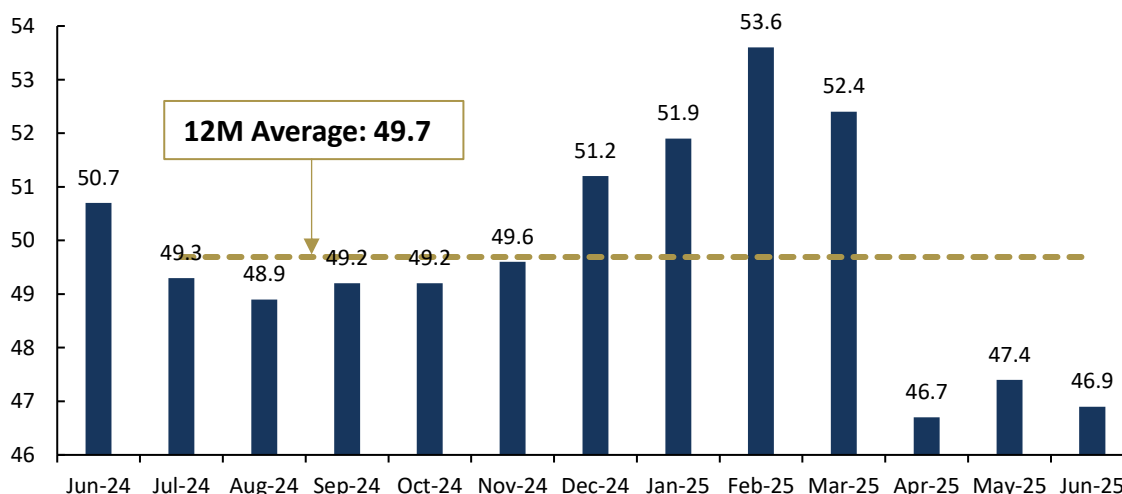


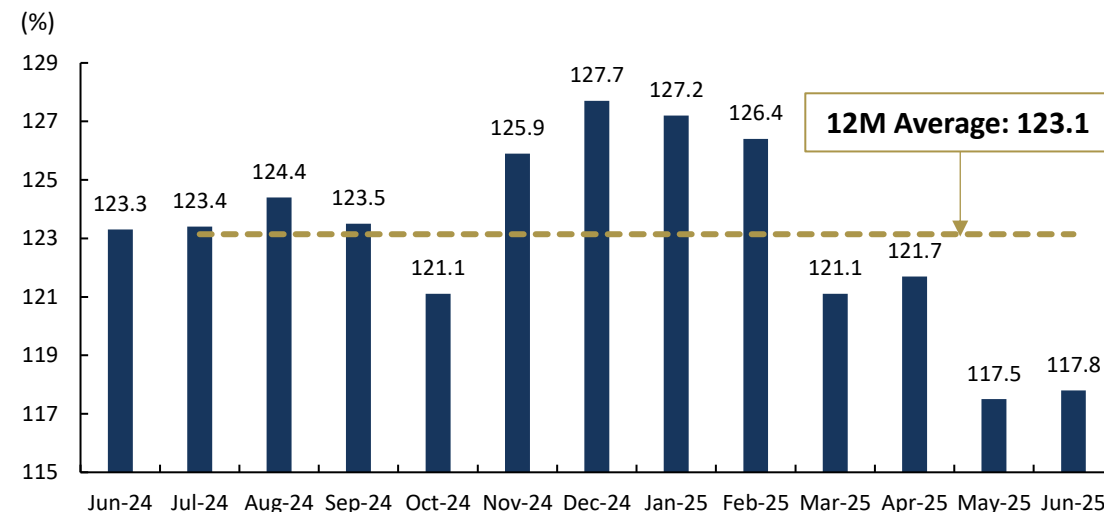
Indonesia Consumer Confidence Index: 8 July 2025

- Indonesia's consumer confidence index edged up slightly to 117.8 in June 2025, from 117.5 in May, signaling a tentative stabilization in sentiment after a recent downtrend. While the improvement is modest, it offers a reassuring sign that household sentiment may be bottoming out after reaching its weakest point since September 2022. The slight gain came amid persistent concerns over declining purchasing power and pressures on the middle class, which continue to constrain domestic demand.
- A closer look at the sub-indices shows a mixed picture. On the positive side, perceptions of current economic conditions improved slightly (up 0.7 points to 106.7), suggesting some recovery in near-term confidence, likely driven by inflation stabilization and the recent uptick in fiscal disbursement. Consumers also expressed greater confidence in their current income (up 2.1 points to 120.2) and marginally better sentiment regarding job availability (up 0.3 points to 124.1), reflecting stable labor market conditions in key sectors such as manufacturing, retail, and logistics.
- However, forward-looking expectations remain under pressure. The index measuring income expectations for the next six months dropped 2.2 points to 133.2, while the outlook on future job availability fell 1.6 points to 94.1. The overall economic outlook also declined slightly by 0.1 points to 128.9. These readings suggest that households remain cautious about future economic conditions, likely influenced by global uncertainties, fiscal policy realignment, and wage stagnation.
- Looking ahead, consumer sentiment may see gradual improvement in 2H25, supported by disbursement of social assistance programs, government capital expenditure acceleration, and preparations for the Free Nutritious Meal (MBG) rollout. If these programs succeed in lifting rural incomes and easing food prices, confidence could rebound further. However, risks remain from subdued real wage growth and potential job market softening amid global headwinds. On balance, the June figure aligns with a cautiously optimistic outlook for domestic consumption—stabilizing, but not yet accelerating.

Indonesia Manufacturing PMI



Indonesia Consumer Confidence Index



Indonesia Inflation Y-o-Y

