



# Domestic Macro Flash

Indonesia Inflation | February, 4<sup>th</sup> 2025

## Indonesia Deflation Deepens in January 2025 Amidst Electricity Tariff Discounts

### Previous Data (Headline Inflation)

Period	MoM	YoY
Dec 2024	0.44%	1.57%
Nov 2024	0.30%	1.55%
Oct 2024	0.08%	1.71%

Source : Badan Pusat Statistik (BPS)

### Wholesale Trade Price Index (WTPI)

Period	Agri WTPI	Minerals WTPI	Industry WTPI
Dec 24	1.36%	1.91%	2.12%
Nov 24	1.57%	1.81%	2.05%
Oct 24	1.76%	2.20%	1.99%

Source : Badan Pusat Statistik (BPS)

### Main Commodities Contributors to Inflation

Commodities	Price* (IDR/Kg)	MoM
Red Chili	57,364	8.77%
Bird's eye chili	66,663	3.57%
Cooking Oil	17,812	6.21%

Source : Bapenas | \*31 Jan 25

### Comparison Inflation by Country

AEs	Inflation Rate	EMDEs	Inflation Rate
Canada	1.80%	Brazil	4.83%
Euro Area	2.50%	China	0.10%
Japan	3.60%	India	5.22%
Singapore	1.60%	Malaysia	1.70%
Switzerland	0.60%	Mexico	4.21%
UK	2.50%	Russia	9.50%
US	2.90%	Thailand	1.23%

Source : Tradingeconomics | Last Updated

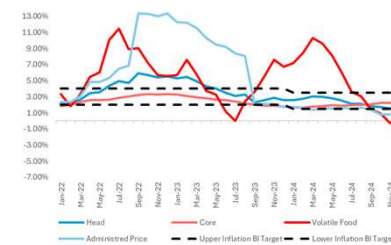
AEs-Advanced Economics | EMDEs-Emerging Market.

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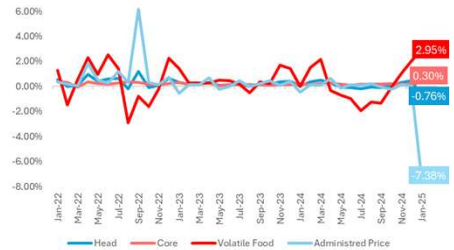
Ref.	Headline Inflation		Core Inflation		Volatile Food Inflation		Administered Price Inflation	
Jan 24	-0.76% MoM	0.76% YoY	0.30% MoM	2.36% YoY	2.95% MoM	3.07% YoY	-7.38% MoM	-6.41% YoY

Figure 1. Inflation (YoY)



Source : Phintraco Sekuritas Research | BI

Figure 2. Inflation (MoM)



Source : Phintraco Sekuritas Research | BI

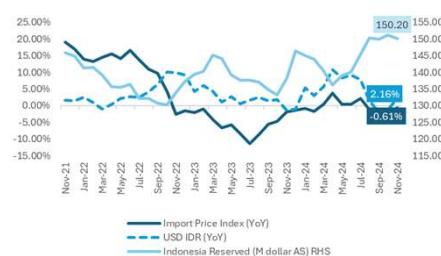
Indonesia's Consumer Price Index (CPI) decreased to 0.76% YoY in January 2025 from 1.57% YoY in December 2024, recording its lowest level since 2000. This inflation rate was lower than the consensus forecast of 1.88%. Core inflation increased to 2.36% YoY in January 2025 from 2.26% YoY in December 2024. Commodities contributing to core inflation included jewelry, cooking oil, ground coffee, and rice with side dishes. Meanwhile, the volatile food group experienced inflation of 3.07% YoY in January 2025, up from 0.12% YoY in December 2024, primarily due to price increases in red chilies, bird's eye chilies, and fresh fish. Government-regulated prices experienced deflation of 6.41% YoY in January 2025 from inflation of 0.56% YoY in December 2024, with significant contributions from electricity tariffs, airfare, and railway fares (Figure 1).

Indonesia's monthly inflation recorded a deflation of 0.76% in January 2025, down from 0.44% in December 2024. The deflation occurred in the administered price group, which saw a 7.38% MoM decrease in January 2025 compared to an inflation of 0.03% MoM in December 2024. This was due to government policies providing a 50% electricity tariff discount for PLN customers up to 2200 VA, increases in non-subsidized fuel prices, retail price increases for tobacco products, and above-normal rainfall affecting horticultural production. Core inflation components reached 0.30% MoM, while inflation in government-regulated components was 0.03% MoM in January 2025. Additionally, the volatile food group experienced 2.95% MoM in January 2025, with significant contributions from red chilies, bird's eye chilies, and cooking oil, contributing 0.19%, 0.17%, and 0.03%, respectively, to inflation (Figure 2).

Low inflation contributed to a deflation in import prices of 0.61% YoY in November 2024. Meanwhile, Indonesia's foreign exchange reserves slightly decreased to US\$150.2 billion in November 2024 from US\$151.2 billion in October 2024. It has weakened the rupiah against the US dollar by 2.16% YoY at the end of November 2024 (Figure 3).

The decline in inflation also aligned with slowing credit growth at the end of 2024. Global and domestic economic uncertainties influenced investment and consumption decisions, impacting credit demand. Reduced economic activity due to extended religious holidays also contributed to this slowdown (Figure 4).

Figure 3. Import Price to FX and Indonesia Reserve



Sumber : Phintraco Sekuritas Research | BI, BPS

Figure 4. Loan Growth and Inflation



Sumber : Phintraco Sekuritas Research | BI

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