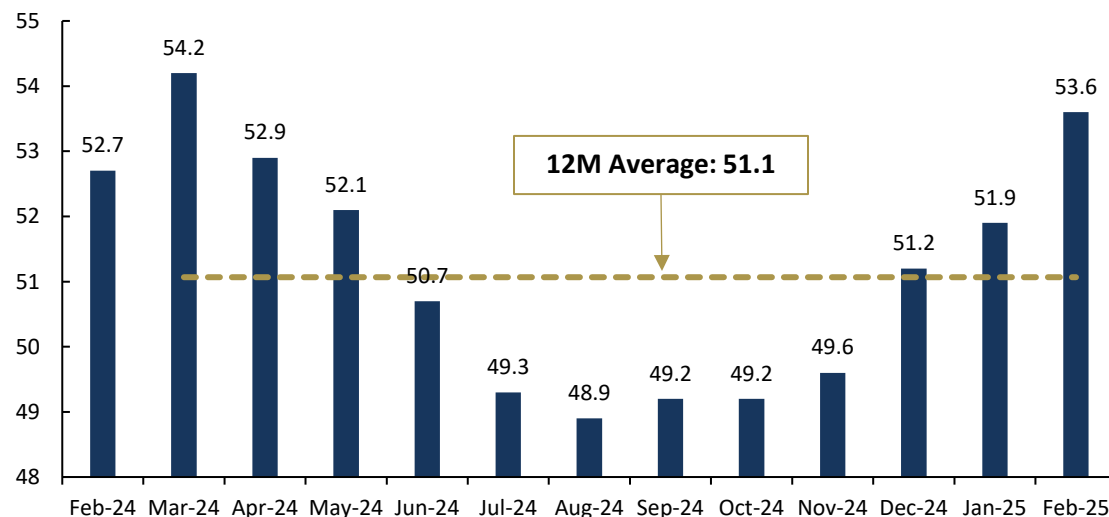


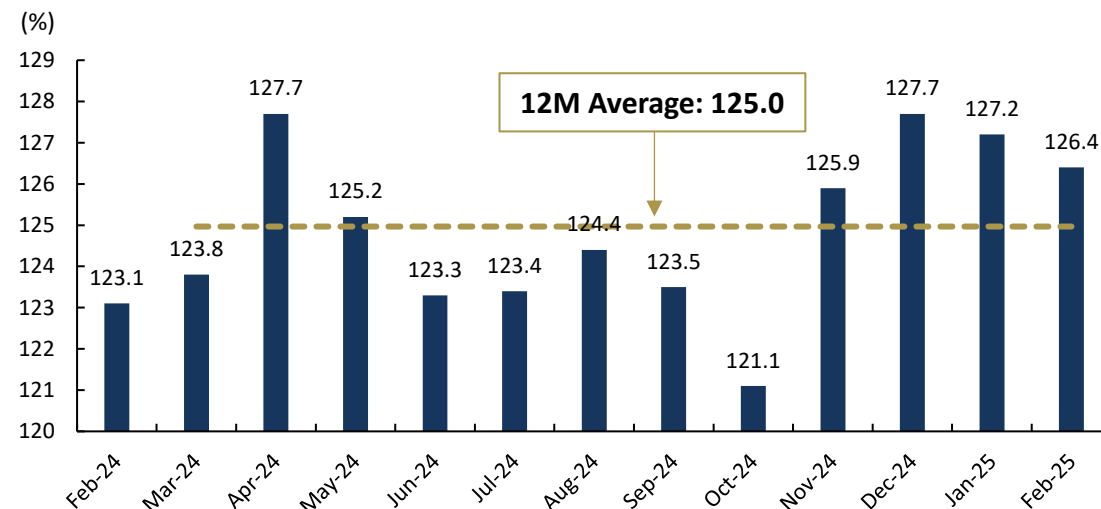
Indonesia Consumer Confidence Index: 12 March 2025

- In line with our expectations, Indonesia's Consumer Confidence Index (CCI) declined to 126.4 in February 2025, down from 127.2 in January, marking the second consecutive monthly decline. The February decline also reflects the month's 0.09 percent deflation, the lowest in 25 years. This downward trend signals growing concerns over weakening purchasing power which could dampen economic growth, particularly in consumption-driven sectors.
- The decline in consumer sentiment reflects growing anxieties about job availability, income stability, and the broader economic outlook. Among the sub-indices, job availability dropped significantly by 2.8 points to 134.2, while job availability compared to six months ago also fell 1.5 points to 106.2. This suggests that consumers perceive fewer employment opportunities, which could further weaken household spending. Additionally, the economic outlook deteriorated 2.1 points to 138.7, reflecting reduced optimism about future economic conditions. Income expectations for the next six months also declined 1.5 points to 143.3, indicating concerns about wage growth and disposable income in the near term.
- Looking ahead, consumer sentiment is likely to remain fragile in the coming months. The shrinking middle class poses a structural challenge, as income inequality could lead to prolonged demand-side weakness. The sustained decline in consumer confidence could put pressure on household consumption, the key driver of Indonesia's GDP. If purchasing power continues to weaken, businesses reliant on domestic demand—such as retail, consumer goods, and services—may face slower growth. Thus, at this stage of the market cycle, we see downside risk to our sub-5% GDP growth in 2025.

Indonesia Manufacturing PMI



Indonesia Consumer Confidence Index



Indonesia Inflation Y-o-Y

