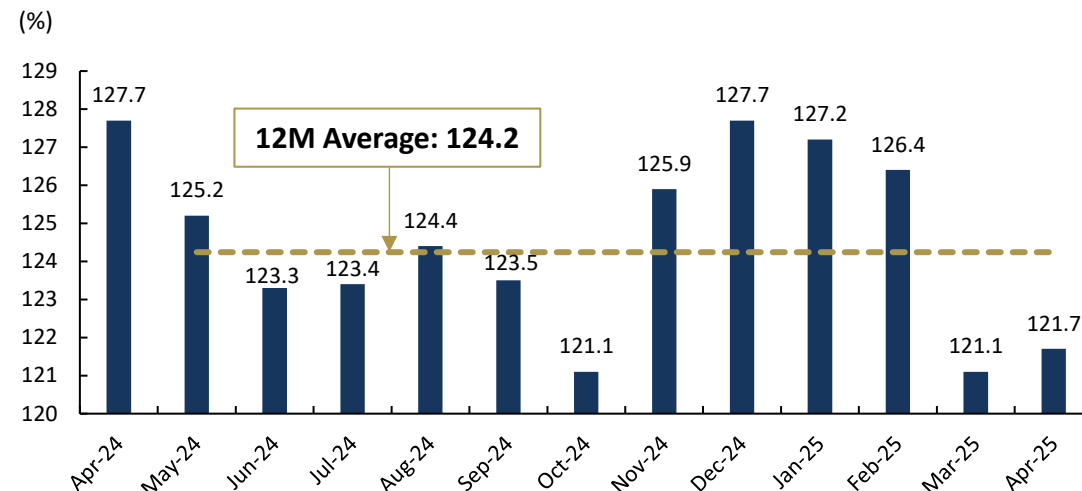


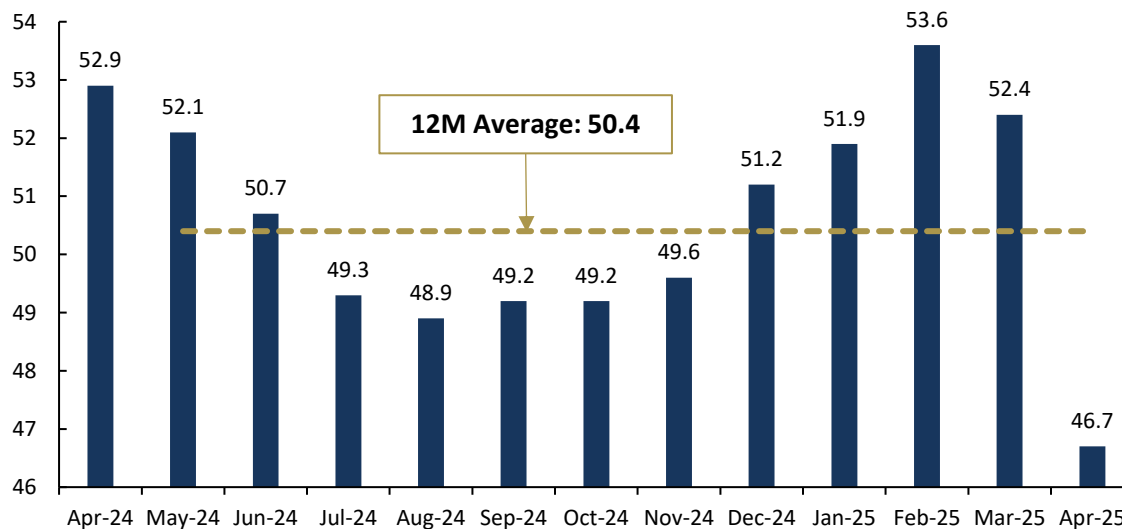
Indonesia Consumer Confidence Index: 9 May 2025

- Indonesia's consumer confidence edged slightly higher in April 2025, rising modestly to 121.7 from 121.1 in March, breaking a three-month decline and signaling tentative stabilization in household sentiment. The improvement was underpinned by stronger perception of current economic conditions (+3.1 pts to 113.7), a rebound in income perception (+4.1 pts to 125.4), and improved views on job availability compared to six months ago (+1.3 pts to 101.6). Notably, income expectations for the next six months also inched higher, reflecting guarded optimism about future earnings capacity amid difficult macroeconomic backdrop.
- However, the recovery remains uneven. Declines in the sub-indices for overall job availability (-2.4 pts to 123.5) and the economic outlook (-1.9 pts to 129.8) underscore ongoing uncertainty, particularly as labor market concerns persist. These mixed signals suggest that while consumers are adjusting to current conditions, forward-looking confidence is still fragile, likely reflecting persistent geopolitical risks, subdued investment appetite, and still-weak government fiscal impulse during the early phase of the Prabowo administration.
- The April data also highlighted growing divergence between current and future sentiment components. The strong gain in current income perception may be driven by seasonal bonuses and higher household liquidity following Eid festivities, yet the decline in the economic outlook index suggests that consumers are increasingly wary about what lies ahead. This aligns with broader market observation: household spending during Lebaran was lower than expected, and retail performance has not fully rebounded, reinforcing concerns that the recovery in private consumption remains shallow and inconsistent.
- We expect consumer sentiment to remain relatively flat or modestly positive in the coming months, supported by seasonal improvements in household income and potential fiscal injections. However, downside risks remain elevated due to ongoing political transition-related delays in budget execution, softening job creation in the formal sector, and renewed depreciation pressure on the IDR. While the April rebound offers short-term relief, it will likely take stronger and more consistent policy signals—especially on employment, inflation control, and social spending—to lift sentiment meaningfully and sustainably. Private consumption is expected to remain a soft spot in 2Q25 GDP, unless sentiment translates into real spending upticks.

Indonesia Consumer Confidence Index



Indonesia Manufacturing PMI



Indonesia Inflation Y-o-Y

