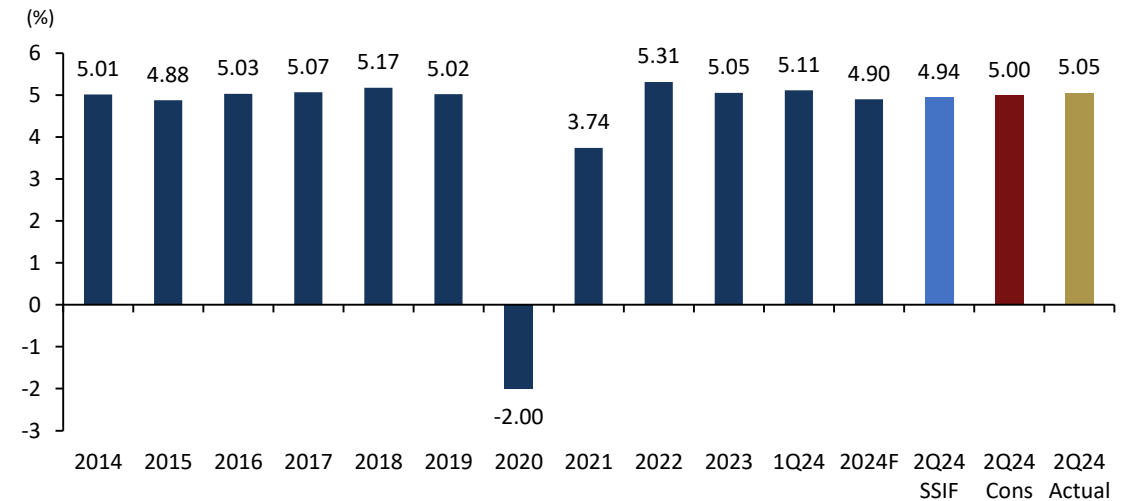


Gross Domestic Product 2Q24: 5 August 2024

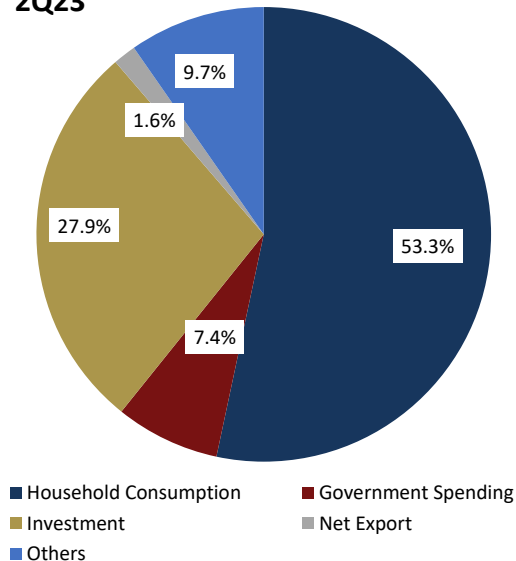
- The second quarter of 2024 saw the economy expand by 5.05% year-on-year, slightly easing from the 5.11% growth recorded in the first quarter and closely in line with market expectations of 5%, although missing our forecast of 4.94%. This deceleration can be attributed primarily to a sharp decline in government spending growth, which fell to 1.42% from a significant 19.90% surge in the first quarter, largely driven by heightened spending associated with the February elections. Nonetheless, household consumption remained resilient, growing 4.93%, and fixed investment accelerated to 4.43%.
- On the trade front, both exports and imports experienced substantial growth, positively contributing to GDP. Exports rose 8.28%, while imports increased 8.57%, reflecting robust trade performance. However, production activities showed signs of easing. Mining output growth slowed to 3.17% from 9.31%, healthcare to 8.56% from 11.64%, and manufacturing to 3.95% from 4.13%. Other sectors also experienced slight deceleration in growth rates. Communication sector growth eased to 7.66% from 8.39%, wholesale and retail trade to 4.86% from 4.59%, and construction to 7.29% from 7.59%.
- Looking ahead, recent economic data suggests some challenges to the growth trajectory. In July 2024, Indonesia experienced a significant decrease in its annual inflation rate, which fell from 2.51% in June to 2.13%, indicating lagging consumption. From the supply side, The S&P Global Indonesia Manufacturing PMI fell to 49.3 in July, marking the first contraction in factory activities since August 2021.
- While Indonesia's economy showed resilience in the first half of 2024, the recent data indicates potential headwinds that could temper growth in the latter half of the year. The combination of constrained demand and challenges in the manufacturing sector suggests moderating growth outlook, with the economy likely expanding at around 4.9% for the full year, particularly given global economic slowdown.

Indonesia's GDP Growth (YoY)

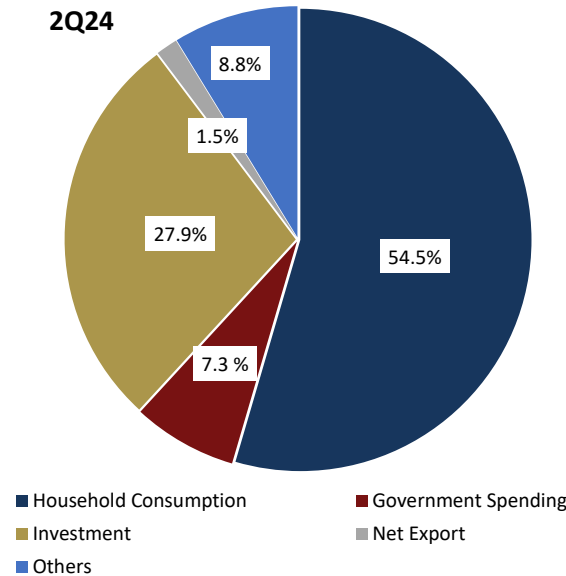


Distribution of GDP, 2Q23 vs 2Q24

2Q23



2Q24



Indonesia Manufacturing PMI

