

New finance minister inherits 15 basis points of deficit headroom

Deficit projection, 2026	Headroom to the ceiling	Still to finance after June	Unpaid to Pertamina
2.85%	IDR 39tn	IDR 537.8tn	IDR 166.84tn
government's own, was 2.68%	0.15pp of GDP	73% of the year	more than the headroom

KEY TAKEAWAYS

- Suhasil Nazara was sworn in as finance minister on 14 September, the third of this administration, after Purbaya Yudhi Sadewa served **371 days**. The two describe the job differently. Purbaya set out to break the five percent growth ceiling, moved **IDR 200tn** of state funds into five state banks to force lending, and described using big talk to shape expectations. Suhasil names credibility instead: a budget that can be trusted, communication that can be trusted, and support for priority programmes. He repeated his standing commitment to a deficit **below 3%**, a line he has used since May. He did not mention how little room is left underneath it.
- The government projects **2.85%** for 2026, leaving about **IDR 39tn** of headroom under a ceiling S&P called a critical credit anchor in July. The obligations he inherits fill that headroom several times over. Pertamina was still owed **IDR 166.84tn** at the end of August, of which IDR 142.44tn is compensation for fuel sold below the economic price. A further **IDR 40tn** of village cooperative debt falls due at the end of September, and under PMK 15/2026 its instalments come out of regional transfers, so the IDR 43tn increase in transfers is committed before it reaches a region. Neither figure is a forecast. Both are bills already incurred.
- The revenue side is thinner than it looks. The largest single line is a **IDR 120tn** dividend from Danantara booked as non-tax revenue, which Danantara has resisted. Tobacco excise was **not raised for 2026**, and excise on sweetened drinks and the marketplace vendor tax were both postponed. Tax amnesty was rejected outright. What has worked is collection: revenue rose **21 percent** in the first half, which is what kept the deficit under the cap.
- The two markets read the day differently. The composite index was down **2.60 percent** at 14:58, the low of the session, then recovered to close at 6,535, **0.10 percent** below Friday. That recovery came after the announcement, though it landed mid-session alongside a heavy global tape, so one day is not a verdict. The 10-year government bond is the cleaner read, and it did not move at all: **7.158 percent** against 7.151 on Friday, with an intraday range under three basis points.
- The financing task is the point. The first half ran a deficit of only **0.76 percent** of GDP against that 2.85 percent projection. That leaves **IDR 537.8tn**, or **73 percent** of the year's deficit, to be financed after June. The 2027 budget then assumes 2.40 percent, a tightening of about **IDR 116tn** in one year, with priority spending protected and oil above USD 100. The 10-year yield is already **107 basis points** above its end-2025 level. **Key watch: whether the 2.85 percent projection holds through the fourth quarter, and whether the Pertamina arrears are settled in cash or rolled.**

2027 budget assumptions against our view

Assumption	2027 budget	Our range	Our mid	Gap	Note
Economic growth, %	6.00	4.80 – 5.40	5.10	-90 bp	2Q26 was 5.29
Inflation, %	2.50	2.85 – 3.35	3.10	+60 bp	Aug was 3.19
USDIDR	17,500	17,150 – 17,850	17,500	match	the only one
SBN 10Y, %	6.90	6.85 – 7.35	7.10	+20 bp	funding cost
Deficit, % of GDP	2.40	2026 proj. 2.85	n.m.	-45 bp needed	IDR 116tn to close

Source: RAPBN 2027 macroeconomic assumptions, Ministry of Finance; Statistics Indonesia; Bank Indonesia. Ranges and midpoints are Aldiracita Fixed Income and Macro Research.

The 2026 deficit is already close to the ceiling

The 2026 deficit	IDR tn	% of GDP
Realised, first half	196.5	0.76
Government projection, full year	734.3	2.85
Still to finance after June	537.8	2.09

Source: Ministry of Finance first-half 2026 budget realisation and full-year projection, against an initial target of IDR 689.1tn or 2.68 percent of GDP; statutory ceiling of 3 percent. Remainder and headroom are Aldiracita Fixed Income and Macro Research.

What the new minister inherits

Item	Amount or status	What it means
Pertamina arrears	IDR 166.84tn, unpaid	Eighty five percent of it is compensation for selling fuel below the economic price. It is more than four times the headroom left under the 3 percent ceiling.
Kopdes Merah Putih	IDR 40tn, due September	Instalments are repaid out of DAU, DBH or village funds. The amount equals 93 percent of the increase in regional transfers.
Danantara dividend	IDR 120tn, contested	Booked as non-tax revenue for 2027. Danantara itself has resisted it.
Tobacco excise, 2026	Not raised	Held flat after consultation with the industry. A revenue increase the budget chose not to take.
Sweetened drink excise	Postponed	Deferred rather than collected. The receipt moves to a later year.
Marketplace vendor tax	Postponed	Deferred to protect purchasing power. Again a deferral, not a cancellation.
Tax amnesty	Rejected	Ruled out during the previous minister's term, so no one-off receipt is available to close a gap.
Large taxpayer collection	IDR 60tn, enforcement	Two hundred names, pursued with the attorney general, the KPK, the police and PPATK. It depends on enforcement rather than on structure.

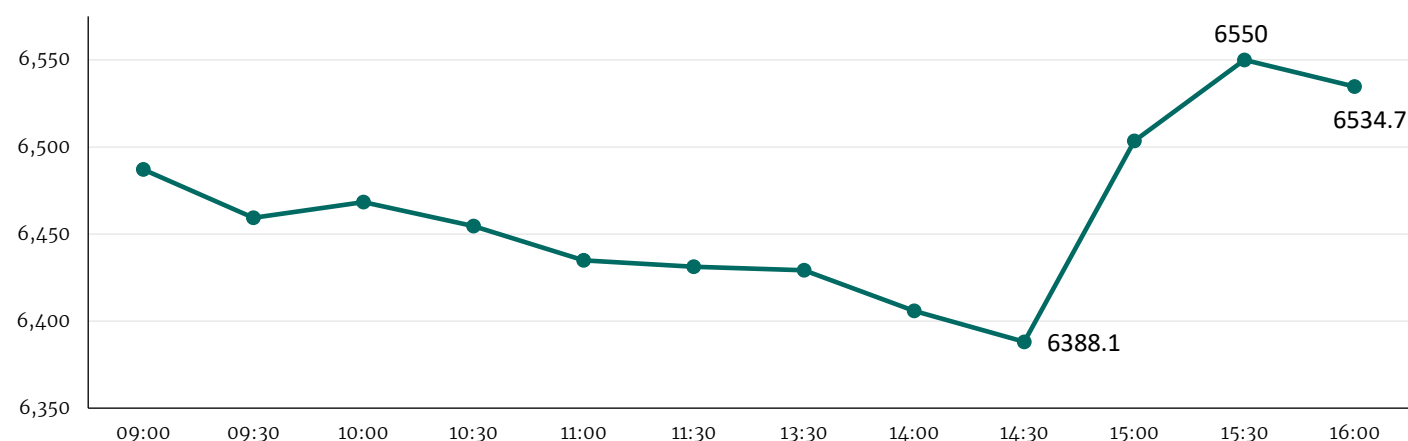
Source: Pertamina figures presented to Commission XII of the House, 26 August 2026; PMK 15/2026; Ministry of Finance budget documents and ministerial statements, September 2025 to September 2026. Share-of-gap arithmetic is Aldiracita Fixed Income and Macro Research.

Two priority statements, compared

Aspect	Purbaya, Sep 2025 to Sep 2026	Suahasil, from 14 Sep 2026
Stated goal	Break the 5 percent growth ceiling. Six percent, later eight percent.	A budget that can be trusted. Growth and stability together.
Main instrument	IDR 200tn of state funds moved out of Bank Indonesia into five state banks, later expanded.	The credibility of the institution and of what it says.
Communication	Open and direct. He described using "big talk" to shape market expectations.	"Public communication that can be trusted."
Deficit anchor	2.40 percent of GDP, written into the 2027 budget.	"Below 3 percent", the statutory ceiling.
Revenue approach	Growth widens the base. No new taxes, excise deferred.	Efficiency defined as output per rupiah, not as cuts.

Source: ministerial statements to the press, Kementerian Keuangan and Istana Negara, September 2025 to 14 September 2026, as reported. Compiled by Aldiracita Fixed Income and Macro Research.

How the market read it on the day (JCI, intraday, 14 September 2026)



The index fell 2.60 percent to its low at 14:58, then recovered 2.56 percent after the announcement to close 0.10 percent below Friday.

Source: exchange intraday prints for 14 September 2026, sampled at half-hourly intervals; previous close 6,541.38. The 10-year government bond closed at 7.158 percent against 7.151 on 11 September. Aldiracita Fixed Income and Macro Research.



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