

Macro Update

Investment surpasses target despite global uncertainty

Investment realization surpasses target, anchoring growth

Indonesia's investment realization delivered a solid performance in 2025, rising by +12.7% YoY to IDR1,931.2tr (101.3% of target). This achievement underscores the role of investment as a key anchor of economic growth amid heightened global uncertainty, while also reflecting the effectiveness of domestic policy support in sustaining momentum across the real sector throughout the year.

Domestic investment dominance and improving investment quality

Departing from historical patterns, domestic investment (PMDN) accounted for 53.4% of total realization in 2025, supported by a sharp expansion of +26.6% YoY. The largest contributions came from transportation, warehousing, and telecommunications, surging to IDR 158.6tr (+32% YoY) as well as the mining sector. Strategic financing support, including IDR81.5tr in disbursements from BPI Danantara largely directed toward labor-intensive priority sectors, not only strengthened domestic productive capacity but also enhanced investment quality through higher job creation.

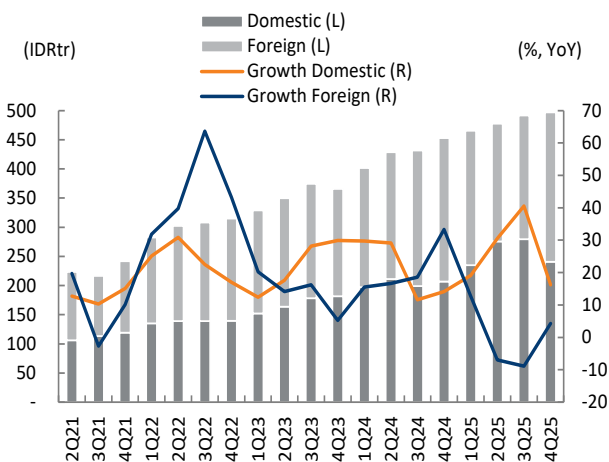
Positive FDI signals and spillovers to domestic consumption

While foreign direct investment (FDI) remains relatively subdued in aggregate, inflows showed a meaningful improvement in 4Q25, particularly into electricity, gas, and water utilities. Overall, investment realization in 2025 generated employment for around 2.7mn workers, up from 2.4mn in 2024, indicating a qualitative shift from mere capital deepening toward broader labor absorption. This improvement in job creation capacity is likely to provide an additional tailwind to household consumption, reinforcing a more durable domestic growth cycle.

Reinforcing investment quality through policy certainty and Danantara

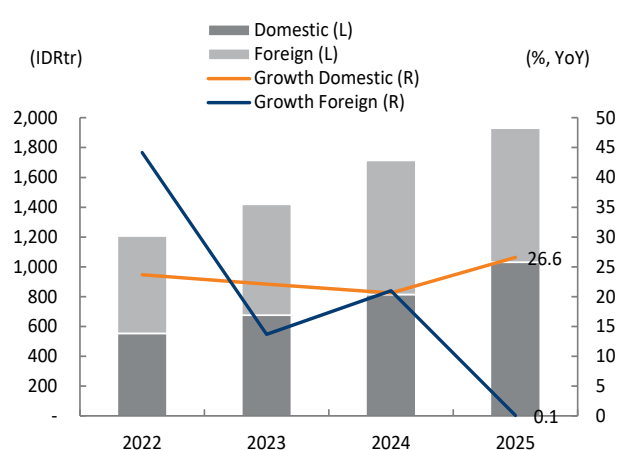
Looking ahead, sustaining growth momentum through 2026 (based on our estimates, each additional 1% of GDP growth requires approximately IDR 800tr in investment) will hinge critically on the continued strength of domestic investment alongside a stronger expansion in FDI, with Danantara assuming an increasingly strategic role as a catalyst for domestic financing and a stabilizer of investment activity amid global volatility. In this context, policy priorities should center on strengthening regulatory certainty and advancing high value-added, export-oriented sectors to attract higher-quality FDI, thereby supporting a more sustainable trajectory of investment realization.

Figure 1. Investment realization and growth (quarterly)



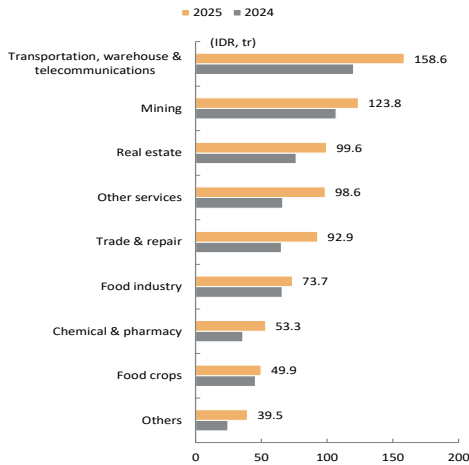
Source: Ministry of Investment, Mirae Asset Sekuritas Indonesia Research

Figure 2. Investment realization and growth (yearly)



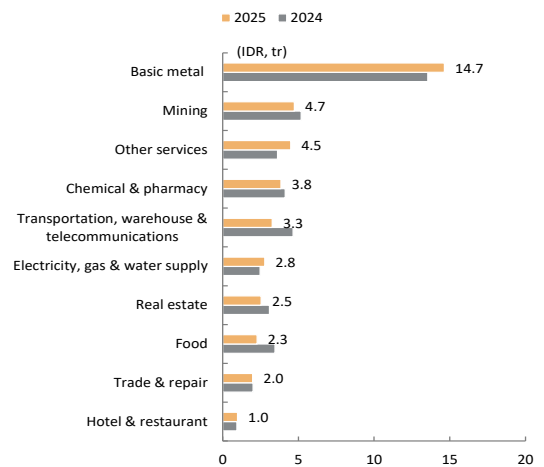
Source: Statistics Indonesia, Mirae Asset Sekuritas Indonesia Research

Figure 3. Domestic investment by sector (2024 & 2025)



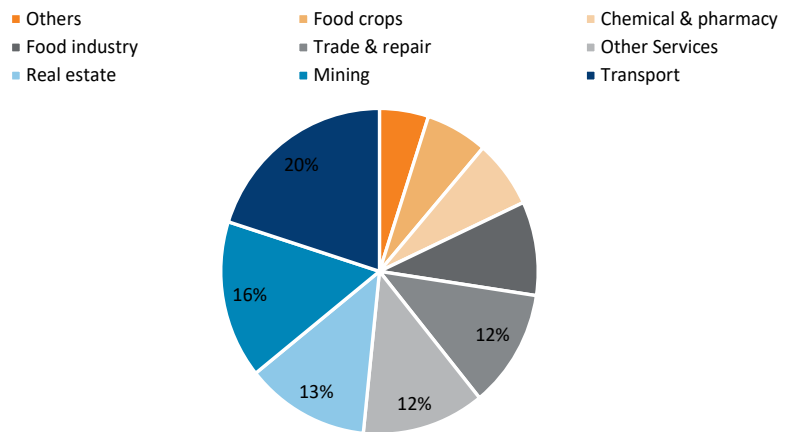
Source: Ministry of Investment, Mirae Asset Sekuritas Indonesia Research

Figure 4. FDI by sector (2024 & 2025)



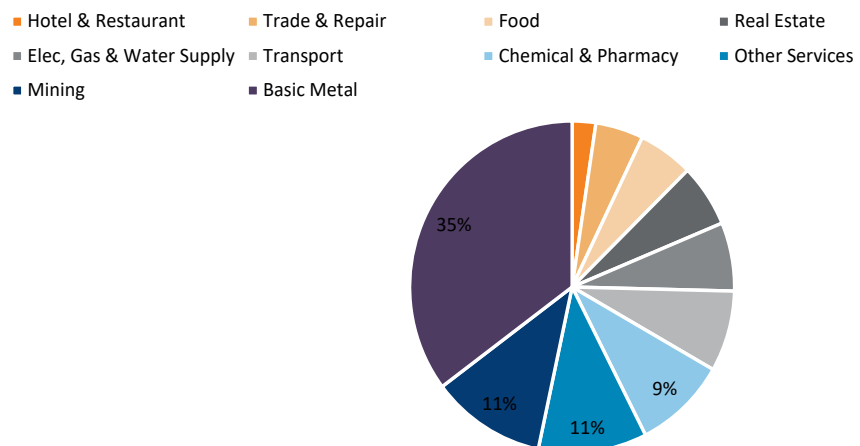
Source: Ministry of Investment, Mirae Asset Sekuritas Indonesia Research

Figure 5. Domestic investment by sector composition (%)



Source: Statistics Indonesia, Mirae Asset Sekuritas Indonesia Research

Figure 6. FDI by sector composition (%)



Source: Statistics Indonesia, Mirae Asset Sekuritas Indonesia Research

Appendix 1

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