

Indonesia

8 September 2025

Purbaya Yudhi Sadewa takes on the role of finance minister

- In the latest cabinet reshuffle, Sri Mulyani Indrawati has been replaced by Purbaya Yudhi Sadewa as the finance minister.
- Sadewa is a seasoned economist with experience in the private sector and government. He inherits an economy that is under pressure from slowing growth momentum and building fiscal concerns.
- From a steady pair of hands Sri Mulyani, who held the post for 14 years of the last 20 years, Sadewa will have to make himself more recognisable with Indonesians and investors alike.

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Following the protests that took hold during the week of 25-31 August, the finance minister has been replaced. Sri Mulyani, who held the position for the last 14 out of 20 years, was a symbol of stability and reassurance for domestic and foreign investors alike.

Her successor is Purbaya Yudhi Sadewa, whom President Prabowo appointed in a cabinet reshuffle on 8 September 2025. Sadewa comes with experience across the private sector and government and is a seasoned economist. He most recently held the post of the chairman of the Deposit Insurance Corporation. His past positions include deputy in the Coordinating Ministry for Maritime Affairs and Investment and the Chief Economist at Danareksa Securities.

Sadewa inherits an economy that is under pressure from slowing growth momentum and building fiscal concerns. We see growth momentum slowing sharply to 4.7% YoY in 2H25 from 5.0% in 1H25. Sadewa's first job as finance minister will be to provide investors, domestic and foreign, the confidence that there will be a smooth transition of power. This will not be without its challenges.

There has been a sense of perceived caution around fiscal management since the start of the year as the priorities of the Prabowo administration pivoted to flagship schemes such as the free-meal scheme and providing public housing. These necessitated cutbacks in regional spending and other central government expenditures. Despite this, the fiscal deficit for 2025 was revised to 2.78% of GDP from an original estimate of 2.48% of GDP on account of revenue constraints. The pressure on households has also become more apparent, spilling over into street protests (see Indonesia: Eyes on politics and policies, 1 September 2025).

The role of fiscal policy going forward will become critical in rebalancing the perceptions around the government's economic agenda, and Sadewa's role will be in the spotlight. His approach remains to be seen but there is inherent pressure building to gear fiscal policies towards becoming more populist. Importantly, the government is willing to push hard on its economic priorities including by bringing Bank Indonesia into the fray. BI and the MoF agreed to implement interest cost sharing for "SBN issued by the Government for Public Housing and Merah Putih Village Cooperatives programs". This agreement is effective starting in 2025 until the completion of the relevant Government programs.

Notwithstanding, the changes in the finance minister will not usher in bigger changes to monetary policy direction for now, in our view. We continue to see room for BI to lower its policy rate by another 25bps for the remainder of the year.

Previous position	Period
Chairman of the Board of Commissioners of the Indonesia Deposit Insurance Corporation (LPS)	Since Sep 2020
Deputy for Coordination of Maritime Sovereignty and Energy, Coordinating Ministry for Maritime Affairs and Investment	May 2018 - Sep 2020
Special Staff for Economic Affairs to the coordinating minister for Maritime Affairs, Coordinating Ministry for Maritime Affairs	July 2016 - May 2018
Special Staff for Economic Affairs to the coordinating minister for Political, Legal, and Security Affairs, Coordinating Ministry for Political, Legal, and Security Affairs	Nov 2015 - Jul 2016
Deputy III for Strategic Issues Management, Executive Office of the President of the Republic of Indonesia	Apr 2015-Sep 2015
Special Staff for Economic Affairs to the coordinating minister for Economic Affairs, Coordinating Ministry for Economic Affairs	2010-2014
Member of the National Economic Committee	2010-2014
Deputy Chair of the Task Force for Case Handling and Resolution (Debottlenecking), better known as "Working Group IV", under the Coordinating Ministry for Economic Affairs	Since Jun 2016
Member of the Advisory Board of the Chamber of Commerce and Industry	Since 2016
Member of the Indonesia Economic Forum	Since 2015
Member of the Board of Directors, PT Danareksa (Persero)	Mar 2013 - Apr 2015
Chief Economist, Danareksa Research Institute	Jul 2005 - Mar 2013
President Director, PT Danareksa Securities	Apr 2006 - Oct 2008
Senior Economist, Danareksa Research Institute	Oct 2000 - Jul 2005
Field Engineer, Schlumberger Overseas SA	1989-1994
Source: LPS.	

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