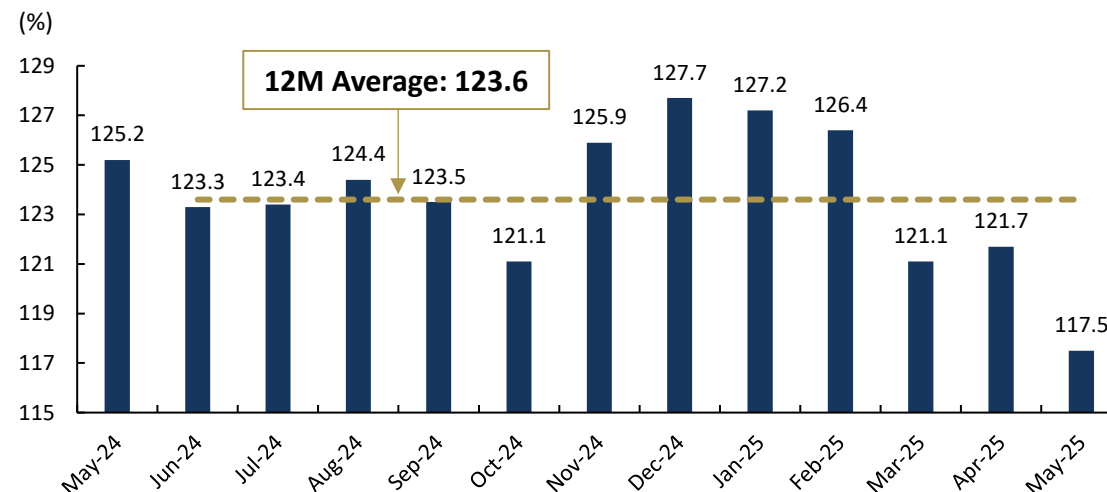


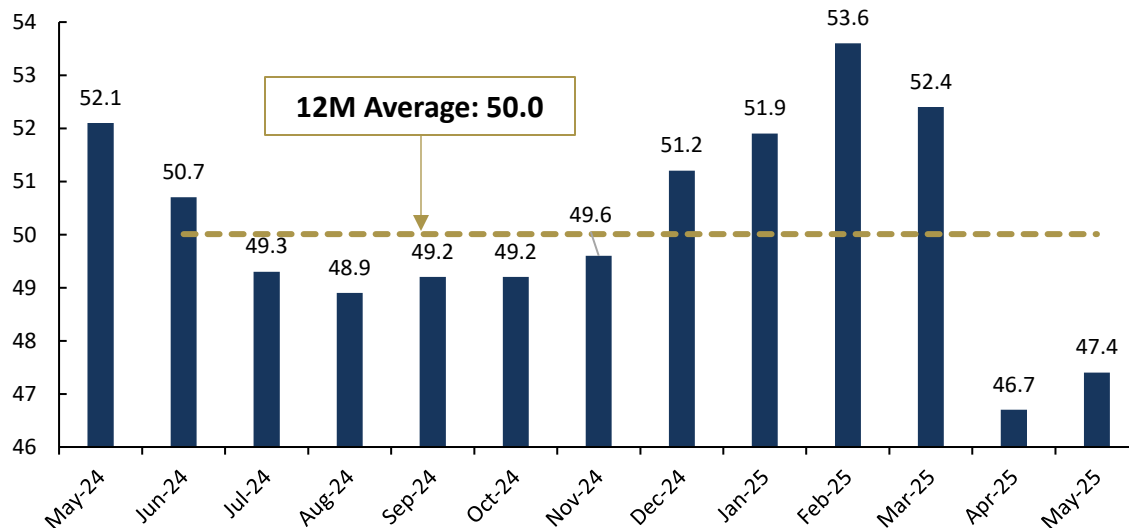
# Indonesia Consumer Confidence Index: 12 June 2025

- Indonesia's consumer confidence index (CCI) softened to 117.5 in May-25, down from 121.7 in April, reflecting a short-term moderation in household sentiment following seasonal consumption peaks during the Eid al-Fitr period. This marks the lowest level since September 2022, in line with the current economic slowdown, although we would like to interpret the decline as transitional rather than structural, particularly given the government's recent subsidies to prop up consumer purchasing power at the mid-low levels.
- The drop was led by reduced perceptions of current economic conditions and income levels, both of which tend to normalize post festive consumption cycles. The 7.7-point fall in current conditions and 7.3-point dip in current income are consistent following with April's rebound having marked the first increase in four months. Importantly, forward-looking components such as income expectations (135.4) and the economic outlook (129.0) remain well above the neutral threshold of 100, suggesting that consumers still maintain some optimism on the medium-term trajectory.
- Moreover, we take some comfort in the slight uptick within the sub-index for overall job availability (up 0.3 points to 123.8), indicating semblance of relative stability of our labor market conditions. Although perceptions of job availability compared to six months ago declined, this partially reflects a high base effect within our employment dynamics.
- Looking ahead, the government's planned stimulus measures, including cuts in energy and transport costs, are expected to support consumer purchasing power in the coming months. Coupled with a stable inflation outlook, easing food prices, and resilient external buffers, these interventions could cushion confidence and helping to sustain household spending — a key driver of Indonesia's GDP.
- While the May reading suggests some caution, consumer sentiment, like market cycles, is inherently sensitive to temporary fluctuations — but with fiscal stimulus and stable inflation, medium-term recovery in confidence is in place. As government policies gain momentum and provided we see some global economic tailwinds, the current dip in confidence could see a reversal going forward - this is despite recent downgrades of Indonesia's GDP growth by the likes of the World Bank.

## Indonesia Consumer Confidence Index



## Indonesia Manufacturing PMI



## Indonesia Inflation Y-o-Y

