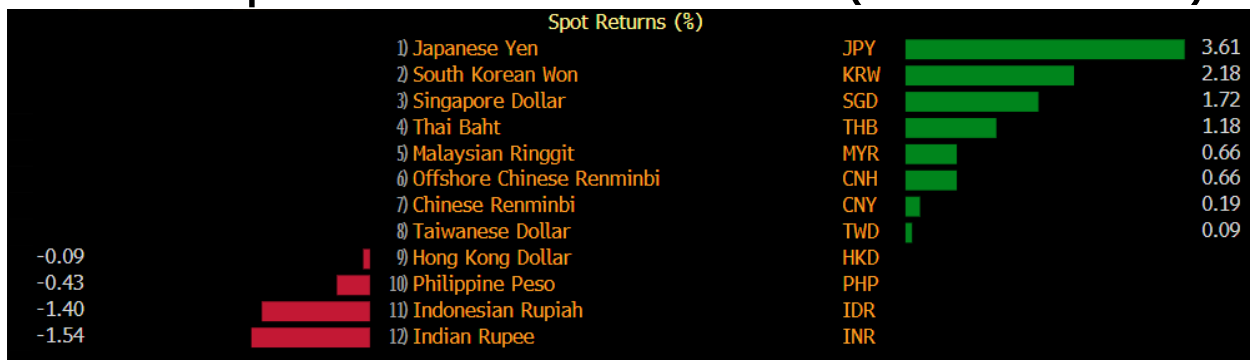
19 February 2025

## BI-Rate and Inflation (%)



Source: Statistic Indonesia & PIER

## YtD Comparison of Asian Currencies (as of 19-Feb-25)

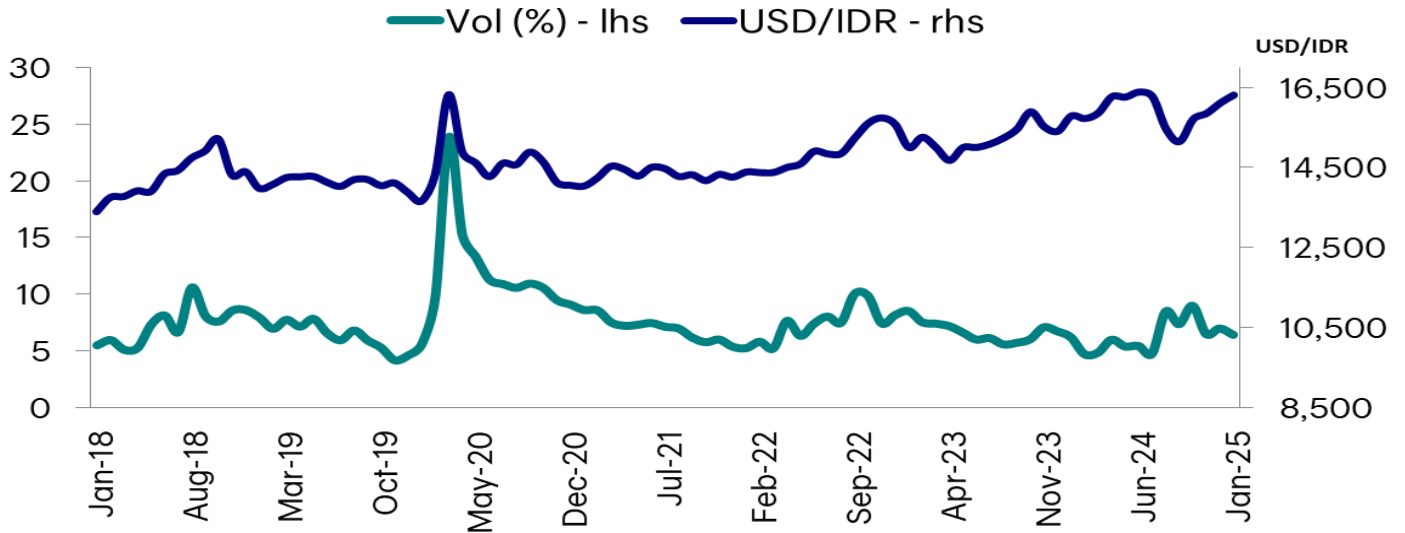


Source: Bloomberg

# PIER Snapshot: Feb-25 BI-Rate

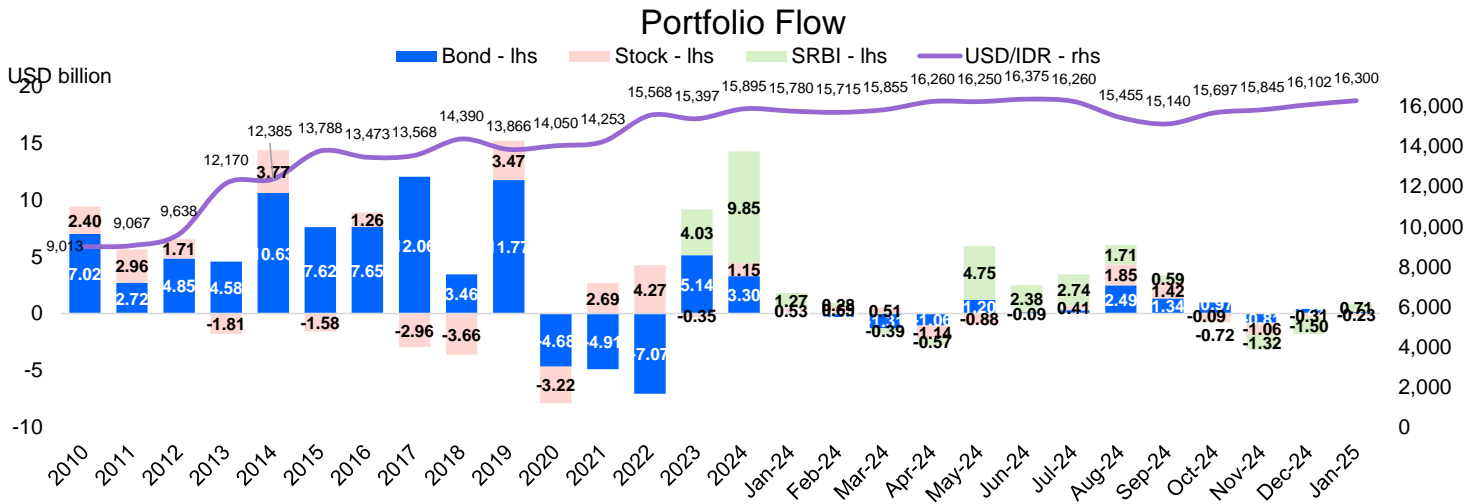
19 February 2025

## USD/IDR and Volatility



Source: Bloomberg & PIER

## Foreign Flows in Indonesia's Capital Market (USD bn)



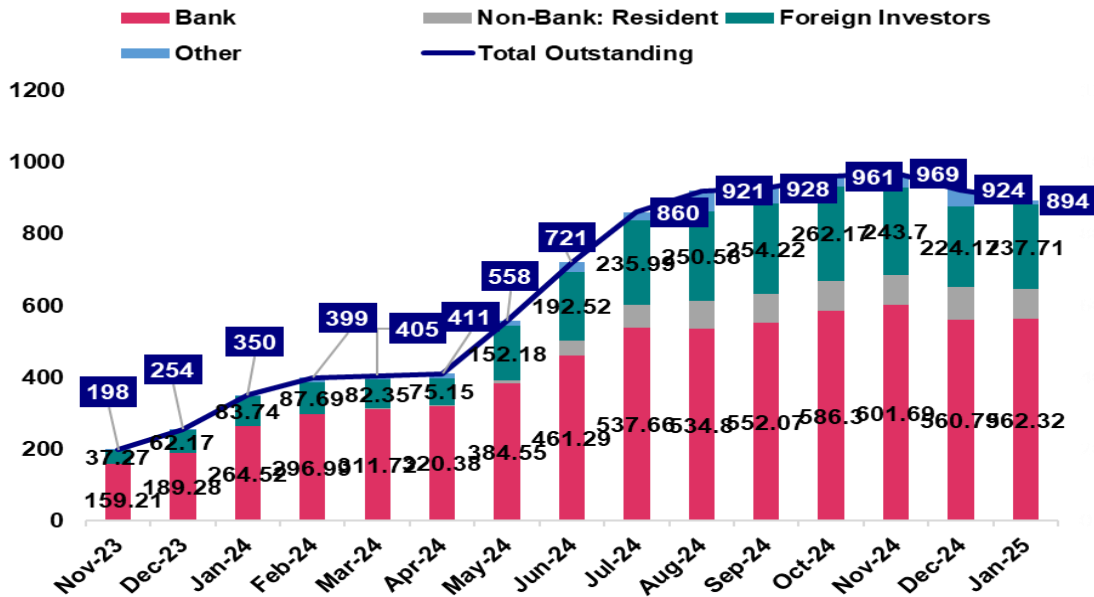
Source: Bloomberg, BI, & PIER

# PIER Snapshot: Feb-25 BI-Rate

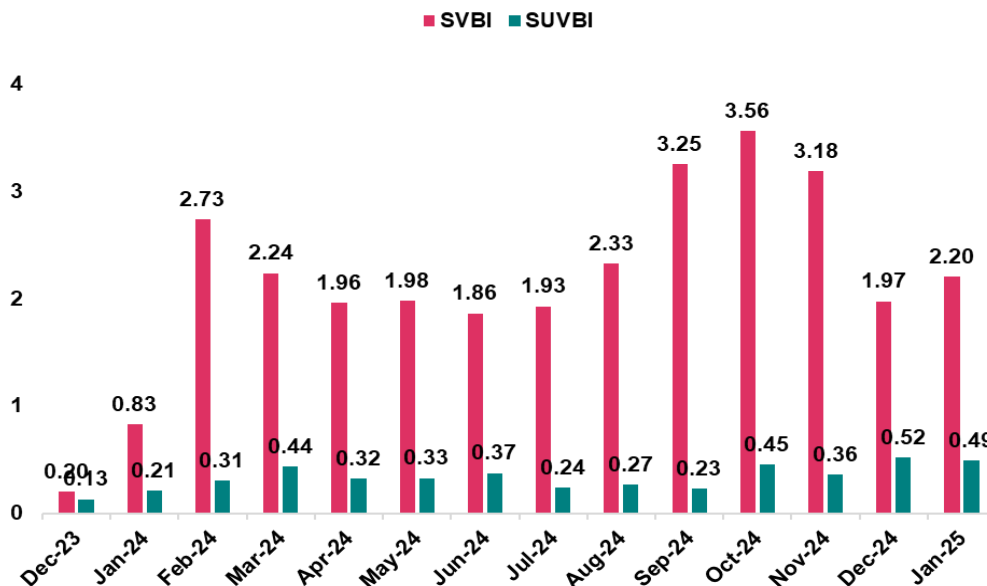
19 February 2025

## SRBI, SVBI, and SUVBI

### Ownership of SRBI (IDR tn)



### Outstanding of SVBI and SUVBI (USD bn)



Source: Bank Indonesia and PIER

# PIER Snapshot: Feb-25 BI-Rate

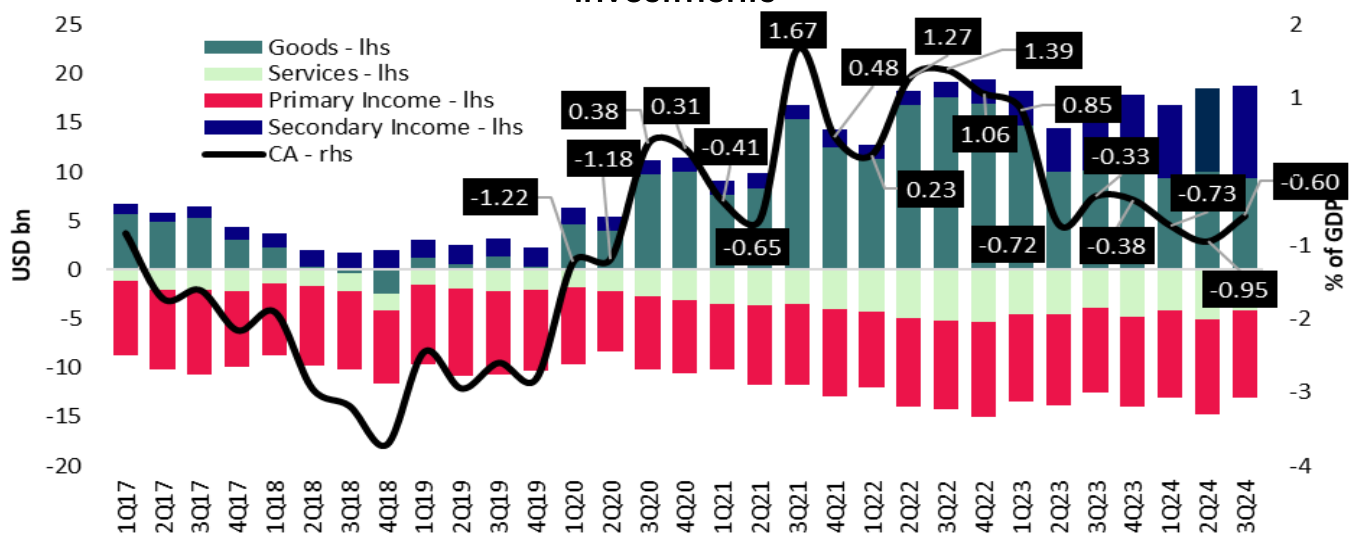
19 February 2025

## Indonesia's Trade Surplus Expanded as Imports Declined.

(in \$mn)	Exports			Imports			Trade Balance		
	TOTAL	Non Oil&Gas Export	Oil&Gas Export	TOTAL	Non Oil&Gas Import	Oil&Gas Import	TOTAL	Non Oil&Gas Balance	Oil&Gas Balance
FY2019	167,683	155,894	11,789	171,276	149,390	21,885	-3,593	6,503	-10,096
FY2020	163,192	154,941	8,251	141,569	127,312	14,257	21,623	27,629	-6,006
FY2021	231,609	219,362	12,248	196,190	170,661	25,529	35,420	48,701	-13,282
FY2021	231,609	219,362	12,248	196,190	170,661	25,529	35,420	48,701	-13,282
FY2022	291,904	275,906	15,998	237,447	197,031	40,416	54,457	78,875	-24,418
FY2023	258,774	242,853	15,922	221,886	186,056	35,830	36,888	56,797	-19,909
Jan-24	20,493	19,096	1,398	18,495	15,796	2,698	1,999	3,299	-1,301
Feb-24	19,273	18,056	1,217	18,440	15,461	2,980	833	2,595	-1,763
Mar-24	22,538	21,253	1,285	17,961	14,635	3,327	4,577	6,618	-2,041
Apr-24	19,615	18,265	1,350	16,896	13,911	2,984	2,719	4,354	-1,634
May-24	22,326	20,906	1,419	19,400	16,651	2,748	2,926	4,255	-1,329
Jun-24	20,845	19,614	1,231	18,450	15,180	3,271	2,395	4,434	-2,039
Jul-24	22,237	20,814	1,423	21,736	18,179	3,558	501	2,636	-2,135
Aug-24	23,440	22,237	1,204	20,665	18,017	2,648	2,775	4,220	-1,445
Sep-24	22,056	20,905	1,151	18,825	16,296	2,529	3,231	4,609	-1,378
Oct-24	24,422	23,076	1,345	21,938	18,272	3,666	2,483	4,804	-2,321
Nov-24	23,998	22,684	1,314	19,632	17,061	2,570	4,367	5,623	-1,256
Dec-24	23,461	21,922	1,539	21,221	17,925	3,297	2,240	3,996	-1,757
<b>FY2024</b>	<b>264,703</b>	<b>248,826</b>	<b>15,877</b>	<b>233,659</b>	<b>197,384</b>	<b>36,275</b>	<b>31,044</b>	<b>51,442</b>	<b>-20,398</b>
Jan-25	21,452	20,395	1,057	18,000	15,520	2,480	3,452	4,875	-1,423
<b>Jan-25 Growth</b>	<b>4.7</b>	<b>6.8</b>	<b>-24.4</b>	<b>-2.7</b>	<b>-1.7</b>	<b>-8.1</b>			
<b>FY2024</b>	<b>2.3</b>	<b>2.5</b>	<b>-0.3</b>	<b>5.3</b>	<b>6.1</b>	<b>1.2</b>			

Source: Statistics of Indonesia and PIER

## The 3Q24 BoP Recorded a Surplus, Attributable to a Substantial Influx of Portfolio Investments



Source: Bank Indonesia & PIER

# PIER Snapshot: Feb-25 BI-Rate

19 February 2025

## PIER's Economic & Market Forecast (as of 17-Feb-25)

	2019	2020	2021	2022	2023	1Q24	2Q24	3Q24	4Q24F	2024F	1Q25F	2Q25F	3Q25F	4Q25F	2025F	2026F	2027F
<b>National Account</b>																	
Real GDP (% yoy)	5.02	-2.07	3.70	5.31	5.05	5.11	5.05	4.95	5.02	5.03	5.12	5.10	5.11	5.10	5.11	5.21	5.28
Real Consumption: Private (% yoy)	5.04	-2.63	2.02	4.93	4.82	4.91	4.93	4.91	4.98	4.94	5.02	5.00	5.02	5.00	5.01	5.12	5.17
Real Consumption: Government (% yoy)	3.27	2.12	4.24	-4.51	3.02	20.44	2.03	4.62	4.17	6.61	3.97	5.25	5.78	6.02	5.37	6.08	6.16
Real Gross Fixed Capital Formation (% yoy)	4.45	-4.96	3.80	3.87	3.76	3.78	4.42	5.16	5.03	4.61	4.85	5.03	5.18	5.34	5.11	5.73	6.27
Real Export (% yoy)	-0.48	-8.42	17.95	16.28	1.34	1.48	8.13	8.79	7.63	6.51	6.44	-4.99	-10.86	-6.86	-4.30	-1.67	7.93
Real Import (% yoy)	-7.13	-17.60	24.87	14.75	-1.60	1.50	7.79	11.92	10.36	7.95	8.47	-2.99	-8.97	-6.88	-2.93	0.03	10.05
Nominal GDP (IDR tn) - nominal	15,832.66	15,443.35	16,976.75	19,588.09	20,892.35	5,288.58	5,536.59	5,638.87	5,674.93	22,138.96	5,654.02	5,924.79	6,051.04	6,095.21	23,725.06	25,494.22	27,461.81
Nominal GDP (USD bn) - nominal	1,119.10	1,059.93	1,186.29	1,318.68	1,371.47	337.72	342.38	356.92	359.35	1,396.36	347.40	357.28	361.60	366.11	1,432.39	1,569.76	1,736.41
<b>Inflation &amp; Unemployment</b>																	
Headline Inflation Rate (2022=100, % yoy, avg)	2.82	2.04	1.56	4.14	3.73	2.79	2.78	2.03	1.61	2.30	1.79	1.91	2.20	2.31	2.05	2.25	2.44
Headline Inflation Rate (2022=100, % yoy, eop)	2.59	1.68	1.87	5.41	2.81	3.05	2.51	1.84	1.57	1.57	2.13	1.99	2.26	2.33	2.33	2.44	2.71
Unemployment Rate (%)	5.18	7.07	6.49	5.86	5.32	4.82	4.82	4.91	4.91	4.91	5.03	5.03	5.03	5.03	5.03	4.98	4.93
<b>Fiscal Condition</b>																	
Fiscal Balance (% of GDP)	-2.20	-6.14	-4.57	-2.35	-1.65	0.04	-0.34	-1.08	-2.29	-2.29	-0.39	-0.74	-1.56	-2.64	-2.64	-2.70	-2.77
IDR 10-year Bond Yield (%)	7.06	5.89	6.38	6.94	6.48	6.69	7.07	6.45	7.00	7.00	7.22	7.35	7.37	7.26	7.26	7.07	6.67
<b>External Sector</b>																	
Trade Balance (USD bn)	-3.59	21.62	35.42	54.46	36.90	7.41	8.04	6.51	9.09	31.04	6.44	6.32	5.92	6.40	25.08	17.40	16.11
Goods Balance (USD bn)	3.51	28.30	43.81	62.67	46.27	9.29	10.03	9.29	9.35	37.97	8.47	8.35	7.95	8.43	33.21	25.53	18.24
Current Account (USD bn)	-30.28	-4.43	3.51	13.22	-2.15	-2.48	-3.25	-2.15	-1.76	-9.64	-3.15	-5.05	-4.56	-4.13	-16.90	-26.34	-36.56
Current Account (% of GDP)	-2.71	-0.42	0.30	1.00	-0.16	-0.73	-0.95	-0.60	-0.49	-0.69	-0.91	-1.41	-1.26	-1.13	-1.18	-1.68	-2.11
Foreign Reserves (USD bn)	129.18	135.90	144.91	137.23	146.38	140.39	140.18	149.92	155.72	155.72	154.10	151.69	152.79	154.11	154.11	153.41	152.21
USD/IDR (avg)	14,141	14,529	14,297	14,874	15,248	15,783	16,295	15,618	15,881	15,895	16,275	16,583	16,734	16,649	16,587	16,247	15,818
USD/IDR (eop)	13,866	14,050	14,253	15,568	15,397	15,855	16,375	15,140	16,102	16,102	16,435	16,727	16,822	16,540	16,540	16,011	15,691
<b>Commodity Price</b>																	
Coal Price (USD/MT)	66.2	83.0	169.7	379.2	141.8	131.5	135.1	145.8	129.8	129.8	112.1	107.2	105.3	101.0	101.0	99.4	96.6
CPO Price (USD/MT)	763.7	1,016.4	1,270.3	940.4	797.8	942.9	873.7	932.6	1,189.7	1,189.7	952.5	923.6	895.2	880.3	880.3	870.1	820.1
Oil Price (USD/BBL)	65.85	49.87	74.31	80.90	77.9	85.5	82.6	80.9	73.8	73.8	78.2	79.8	80.2	74.4	74.4	82.9	82.4
<b>Interest Rate</b>																	
Fed Funds Rate (%)	1.75	0.25	0.25	4.50	5.50	5.50	5.50	5.00	4.50	4.50	4.50	4.25	4.25	4.00	4.00	3.75	3.50
BI-Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	6.25	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Average Lending Rate (%)	10.52	9.67	9.16	9.16	9.27	9.27	9.27	9.25	9.23	9.23	9.16	9.18	9.20	9.22	9.22	9.29	9.36
<b>Banking Sector</b>																	
Loan (% yoy)	6.08	-2.40	5.24	11.35	10.38	12.40	12.36	10.85	10.39	10.39	9.98	10.30	10.69	10.78	10.78	11.47	12.17
TPF (% yoy)	6.54	11.11	12.21	9.01	3.73	7.44	8.45	7.04	4.48	4.48	2.93	4.50	6.60	10.25	10.25	10.22	11.86
LDR (%)	94.75	83.23	77.82	79.69	83.80	84.23	85.75	86.90	88.57	88.57	90.00	90.50	90.25	89.00	89.00	89.50	89.75
<b>Real Sector</b>																	
Car Sales (Unit)	1,030,126	532,027	887,202	1,048,040	1,005,802	215,250	194,768	223,197	232,508	865,723	178,851	226,285	225,816	231,587	862,539	883,893	912,456
Car Sales (% yoy)	-10.5	-48.4	66.8	18.1	-4.0	-23.8	-13.0	-10.5	-7.0	-13.9	-16.9	16.2	1.2	-0.4	-0.4	2.5	3.2
Motorcycles Sales (Unit)	6,487,460	3,660,616	5,057,516	5,221,470	6,236,992	1,735,090	1,435,904	1,701,502	1,460,814	6,333,310	1,480,153	1,610,707	1,621,798	1,501,844	6,214,502	6,254,257	6,554,351
Motorcycles Sales (% yoy)	1.6	-43.6	38.2	3.2	19.4	-4.9	4.2	12.0	-3.6	1.5	-14.7	12.2	-4.7	2.8	-1.9	0.6	4.8

Note:  
 : quarterly realization

Source: Permata Institute for Economic Research (PIER)

# PIER Snapshot: Feb-25 BI-Rate

19 February 2025

Scan here for more information:



## Permata Institute for Economic Research (PIER)

**Josua Pardede**

[josua.pardede@permatabank.co.id](mailto:josua.pardede@permatabank.co.id)

Chief Economist

**Faisal Rachman**

[faisal.rachman1@permatabank.co.id](mailto:faisal.rachman1@permatabank.co.id)

Head of Macroeconomic & Financial Market Research

**Adjie Harisandi, CFA**

[adjie.harisandi@permatabank.co.id](mailto:adjie.harisandi@permatabank.co.id)

Head of Industry & Regional Research

**Qolbie Ardie**

[qolbie.ardie@permatabank.co.id](mailto:qolbie.ardie@permatabank.co.id)

Economist

**Ani Utami**

[ani.utami@permatabank.co.id](mailto:ani.utami@permatabank.co.id)

Industry Analyst

**Triananda Rahman Hadi**

[triananda.hadi@permatabank.co.id](mailto:triananda.hadi@permatabank.co.id)

Industry Analyst

### PT. Bank Permata,Tbk.

WTC II, 30th Floor  
Jl. Jend Sudirman Kav.29-31  
Jakarta 12920, Indonesia  
Telephone: +62 21 523 7788  
Fax: + 62 21 523 7253

This document is issued by Economic Research Division PT Bank Permata Tbk. (PermataBank) for information and private circulation purpose only. It does not constitute any offer, proposal, recommendation, or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movement in rates or prices or any representation that any such future movement will not exceed those shown in any illustration. All reasonable care has been taken in preparing this document, no responsibility or liability is accepted for error, omissions, negligence, and/or inaccuracy of fact or for any opinion expressed herein. Opinion, projection, and estimates are subject to change without notice. PermataBank and/or its members of Board of Director and Commissioners, employees, affiliates, agents and/or its advisors disclaims any and all responsibility or liability relating to or resulting from the use of this document whatsoever which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this document. You are advised to make your own independent judgment with respect to any matter contained herein, by fully aware of any consequences obtained on said judgment.

**PermataBank.com | PermataTel 1500-111**

PT Bank Permata, Tbk. berizin dan diawasi oleh Otoritas Jasa Keuangan dan Bank Indonesia