

GDP Q3 Report:

Engine still running, just need more push

05 November 2025

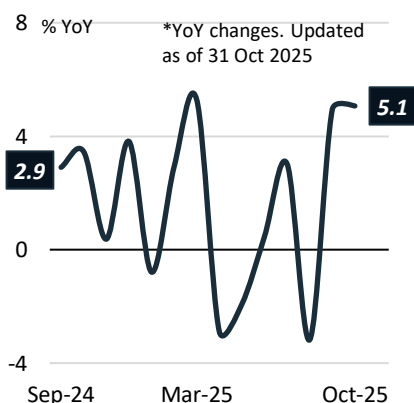
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- Indonesia's GDP grew **5.04% YoY in Q3 (nominally 7.47% YoY)**, slowing compared to the previous quarter and within our prediction range (4.95 - 5.05% YoY). **Net exports (57.75% YoY) and government spending (5.49% YoY) were the main drivers** while household consumption slightly slowed (4.89% YoY) and investment also slowed (5.04% YoY). Imports decelerated very sharply (1.18% YoY) while export growth, though slowing, was still relatively high (9.91% YoY).

- What happened that there was a sharp divergence between domestic demand and imports? The answer lies in the sharply falling inventory changes (-53.62% YoY). This means that although domestic demand still grew (slowing to 4.98% YoY from 5.26% YoY in the previous quarter), **some companies chose to cover demand by depleting existing stock or production, so imports did not grow.**

- The insight from the above story could reflect two things: Either business caution or concerns about future economic prospects, or indeed a normalization from the too sharp inventory growth in Q3 last year (391.9% YoY). **This means part of this Q3 slowdown is a high base factor, aside from the lack of appetite for investment.**

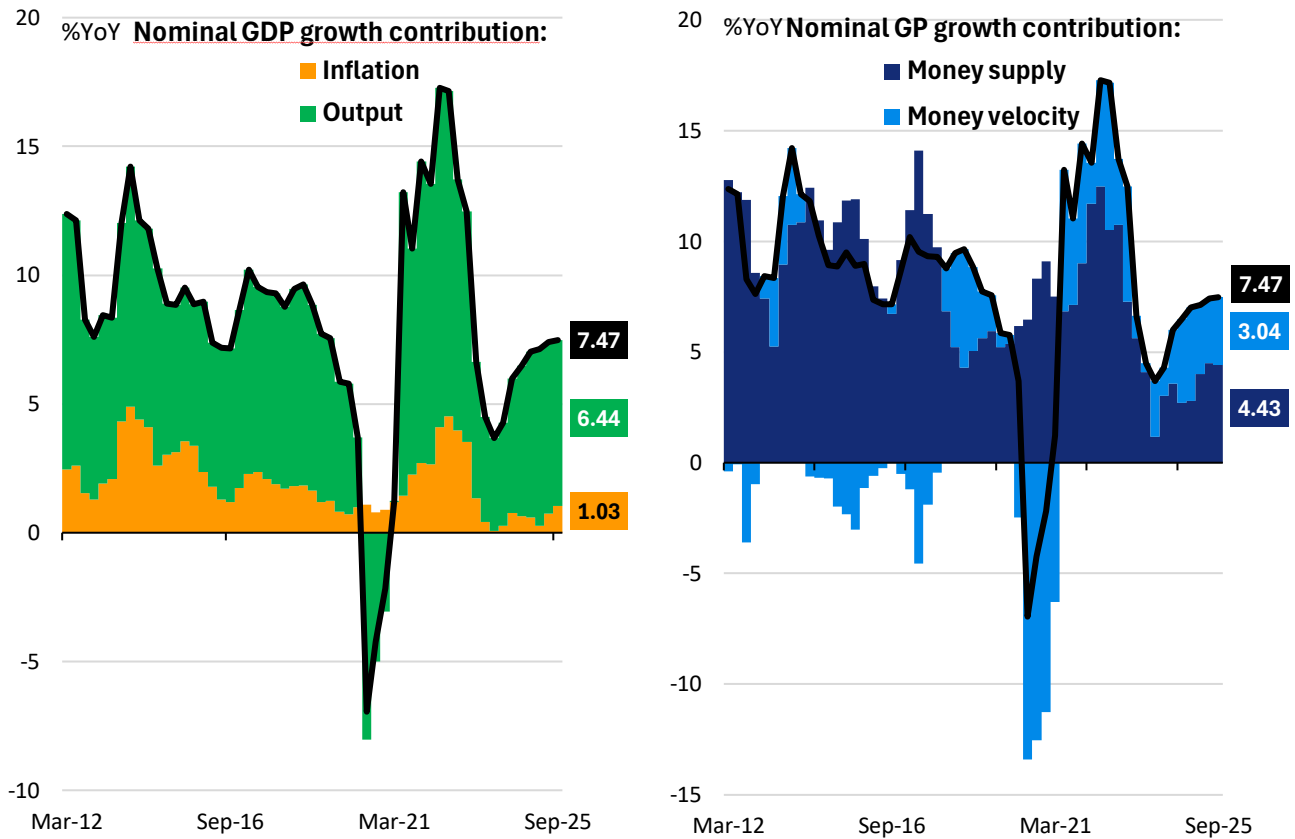
- Another reason, **top-performing sectors in Q3 mostly came from non-tradable sectors and/or did not heavily use imported inputs**: Education services (10.59% YoY), professional services (9.94% YoY), and other services (9.92% YoY). Growth in education services sharply jumped from its organic growth level, which likely came from government spending in the education sector. It could possibly be related to the MBG program which recorded SPPG participation rising nearly fourfold during the period. While other services were mostly supported by tourism, also in line with the regional GDP growth that experienced the sharpest acceleration in Bali and Nusa Tenggara (4.71% YoY vs 3.72% YoY in the previous

quarter).

- On the commodity side, there was some divergence between agriculture and mining. **Agriculture rebounded strongly, expanding by 4.9% YoY** (from 1.7% in Q2), supported by a successful off-season rice harvest and higher CPO yields. **But mining actually contracted sharply (-1.98% YoY)**, also in line with the slowdown in Maluku and Papua's regional GDP (2.68% YoY vs 3.32% YoY).

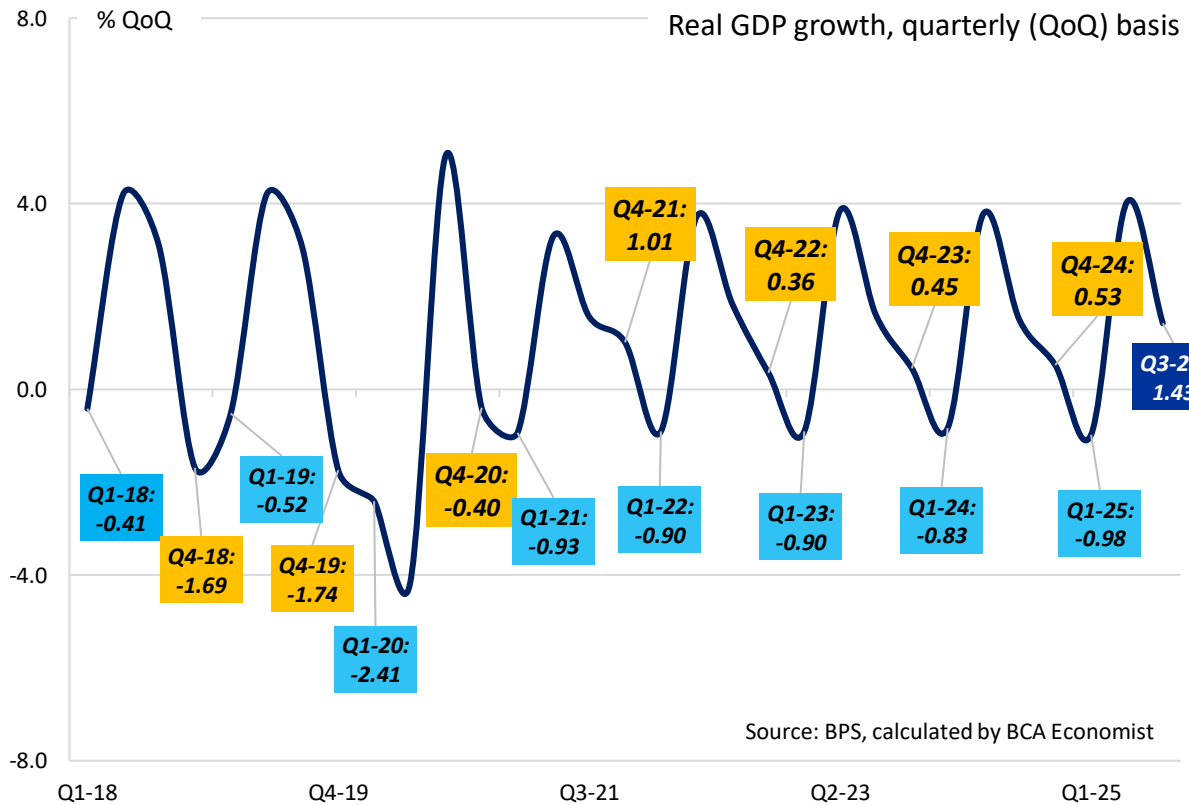
- Nominally, GDP still grew slightly accelerating to 7.47% YoY in Q3 (from 7.41% in Q2) which is in line with the increase in inflation (averaging 2.44% in Q3 vs. 1.81% in Q2). In more detail, if we go back to the determinants of nominal economic growth, **this Q3 was supported by two things, inflation and money supply, while the other two factors (output and money velocity) tended to be stagnant or slow (chart 1)**. This combination, if left as is, holds worse risks for the next period. Therefore, extra effort from the fiscal and monetary side that has been spent or planned by the government is very appropriate.
- **For Q4, growth will likely be driven primarily by government programs and fiscal stimulus aimed at strengthening household purchasing power.** Net exports may ease slightly as imports and domestic demand begin to pick up, while business investment could show gradual improvement based on the latest indicators. We also anticipate a potential recovery in credit growth, supported by the recent IDR 200 trillion transfer from government accounts at BI to banks and several new BI policies designed to encourage lending. With these measures in place, **BI may still deliver one final rate cut before the year ends**, providing an additional boost to liquidity and confidence entering 2026.

1 Q3 growth was supported by rising inflation and robust money supply.



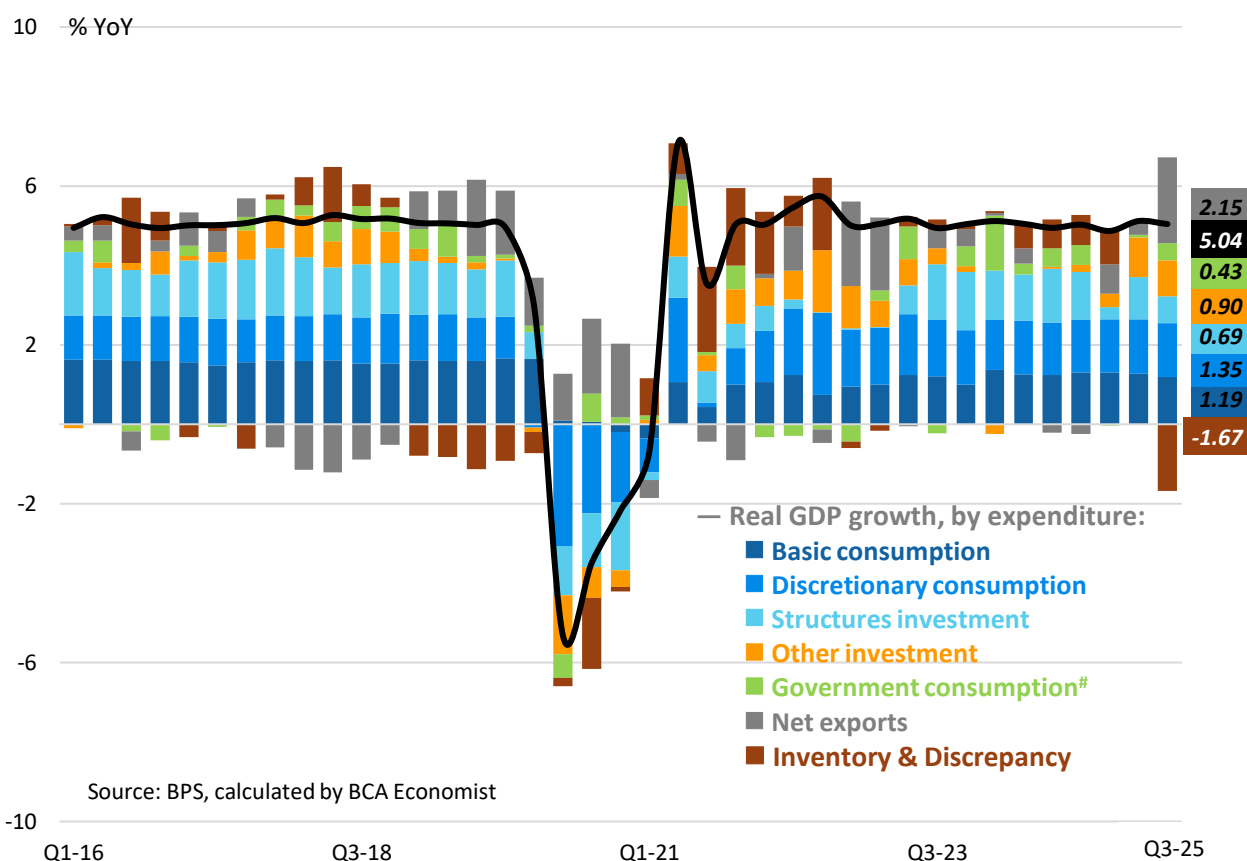
Source: BI, BPS, Big Data BCA, calculated by BCA Economist

2 A seasonal drawback for Q3 GDP growth (in QoQ basis).



Source: BPS, calculated by BCA Economist

2 Net exports and government expenditure drove higher growth in Q3-25.



3 Non-tradable sectors that did not heavily use imported inputs (services) performed well.

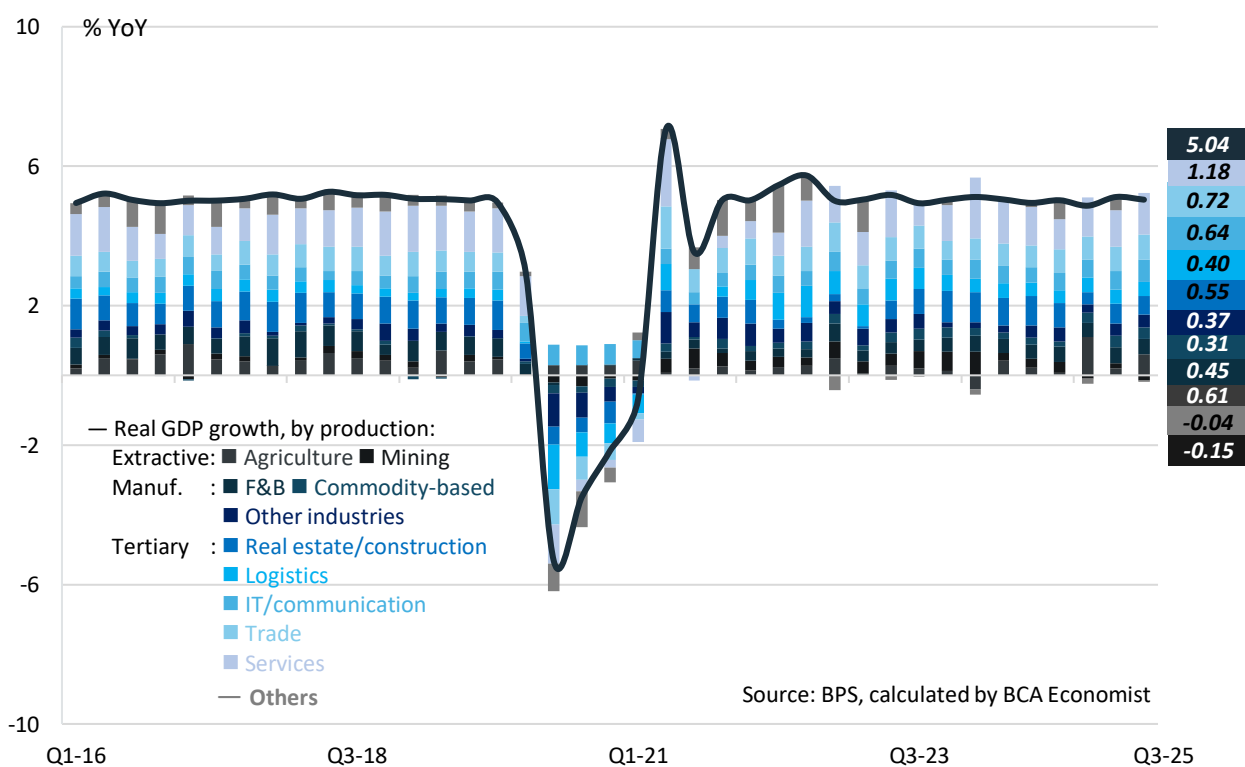




Table 1. Gross Domestic Products by Sector (nominal)

	2023		2024		Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
	Rp Tn	Share	Rp Tn	Share	Rp Tn	Rp Tn	Rp Tn	Rp Tn	Rp Tn
Agriculture, livestock, forestry, and fishery	2,617.7	12.5	2,791.4	12.6	773.2	641.8	717.3	822.6	869.4
Mining and quarrying	2,198.0	10.5	2,026.6	9.2	511.1	535.7	509.2	510.9	515.6
Manufacturing industry	3,900.1	18.7	4,202.9	19.0	1,072.6	1,085.6	1,090.5	1,110.3	1,160.6
Electricity and gas	218.3	1.0	227.5	1.0	57.9	58.4	58.5	57.4	60.8
Water provisioning and waste recycling	13.3	0.1	14.3	0.1	3.6	3.7	3.6	3.7	3.8
Construction	2,072.4	9.9	2,233.5	10.1	567.3	591.6	557.3	563.7	595.0
Wholesale trade and repairs	2,702.4	12.9	2,892.7	13.1	738.2	739.7	749.0	774.3	799.1
Transportation and warehousing	1,231.2	5.9	1,358.1	6.1	347.9	351.2	344.8	369.1	369.9
Hotels, restaurant, and catering	526.3	2.5	584.4	2.6	147.6	152.5	150.1	160.6	162.6
Information and communication	883.6	4.2	960.0	4.3	241.1	246.2	251.5	260.7	266.6
Financial services and insurance	869.2	4.2	922.8	4.2	230.9	229.1	240.7	247.1	237.9
Real estate	505.5	2.4	520.7	2.4	130.9	132.3	121.0	135.9	138.4
Business services	383.1	1.8	424.2	1.9	106.3	109.2	112.1	118.8	119.8
Govt. administration , defence, and social security	616.4	3.0	673.7	3.0	147.4	169.3	190.4	191.2	156.2
Educational services	583.6	2.8	621.4	2.8	147.7	168.5	158.2	163.4	166.1
Healthcare and social services	252.0	1.2	278.2	1.3	69.8	74.5	69.9	73.2	75.9
Other services	405.2	1.9	454.3	2.1	111.6	121.4	119.6	128.1	125.6
GROSS DOMESTIC PRODUCT	20,892.4	100.0	22,139.0	100.0	5,638.9	5,674.9	5,665.9	5,947.0	6,060.0

*Numbers in recent quarters are subject to revision from BPS

Table 2. Gross Domestic Products by Expenditure (nominal)

	2023		2024		Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
	Rp Tn	Share	Rp Tn	Share	Rp Tn	Rp Tn	Rp Tn	Rp Tn	Rp Tn
Household consumption	11,109.6	53.2	11,964.9	54.0	2,992.6	3,048.1	3,091.1	3,226.1	3,220.0
Consumption by non-profit organizations	260.7	1.2	300.1	1.4	73.0	77.9	78.6	80.5	78.1
Government consumption	1,555.5	7.4	1,711.6	7.7	407.4	565.0	333.3	412.2	434.8
Fixed-asset investment	6,127.7	29.3	6,452.5	29.1	1,666.7	1,709.2	1,588.4	1,655.7	1,762.8
Exports of goods and services	4,543.4	21.7	4,911.2	22.2	1,266.3	1,325.5	1,258.2	1,329.9	1,432.4
Imports of goods and services	4,088.4	19.6	4,514.0	20.4	1,176.7	1,207.8	1,120.5	1,227.8	1,222.3
GROSS DOMESTIC PRODUCT	20,892.4	100.0	22,139.0	100.0	5,638.9	5,674.9	5,665.9	5,947.0	6,060.0

Source: BPS

Table 3. Gross Domestic Products by Sector (%YoY)

	Last 3 Years			Last 3 Quarters		
	2022	2023	2024	Q1-25	Q2-25	Q3-25
Agriculture, livestock, forestry, and fishery	2.29	1.29	0.53	10.52	1.65	4.93
Mining and quarrying	4.38	6.12	4.97	-1.23	2.03	-1.98
Manufacturing industry	4.89	4.64	4.42	4.55	5.68	5.54
Electricity and gas	6.61	4.91	4.80	5.11	0.90	2.86
Water provisioning and waste recycling	3.24	4.90	1.59	0.18	0.82	3.32
Construction	2.01	4.91	7.04	2.18	4.98	4.21
Wholesale trade and repairs	5.50	4.83	4.87	5.03	5.37	5.49
Transportation and warehousing	19.86	13.96	8.69	9.01	8.52	8.62
Hotels, restaurant, and catering	11.94	10.01	8.60	5.75	8.04	8.41
Information and communication	7.73	7.61	7.58	7.72	7.92	9.65
Financial services and insurance	1.93	4.77	4.76	3.98	3.20	0.77
Real estate	1.72	1.43	2.50	2.94	3.71	3.95
Business services	8.77	8.24	8.40	9.27	9.31	9.94
Govt. administration , defence, and social security	2.52	1.50	6.72	4.79	4.69	4.33
Educational services	0.58	1.79	3.81	5.04	1.40	10.59
Healthcare and social services	2.73	4.66	8.27	5.78	3.80	6.83
Other services	9.47	10.52	9.77	9.84	11.31	9.92
GROSS DOMESTIC PRODUCT	5.31	5.05	5.03	4.87	5.12	5.04

Table 4. Gross Domestic Products by Expenditure (%YoY)

	Last 3 Years			Last 3 Quarters		
	2022	2023	2024	Q1-25	Q2-25	Q3-25
Household consumption	4.94	4.82	4.94	4.95	4.97	4.89
Consumption by non-profit organizations	5.66	9.83	13.06	3.07	7.82	4.28
Government consumption	-4.46	2.95	7.93	-1.37	-0.33	5.49
Fixed-asset investment	3.87	4.40	3.96	2.12	6.99	5.04
Exports of goods and services	16.27	1.32	6.53	6.44	10.95	9.91
Imports of goods and services	14.99	-1.65	7.94	4.00	11.48	1.18
GROSS DOMESTIC PRODUCT	5.31	5.05	5.03	4.87	5.12	5.04

Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	04-Nov	-1 mth	Chg (%)
US	4.00	Oct-25	1.00	Baltic Dry Index	1,958.0	1,901.0	3.0
UK	4.00	Aug-25	0.20	S&P GSCI Index	557.1	546.3	2.0
EU	2.15	Jun-25	0.05	Oil (Brent, \$/bbl)	64.4	64.5	-0.1
Japan	0.50	Jan-25	-2.40	Coal (\$/MT)	113.9	109.9	3.6
China (lending)	2.00	Sep-24	4.65	Gas (\$/MMBtu)	3.35	3.19	5.0
Korea	2.50	May-25	0.10	Gold (\$/oz.)	3,932.1	3,886.5	1.2
India	5.50	Jun-25	3.96	Copper (\$/MT)	10,633.1	10,690.3	-0.5
Indonesia	4.75	Sep-25	1.89	Nickel (\$/MT)	14,861.3	15,257.2	-2.6
Money Mkt Rates	04-Nov	-1 mth	Chg (bps)	CPO (\$/MT)	982.4	1,051.5	-6.6
SPN (1Y)	4.64	5.05	-41.2	Rubber (\$/kg)	1.71	1.74	-1.7
SUN (10Y)	6.15	6.30	-14.7	External Sector	Aug	Jul	Chg (%)
INDONIA (O/N, Rp)	3.99	4.06	-6.5	Export (\$ bn)	24.96	24.75	0.87
JIBOR 1M (Rp)	5.08	5.16	-7.6	Import (\$ bn)	19.48	20.58	-5.35
Bank Rates (Rp)	Aug	Jul	Chg (bps)	Trade bal. (\$ bn)	5.49	4.17	31.50
Lending (WC)	8.55	8.61	-6.00	Central bank reserves (\$ bn)*	150.7	152.0	-0.84
Deposit 1M	5.24	5.36	-12.00	Prompt Indicators	Sep	Aug	Jul
Savings	0.70	0.68	2.00	Consumer confidence index (CCI)	115.0	117.2	118.1
Currency/USD	04-Nov	-1 mth	Chg (%)	UK Pound	0.768	0.742	-3.41
UK Pound	0.768	0.742	-3.41	Euro	0.871	0.852	-2.21
Euro	0.871	0.852	-2.21	Japanese Yen	153.7	147.5	-4.03
Japanese Yen	153.7	147.5	-4.03	Chinese RMB	7.130	7.122	-0.10
Chinese RMB	7.130	7.122	-0.10	Indonesia Rupiah	16,700	16,540	-0.96
Indonesia Rupiah	16,700	16,540	-0.96	Capital Mkt	04-Nov	-1 mth	Chg (%)
Capital Mkt	04-Nov	-1 mth	Chg (%)	JCI	8,241.9	8,118.3	1.52
JCI	8,241.9	8,118.3	1.52	DJIA	47,085.2	46,758.3	0.70
DJIA	47,085.2	46,758.3	0.70	FTSE	9,715.0	9,491.3	2.36
FTSE	9,715.0	9,491.3	2.36	Nikkei 225	51,497.2	45,769.5	12.51
Nikkei 225	51,497.2	45,769.5	12.51	Hang Seng	25,952.4	27,140.9	-4.38
Hang Seng	25,952.4	27,140.9	-4.38	Foreign portfolio ownership (Rp Tn)	Oct	Sep	Chg (Rp Tn)
Foreign portfolio ownership (Rp Tn)	Oct	Sep	Chg (Rp Tn)	Stock	3,823.5	3,846.5	-23.05
Stock	3,823.5	3,846.5	-23.05	Govt. Bond	880.5	1,213.4	-332.89
Govt. Bond	880.5	1,213.4	-332.89	Corp. Bond	4.1	4.1	-0.02
Corp. Bond	4.1	4.1	-0.02				

Source: Bloomberg, BI, BPS

Notes:

*Data from earlier period

For changes in currency: **Black indicates appreciation against USD, **Red** otherwise

***For PMI, **>50** indicates economic expansion, **<50** otherwise



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Indonesia – Economic Indicators Projection

	2019	2020	2021	2022	2023	2024	2025E
Real GDP growth (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0	5.0
Nominal GDP growth (% YoY)	6.7	-2.5	9.9	15.4	6.7	6.0	7.2
GDP per capita (USD)	4175	3912	4350	4784	4920	4960	5100
CPI inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.6	2.8
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	4.50
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	6.32
USD/IDR exchange rate (average)	14,141	14,529	14,297	14,874	15,248	15,841	16,461
USD/IDR exchange rate (end of year)	13,866	14,050	14,262	15,568	15,397	16,102	16,625
Trade balance (USD Bn)	-3.2	21.7	35.3	54.5	37.0	31.0	26.0
Current account balance (% of GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.6	-0.75

Notes:

- USD/IDR exchange rate projections are for fundamental values; market values may diverge significantly at any moment in time

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