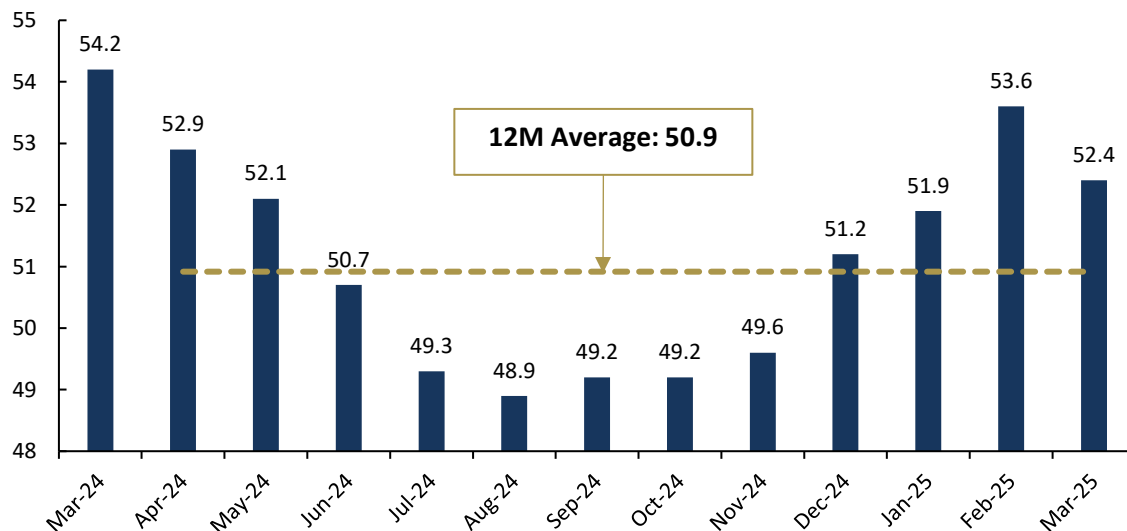


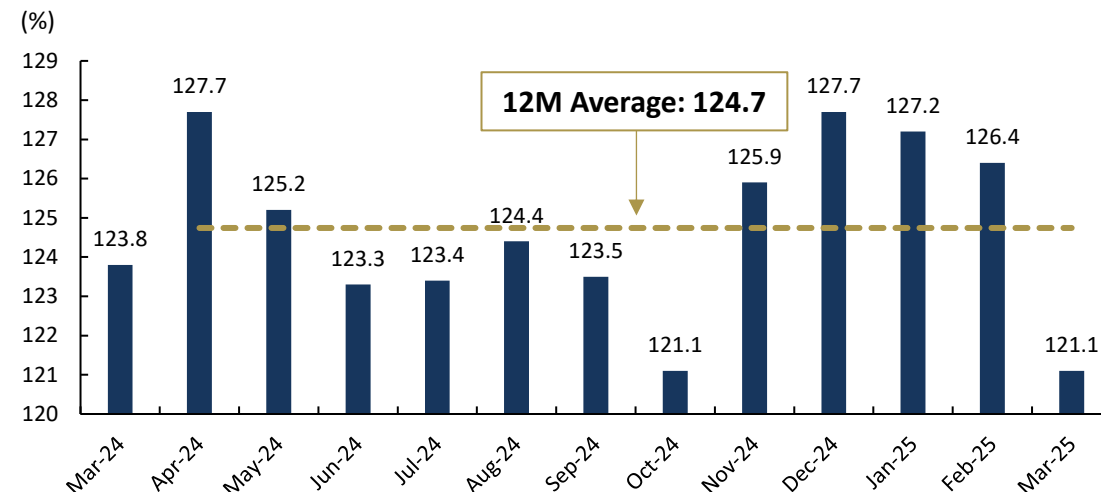
# Indonesia Consumer Confidence Index: 15 April 2025

- Indonesia's consumer confidence continued its downward trajectory in March 2025, slipping to 121.1 from 126.4 in February, marking its third consecutive monthly decline and the lowest level since October 2024. This sustained deterioration underscores intensifying pressure on household purchasing power amid shrinking middle class and increasing cost burdens, particularly in urban areas. This coincides with more than 90 thousand layoffs since 2024 and sluggish spending behavior in the first quarter of this year.
- All six sub-components of the index fell, signaling broad-based pessimism among consumers. Notably, perception of job availability dropped sharply by 8.3 points to 125.9, while view on job conditions compared to six months ago slipped to near the neutral 100-point threshold, down 5.9 points to 100.3—indicating rising employment insecurity. Forward-looking components also faltered: the economic outlook index fell 7.0 points to 131.7, and income expectations over the next six months declined 6.3 points to 137.0. The current economic condition sub-index dipped to 110.6, reflecting diminished confidence in short-term household finances. Interestingly, income expectations for current income showed a marginal improvement of 1.4 points to 121.3, suggesting some resilience, possibly due to seasonal bonuses or minimum wage adjustments.
- Looking forward, the persistent erosion in consumer sentiment poses a significant risk to domestic demand, particularly consumption, which remains a key engine of GDP growth. With inflation still modest but the rupiah under pressure and real wages stagnating, the drag on discretionary spending may intensify, particularly among the vulnerable middle-income group. Weakening sentiment could prompt a shift in household behavior toward precautionary savings, further suppressing retail and services activity. 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

