

One-off gains flatter Indonesia's 2026 surplus; DPR ratifies a record IDR4,106.3tn APBN for 2027.

STATE REVENUE	STATE SPENDING	FISCAL DEFICIT	PRIMARY BALANCE
8M26: IDR2,055.6Tn 2027B: IDR3,435.1Tn	8M26: IDR2,295.7Tn 2027B: IDR4,106.3Tn	8M26: -IDR240.1Tn 2027B: -IDR671.2Tn	8M26: +IDR154.0Tn 2027B: -IDR20.85Tn
65.2% of FY26 target · 2027B +8.9% yoy	59.7% of FY26 ceiling · 2027B +6.9% yoy	-0.93% → -2.40% of GDP · inside 3% ceiling	8M26 surplus · 2027B budgets a narrower gap

KEY TAKEAWAYS

- Revenue quality beneath August's 25.4% headline growth is more mixed than it looks: **PPh Badan corporate income tax grew 25.5% net but only 5.5% gross, and PPN Dalam Negeri domestic VAT grew 53.9% net versus just 7.8% gross** — in both cases the gap reflects lower tax-refund (restitusi) payouts this year rather than faster underlying activity. Add a **one-off IDR55.0 trillion Bank Indonesia surplus** booked to settle 1997/98 crisis-era government debt, and **roughly IDR188.1 trillion of the IDR2,055.6 trillion in reported revenue is non-recurring or timing-driven**.
- Stripping out both effects widens our normalized fiscal gap from the reported IDR240.1 trillion (0.93% of GDP) to an implied **IDR428.2 trillion, or roughly 1.66% of GDP** — still comfortably inside the 3% legal ceiling, but a materially less flattering picture of underlying fiscal balance than the headline print suggests. (Please refer to detailed appendix in page.4)
- Budget headroom is now the swing factor into year-end. Subsidy and compensation spending, already 74.2% of its back-calculated pagu, is running at a pace that implies a full-year overshoot of **IDR50.5 trillion (11.3%)** if ICP stays near USD89.2/bbl against the USD70 budget assumption and the Rupiah holds past 17,600/USD versus a 16,500 assumption. MBG spending, by contrast, still has roughly **IDR17.5 trillion (8.0%) of headroom** at its current run rate, though that could tighten quickly as beneficiary coverage scales toward 82.9 million.
- DPR ratified the APBN 2027 law on 29 September 2026 at a record **IDR4,106.3 trillion in spending against IDR3,435.1 trillion in revenue**, financed by IDR671.2 trillion. The **deficit narrows to 2.40% of GDP from 2.68% in APBN 2026**, and for the first time in this comparison **revenue growth (8.9%) outpaces spending growth (6.9%)** — a better-balanced budget on paper. Education (IDR824.0 trillion) and Social Protection (IDR539.7 trillion) remain the largest priority-mandate lines, while **Badan Gizi Nasional again tops the ministry/agency ranking at IDR240.2 trillion (7.12% of central government spending)**, ahead of the Defense Ministry (IDR189.0 trillion) and the Police (IDR139.2 trillion).
- The continuity question bridges both releases: **BGN's IDR240.2 trillion FY2027 allocation** sits above even the IDR218.8 trillion pagu MBG was trimmed to for 2026 and above the roughly IDR201.3 trillion full-year pace implied by our 8M26 realization check — the program is scaling up, not down. APBN 2027's ICP assumption also moved toward reality, to USD75/bbl from USD70, but 2026 still realized USD89.2/bbl, a USD19.2/bbl overshoot. **Key watch: whether ICP and the Rupiah again run meaningfully above their APBN 2027 assumptions once Jan–2027 realization data starts flowing, repeating 2026's subsidy–budget strain.**

APBN Realization Scorecard · Jan–Aug 2026 (IDR Tn)

Item	APBN 2026	Real. 8M26	% of APBN	Growth yoy	Note
State Revenue	3,153.6	2,055.6	65.2%	+25.4%	broad-based
Tax Revenue	2,693.7	1,619.3	60.1%	+21.7%	Coretax uplift
Customs & Excise	336.0	210.2	62.6%	+7.8%	CPO duty up
Non-Tax Revenue (PNBP)	459.2	435.1	94.8%	+41.7%	incl. BI surplus
State Spending	3,842.7	2,295.7	59.7%	+17.1%	MBG rollout
Central Govt Spending	3,149.7	1,791.5	56.9%	+29.0%	K/L +33.0% yoy
Transfer to Regions	693.0	504.3	72.8%	-11.8%	ceiling cut; exec. 72.8%
Primary Balance	-89.7	154.0	171.7%	+592.2%	8-mo surplus
Fiscal Deficit	-689.1	-240.1	34.8%	-25.3%	vs -1.35% GDP FY25

Source: Kementerian Keuangan RI, APBN KiTa press conference, 18 September 2026.

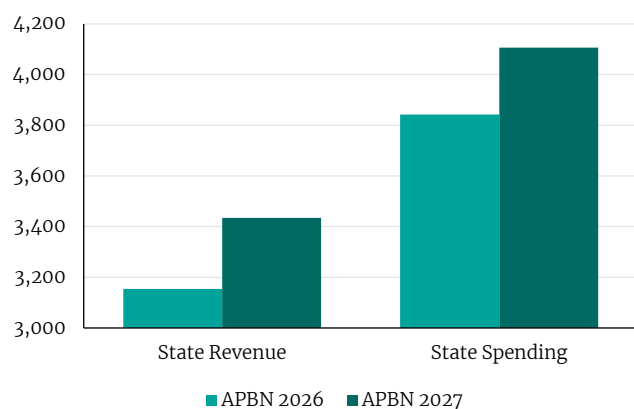
APBN 2027 Budget Scorecard (IDR Tn)

Item	8M26	APBN 2026	APBN 2027	%YoY*	Notes
State Revenue	2,055.6	3,153.6	3,435.1	+8.9%	broad-based
Tax Revenue	1,619.3	2,693.7	2,912.0	+8.1%	
Non-Tax Revenue (PNBP)	435.1	459.2	522.5	+13.8%	
Grant Revenue	—	0.7	0.66	-5.7%	
State Spending	2,295.7	3,842.7	4,106.3	+6.9%	record level
Central Govt Spending	1,791.5	3,149.7	3,371.3	+7.0%	
Ministry/Agency Spending (K/L)	—	1,510.5	1,556.9	+3.1%	+33.0% yoy 8M26
Non-Ministry/Agency Spending	—	1,639.2	1,814.4	+10.7%	
Transfer to Regions	504.3	693.0	735.0	+6.1%	72.8% of ceiling (8M26)
Primary Balance	154.0	-89.7	-20.85	+76.8%	gap narrows
Fiscal Deficit	-240.1	-689.1	-671.2	-2.6%	
% of GDP	-0.93%	-2.68%	-2.40%	-0.28pp	inside 3% ceiling
Budget Financing	506.0	689.1	671.2	-2.6%	60.8% of FY26 target (8M26)

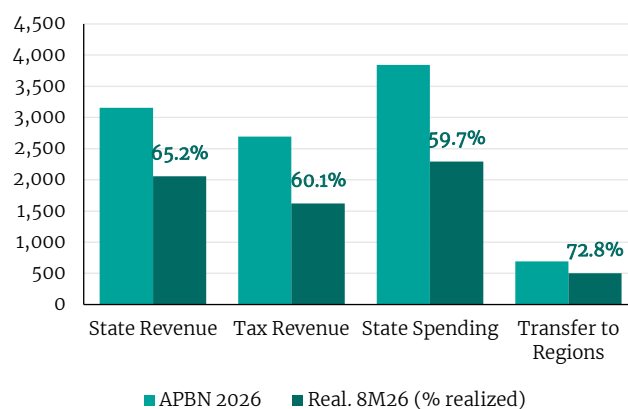
*%YoY compares enacted APBN 2027 against enacted APBN 2026; 8M26 = Jan-Aug 2026 realization. Source: Kementerian Keuangan RI, APBN KiTa press conference, 18 September 2026 (8M26); Siaran Pers SP-172/KLI/2026, 29 September 2026 (APBN 2026 and APBN 2027); Various Source.

Charts · APBN Kita 8M26 & APBN 2027

APBN 2027 vs APBN 2026 — Budget Postur (IDR Tn)



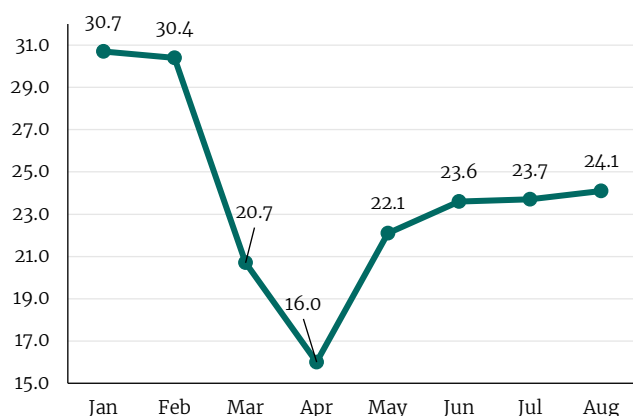
APBN Realization by Major Line · 8M26 (IDR Tn)



Revenue growth (+8.9%) outpaces spending growth (+6.9%) for the first time in this comparison.

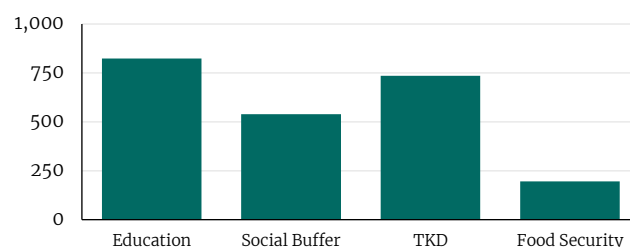
Revenue realization (65.2%) is running ahead of spending (59.7%) through 8M26.

Cumulative Tax Revenue Growth · Jan–Aug 2026 (% yoy)

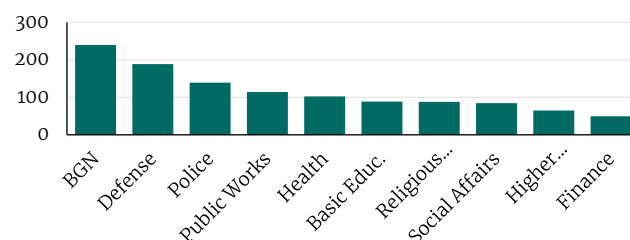


Tax growth decelerated to 16.0% by April before reaccelerating to 24.1% by August on PPh Badan and PPN strength.

Priority Mandates & Top 10 K/L, APBN 2027 (IDR Tn)



Education and Social Protection remain the two largest priority-mandate lines.



Badan Gizi Nasional (MBG) is now the single largest K/L budget line at IDR240.2 trillion.

Source: Kementerian Keuangan RI, APBN KiTa press conference (18 September 2026) and Siaran Pers SP-172/KLI/2026 (29 September 2026); Various Source.

Fixed Income & Macro Market Implications

Dimension	Assessment	Analysis
Rates / SBN	Positive	Financing through August is already 60.8% of the full-year target (SBN net issuance 66.0%) with the yield spread to UST 10-year steady at 120bps; APBN 2027 carries a narrower deficit (2.40% of GDP vs 2.68% in APBN 2026) on an unchanged 6.9% SBN 10-year yield assumption, pointing to steady-to-lower gross issuance pressure into 2027.
Rupiah / FX & Financing 2027	Watch	The Rupiah has weakened past 17,600/USD against both the 16,500 APBN 2026 assumption and the 17,500 APBN 2027 assumption — a more credible anchor for 2027 than last year's, but not a conservative one if capital flows stay volatile, with auction bid-to-cover ratios still healthy for now (1.88x SUN, 2.53x SBSN).
Continuity Check: MBG & Subsidy Headroom into 2027	Watch	Badan Gizi Nasional's IDR240.2 trillion FY2027 allocation sits above the IDR218.8 trillion revised budget MBG was trimmed to for 2026 and above the ~IDR201.3 trillion full-year pace implied by our 8M26 check — spending is scaling up, not down. The ICP assumption also moved toward reality (USD75/bbl vs USD70), but 2026 realized USD89.2/bbl; a repeat overshoot would again strain the subsidy and compensation line once 2027 realization data starts flowing.

Source: Aldiracita Research, based on Kementerian Keuangan RI data and Various Source. For informational purposes only.

APPENDIX · Deep Dive: Revenue Quality, Normalized Deficit & Budget Headroom (IDR Tn)

Item	Growth: Net vs Gross	Baseline (IDR Tn)	Result (IDR Tn)	Note
Revenue Quality: Restitution Effect & One-Off BI Surplus				
PPh Badan (corporate income tax)	+25.5% / +5.5%	Net 2026: 243.7	+38.8	lower restitution funds most of the gap
PPN Dalam Negeri (domestic VAT)	+53.9% / +7.8%	Net 2026: 314.8	+94.3	managed restitution, fuel-trade sector
One-off Bank Indonesia surplus (PNBP-KND)	n/a	booked once	+55.0	1997/98 crisis-era debt settlement, non-recurring
Total non-recurring / timing boost to revenue	—	—	+188.1	sum of restitution effect and BI surplus
Reported fiscal deficit	—	—	-240.1 (0.93% of GDP)	as released, 18 September 2026
Normalized / implied deficit (ex-restitution, ex-BI surplus)	—	—	-428.2 (~1.66% of GDP)	still inside the 3% legal ceiling, but ~0.7pp wider than the headline print
Subsidy & Compensation: Budget Headroom vs ICP Run Rate				
Realized 8M26	74.2% of ceiling	Implied FY ceiling: 446.6	331.4	ceiling back-calculated from the disclosed % of APBN
Run rate, Jan-Aug (avg/month)	—	Required Sep-Dec: 28.8/mo	41.4	run rate already above the pace the remaining budget allows
Projected FY2026 total at current run rate	—	Ceiling: 446.6	497.1 (+50.5, +11.3%)	ICP realized USD89.2/bbl vs USD70 budget; risk of an APBN-P
MBG: Budget Headroom vs Disbursement Pace				
Realized 8M26	61.3% of ceiling*	FY ceiling*: 218.8	134.2	*BGN ceiling post efficiency-cut; not disclosed in the APBN KiTa deck
Run rate, Jan-Aug (avg/month)	—	Required Sep-Dec: 21.1/mo	16.8	run rate currently below the required pace
Projected FY2026 total at current run rate	—	Ceiling: 218.8	201.3 (-17.5, -8.0%)	headroom intact at this pace; could tighten as rollout scales toward 82.9mn beneficiaries

Restitution effect = neto growth less what neto would have grown at the bruto (pre-restitution) rate; the normalized deficit strips this effect and the one-off BI surplus out of revenue. Budget headroom = (pagu - realized) ÷ remaining months, compared against the Jan-Aug average monthly realization. Source: Aldiracita Research calculations based on Kementerian Keuangan RI, APBN KiTa press conference, 18 September 2026 (revenue, deficit, subsidy figures); Badan Gizi Nasional (BGN) MBG budget data via Bisnis.com, 20 September 2026 (MBG pagu, not disclosed in the APBN KiTa release).

Why normalize: the 24.1% headline growth in tax receipts is partly a timing effect, not a one-for-one gain in collection. **PPh Badan grew 25.5% net versus only 5.5% gross, and PPN Dalam Negeri grew 53.9% net versus 7.8% gross** — the gap in both cases reflects lower restitution (tax refund) payouts this year rather than faster underlying economic activity. Add the **IDR55 trillion one-off BI surplus** booked to settle 1997/98 crisis-era debt, and roughly IDR188.1 trillion of the IDR2,055.6 trillion in reported revenue is non-recurring or timing-driven.

Normalized deficit: stripping both effects out widens the fiscal gap from the reported **IDR240.1 trillion (0.93% of GDP)** to an implied **IDR428.2 trillion, or roughly 1.66% of GDP** — still comfortably inside the 3% legal ceiling, but a materially less flattering picture of underlying fiscal balance than the headline print suggests.

Subsidi & Kompensasi headroom: back-calculating the full-year pagu from the disclosed 74.2% realization puts it at roughly **IDR446.6 trillion**. The Jan-Aug run rate of **IDR41.4 trillion/month** already exceeds the **IDR28.8 trillion/month** the remaining budget allows — if the pace holds through December, full-year spending would overshoot the pagu by roughly **IDR50.5 trillion (11.3%)**. The driver is clear: ICP has averaged USD89.2/bbl against a USD70 budget assumption, so the headroom question is really an oil-price question — an APBN-P becomes likely if ICP and the Rupiah stay this far outside their assumptions into year-end.

MBG headroom: the APBN KiTa release does not disclose a full-year MBG pagu, so this check uses Badan Gizi Nasional's most recent disclosed figure — an **IDR218.8 trillion** pagu after a mid-year efficiency adjustment. Against that, the Jan-Aug run rate of **IDR16.8 trillion/month** sits below the **IDR21.1 trillion/month** the remaining budget allows, leaving roughly **IDR17.5 trillion (8.0%) of headroom** if the current pace holds. That said, disbursement has been scaling with beneficiary rollout toward the 82.9 million target, so the run rate — and this headroom — can move quickly in either direction.



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