



# Domestic Macro Flash

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

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

### Previous Data (Headline Inflation)

Period	MoM	YoY
Jan 2025	-0.76%	0.76%
Dec 2024	0.44%	1.57%
Nov 2024	0.30%	1.55%

Source : Badan Pusat Statistik (BPS)

### Wholesale Trade Price Index (WTPi)

Period	Agri WTPi	Minerals WTPi	Industry WTPi
Feb 25	104.34	106.07	100.21
Jan 25	105.89	101.40	106.70
Dec 24	114.23	126.44	121.07

Source : Badan Pusat Statistik (BPS)

### Main Commodities Contributors to Inflation

Commodities	Price* (IDR/Kg)	MoM
Chiken	36,928	-4.08%
Red Onion	37,365	-3.41%
Red Chili	55,652	-3.44%

Source : Bapenas | \*28 Jan 25

### Comparison Inflation by Country

AEs	Inflation Rate	EMDEs	Inflation Rate
Canada	1.90%	Brazil	4.56%
Euro Area	2.50%	China	0.50%
Japan	4.00%	India	4.31%
Singapore	1.20%	Malaysia	1.70%
Switzerland	0.40%	Mexico	3.59%
UK	3.00%	Russia	9.90%
US	3.00%	Thailand	1.32%

Source : Tradingeconomics | Last Updated (3/3/25)

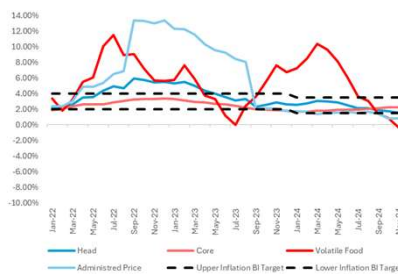
AEs-Advanced Economics | EMDEs-Emerging Market.

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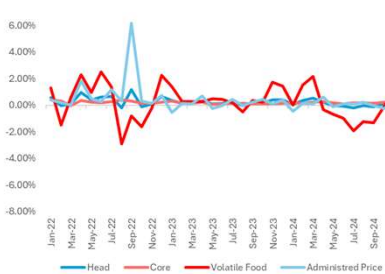
Ref.	Headline Inflation		Core Inflation		Volatile Food Inflation		Administered Price Inflation	
Feb-25	-0.48% MoM	-0.09% YoY	0.25% MoM	2.48% YoY	-0.93% MoM	0.56% YoY	-2.65% MoM	-9.02% YoY

Figure 1. Inflation (YoY)



Source : Phintraco Sekuritas Research | BI

Figure 2. Inflation (MoM)



Source : Phintraco Sekuritas Research | BI

Indonesia's Consumer Price Index (CPI) recorded a deflation of 0.09% YoY in February 2025, down from the 0.76% YoY in January 2025, marking the lowest level since 2000. This realization was lower than the consensus forecast of 0.41% inflation. Core inflation increased to 2.48% YoY in February 2025 from 2.36% YoY in January 2025. Commodities contributing to core inflation included jewelry, ground coffee, and rice with side dishes. Meanwhile, the volatile food group experienced inflation of 0.56% YoY in February 2025, down from 3.07% YoY in January 2025, primarily supported by price increases in chicken meat, shallots, and red chilies. Government-administered prices experienced deflation of 9.02% YoY in February 2025 from 6.41% YoY deflation in January 2025, with significant contributions from electricity tariff discounts and non-subsidized fuel price reductions (**Figure 1**).

Indonesia's monthly deflation was 0.48% in February 2025, down from 0.76% in January 2025. Deflation occurred in the administered prices group at 2.65% MoM in February 2025 from 7.38% MoM deflation in January 2025. This was due to the government's policy of providing a 50% electricity tariff discount for PLN customers up to 2,200 VA. Core inflation rose to 0.25% MoM in February 2025. Additionally, the volatile food group experienced deflation of 0.93% MoM in February 2025, with significant contributions from chicken meat, shallots, and red chilies, contributing -0.06%, -0.05%, and -0.04% to deflation, respectively (**Figure 2**).

Low inflation supported import price deflation of 0.69% YoY in December 2024. Meanwhile, Indonesia's foreign exchange reserves grew to US\$155.7 billion in December 2024 from US\$150.1 billion in November 2024. This resulted in the rupiah weakening against the US dollar by 4.51% YoY at the end of December 2024 (**Figure 3**).

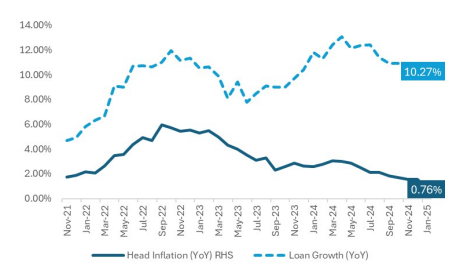
The decline in inflation also aligned with slowing credit growth in early 2025. Global economic uncertainties, such as tariff implementation and electricity tariff incentives, influenced investment and consumption decisions, impacting credit demand. The decrease in economic activity in January 2025 following the extended religious holiday period at the end of 2024 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