Monthly Sector Report (August '26)

As we enter the second half of 2026, the heavy equipment, mining, and automotive sectors present promising prospects, albeit accompanied by challenges that demand a cautious approach. Mining activities and the demand for heavy equipment remain key pillars of support, while production control policies and commodity quotas are compelling industry players to adapt to shifting market conditions.

Meanwhile, the used car and multi-finance sectors are contending with an uneven recovery in purchasing power, resulting in selective growth patterns. Under these circumstances, operational efficiency, portfolio quality, risk management, and a focus on segments with sustained demand are critical factors for maintaining healthy industry growth through the end of 2026. Below, we present the latest updates from the mining, heavy equipment, and used car sectors.

A. Heavy Equipment Industry: Heavy Equipment Industry: Growth Momentum and Challenges that Need to be Payed Attention to.

Overall, the outlook for the mining sector and its supporting industries in 2026 remains fairly positive, supported by the resumption of mining activities, strong demand for heavy equipment, and the implementation of B50. However, the sector remains influenced by government policies and market conditions, presenting several challenges that need to be properly mitigated. The following provides an overview of the latest developments in the sector.

- **Mining Sector Dynamics: RKAB Revision, Production, and 2026 Outlook**

  The coal and nickel mining sectors are expected to maintain a fairly positive outlook, following the gradual approval of the 2026 RKAB revisions by the Ministry of Energy and Mineral Resources (ESDM). As of August 2026, the government has approved RKAB revisions for a number of companies. These approvals could support the resumption of production at mines previously affected by RKAB-related delays, potentially increasing demand for mining support services such as hauling, trucking, and heavy equipment. However, the approval process remains gradual, and not all companies, particularly in the nickel sector, have received their revised RKAB approvals.

Meanwhile, the government continues to limit production by considering supply and demand, domestic requirements and downstream development, commodity prices, available reserves, and state revenue contributions. Therefore, any increase in production remains dependent on the quotas allocated to each company. This makes mining activity an area that requires continued monitoring, particularly for companies with high dependence on specific projects or customers.

Going forward, certainty around the 2027 RKAB will be an important factor for the sustainability of the mining sector. Industry players are encouraging the approval process to be completed by the end of 2026 to avoid uncertainties similar to those experienced during the 2026 RKAB process, allowing companies to better plan their production and operations.

- **Growth Opportunities Driven by Mining and Technological Transition**

The Indonesian heavy equipment industry has a fairly positive outlook, supported by strong demand from the mining, construction, and infrastructure sectors. The recovery and expansion of mining activities could further increase demand for heavy equipment used in production, transportation, and supporting infrastructure. In addition, Indonesia has the potential to attract further investment in the heavy equipment industry amid sustained market demand, creating opportunities for manufacturers, distributors, and rental companies to expand their operations.

Meanwhile, **the industry is gradually shifting toward more environmentally friendly technologies, including the development of electric-powered heavy equipment**. The development of electric heavy equipment in the Weda Bay area represents one of the early examples of this technology being introduced in Indonesia. Although adoption remains at an early stage, this development indicates that future demand for heavy equipment will increasingly depend not only on unit volume but also on efficiency and technology.

- **B50 Biodiesel Implementation: Impact on Transportation Operations and Costs**

The implementation of B50 biodiesel, effective from July 1, 2026, has shown positive developments in terms of commercial vehicle operations. Users of vehicles such as the Mitsubishi L300 reported normal operations after switching to B50, although slight performance differences were observed on uphill roads. In addition, a 40,000 km test of the Mitsubishi Fuso Canter showed optimal performance without significant issues. A transportation company operating more than 2,000 vehicles also reported no significant issues with B50 use across most of its fleet.

From a cost perspective, **the subsidized B50 Biosolar price at Pertamina stations remains at IDR 6,800 per liter,** meaning the initial implementation has not directly increased fuel costs for Biosolar users. This is positive for trucking, hauling, and logistics companies with high fuel consumption. Meanwhile, Industrial Diesel (B40/B50) prices remain relatively stable, with no changes from the previous period, resulting in no additional fuel cost pressure for users.

From an energy perspective, B50 could also reduce Indonesia's dependence on imported diesel. With an additional FAME production capacity of approximately 5.6 million kiloliters per year, the program is estimated to potentially replace diesel imports and generate foreign exchange savings of up to IDR 170 trillion per year. However, these savings do not necessarily translate into lower energy subsidies in the state budget, as subsidy levels remain influenced by global oil prices, the rupiah exchange rate, FAME prices, biodiesel incentives, distribution volumes, and fuel pricing policies.

The latest fuel prices as of August 26, 2026, are as follows:

Gas Station Name	Product Name	Type	Price / Liter (in IDR)	Remark
Pertamina	Biosolar	Diesel	6.800	Subsidized
	Pertalite	RON 90	10.000	Subsidized
	Pertamax	RON 92	15.950	Non-subsidized
	Pertamax Green 95	RON 95	16.600	Non-subsidized
	Pertamax Turbo	RON 98	18.300	Non-subsidized
	Dexlite	Diesel, CN 51	19.700	Non-subsidized
	Pertamina Dex	Diesel, CN 53	21.150	Non-subsidized

Source: https://pertaminapatraniaga.com/page/harga-terbaru-bbm

Meanwhile, Industrial Diesel (B40/B50) prices remain relatively stable, with no changes compared to the previous period, resulting in no additional fuel cost pressure for businesses.

Region	Price / Liter (in IDR)	
	1 – 14 August 2026	15 – 31 July 2026
Region 1 (Sumatera, Jawa, Madura, and Bali)	18.200	18.200
Region 2 (Kalimantan, Sulawesi, Nusa Tenggara Barat (NTB), and Nusa Tenggara Timur (NTT))	18.200	18.200
Region 3 (Maluku)	18.300	18.300
Region 4 (Papua)	18.450	18.450

Source: https://www.hargasolarindustri.com/

Note: Biosolar refers to subsidized fuel sold at public gas stations, while Industrial Diesel is a fuel product intended for industrial use and has a different pricing structure.

Nadya Citra Multasya
(Credit Analyst)

Overall, the outlook for the heavy equipment industry and related sectors remains fairly positive, supported by potential growth in mining activities, continued demand for heavy equipment, and the implementation of B50, which has so far caused no significant disruption to commercial vehicle operations. Stable fuel prices also provide support for trucking and hauling companies.

However, the sector remains influenced by government policies, particularly production quotas and RKAB approvals, as well as commodity price movements. Therefore, growth opportunities are expected to be stronger for companies with customers that have sustainable business activities and clear contracts.

B. Mining Industry : Development of Indonesia's Mining Sector Focuses on Strengthening Production Control and Market Balance

➢ Production Control and RKAB Revisions Become Key Focus for the Mining Sector

In August 2026, Indonesia's mining sector entered a production adjustment phase through revisions to the 2026 Work Plan and Budget (RKAB). The government began approving revised RKABs for several nickel and coal mining companies following an evaluation of supply-demand dynamics, commodity price trends, and the mining sector's contribution to state revenue.

On August 19, 2026, the Ministry of Energy and Mineral Resources (ESDM) announced that a number of nickel and coal companies had secured approval for their revised 2026 RKABs. However, the government has not yet disclosed specific details regarding the additional production quotas granted to each company.

This policy indicates that the government is introducing flexibility into production activities while maintaining a selective and measured approach. The approval of revised RKABs is expected to provide operational certainty for mining companies while balancing production levels, market conditions, and state revenue.

➢ Coal Production and Coal Price Trends in 2026

The coal production target for 2026, based on the approved Work Plan and Budget (RKAB), is set at approximately 600 million tons–lower than the realized production of 817.48 million tons in 2025. This reduction reflects the government's effort to manage national coal supply levels and mitigate the risk of oversupply, which could exert downward pressure on coal prices.

Regarding pricing, the Benchmark Coal Price (HBA) for the second period of August 2026 showed varied movements depending on coal quality. The **HBA for coal with a calorific value of 6,322 kcal/kg GAR was set at USD 124.06 per ton**, a slight decrease from the USD 124.44 per ton recorded in the first period of August 2026.

Conversely, the HBA for coal with a **calorific value of 5,300 kcal/kg GAR rose to USD 96.92 per ton**, up from USD 93.27 per ton in the previous period. The HBA for coal with a **calorific value of 4,100 kcal/kg GAR also increased to USD 65.81 per ton**, while the price for coal with a **calorific value of 3,400 kcal/kg GAR rose to USD 45.34 per ton**.

These HBA movements indicate divergent price trends based on coal quality: high-calorific coal faced relatively limited downward pressure, whereas medium- and low-calorific coals exhibited more positive price trends. Companies should take these conditions into account when determining their production strategies, product mixes, and operational margin management.

- **Development of the Nickel Sector**

In the nickel sector, the commencement of RKAB (Work Plan and Budget) revision approvals represents a relatively positive development, as it offers greater operational certainty to the companies that secure approval. Nevertheless, the approval process and the realization of production quotas remain key factors requiring the attention of industry players.

The government's policy of controlling production through the RKAB mechanism aims to maintain a balance between supply and demand while minimizing the risk of oversupply, which could exert downward pressure on nickel prices. Consequently, **the future performance of nickel companies will be heavily influenced by the certainty and realization of RKABs, production volumes, nickel price trends, and demand from downstream industries**.

Nickel ore production for 2026, based on the approved work plan (RKAB), is set within the range of 260–270 million tonnes—a figure lower than the approximately 379 million tonnes projected in the previous year's plan. This adjustment reflects the government's more cautious approach to managing national nickel production. Meanwhile, nickel remains a strategic commodity for Indonesia, particularly due to its integration with the processing and refining sectors—including smelters and the electric vehicle battery supply chain. Consequently, production control policies should be viewed not merely as volume restrictions, but as part of broader efforts to ensure industry sustainability and enhance value-added through downstream processing.

Y. Aziz
(Credit Analyst)

Overall, developments in Indonesia's mining sector in August 2026 indicate a shift toward more measured and controlled production management. Approvals for revised Work Plans and Budgets (RKAB) for several companies signal positive prospects for operational certainty; however, the government maintains a selective approach to balance production, demand, commodity prices, and state revenue.

In the coal sector, the reduction of the national production target to approximately 600 million tons reflects the government's efforts to manage supply and mitigate the risk of oversupply. Meanwhile, movements in the Indonesian Coal Reference Price (HBA) in August revealed price variations based on coal quality, making production cost efficiency and product quality management increasingly critical for companies.

In the nickel sector, the reduction of production quotas to approximately 260–270 million tons–down from around 379 million tons in the previous period–indicates a stricter supply control policy. While this policy could help stabilize the market and prices, it may simultaneously constrain production volume growth for companies receiving lower quotas.

C. Used Car Market : Limited Recovery and Selective Growth Amidst Purchasing Power Pressures

➢ 2026 Multifinance Target at Risk of Being Missed; New Financing Grows 1.88%

The performance of the multifinance industry in the first half of 2026 continued to show limited recovery. **Growth in new financing receivables reached 1.88% year-on-year, totaling IDR 511.26 trillion–well below the OJK's target of 6%–8% for the full year of 2026.** Weak consumer purchasing power was a primary factor dampening financing demand while simultaneously increasing risks to credit quality. Nevertheless, the OJK continues to foster growth opportunities through regulatory easing and the diversification of financing products.

Heading into the second half of 2026, the industry's recovery will hinge heavily on the effectiveness of deregulation measures under OJK Regulation (POJK) No. 35/2025, improvements in purchasing power, and companies' ability to diversify their financing portfolios. Policies such as allowing vehicle down payments as low as 0%, lowering core capital ratios, and facilitating financing for MSMEs are expected to boost demand and expand access to financing.

Multifinance companies need to adopt more selective strategies; expanding marketing reach, developing financing outside the automotive sector, and enhancing services and customer bases are crucial for navigating a market that has not yet fully recovered. However, companies must remain prudent by strengthening risk management, maintaining credit quality, and developing non-automotive and MSME segments to ensure more sustainable growth. Without a strengthening of demand, the OJK's growth target of 6%–8% for 2026 may prove difficult to achieve.

- **Used Car Market Projected to Remain Sluggish until End of 2026**

  The rise in new car sales from January to July 2026 cannot yet serve as a strong indicator of a recovery in public purchasing power, as the used car market operates under different dynamics and continues to face demand-side pressures. Despite significant growth in new car sales, **the used car market is expected to remain sluggish through the end of 2026 due to purchasing power that has not fully recovered and unfavorable supply-and-demand conditions**. Nevertheless, growth opportunities remain in specific segments–particularly MPVs priced under IDR 200 million, which align better with consumer affordability–prompting businesses to adjust their strategies and focus on vehicle segments with stronger demand.

  Furthermore, growing interest in used hybrid cars presents new market opportunities. In terms of pricing, **used car values remain relatively stable, with depreciation rates in 2026 likely to be lower than in the previous year**–though premium vehicles and sedans remain under pressure. Limited inventory also has the potential to keep vehicle prices firm. Consequently, a market improvement in the second half of the year–particularly the third quarter–remains a possibility, even though the recovery in purchasing power has been uneven.

- **Performance and Prospects of the Financing Industry Amid Pressures on Purchasing Power, Interest Rates, and Credit Risk**

  1. Adira Finance

     Adira Finance faces challenges through the end of 2026 due to dynamic macroeconomic conditions and potential weakening purchasing power, which could dampen demand and new financing growth. Nevertheless, **performance in the first quarter of 2026 remained positive, with net profit reaching IDR 484 billion–a 26% year-on-year increase–driven by a 7% reduction in provision expenses and a 5% drop in interest**

expenses. Looking ahead, Adira Finance must maintain a prudent approach by strengthening risk management and portfolio quality, while remaining selective in pursuing opportunities within financing segments that demonstrate healthy fundamentals and demand.

2. **Mandiri Utama Finance**

   PT Mandiri Utama Finance (MUF) remains optimistic that profitability will be sustained through the end of 2026, despite the multifinance industry facing interest rate fluctuations and a potential rise in Non-Performing Financing (NPF). This optimism is underpinned by quality financing growth, prudent portfolio management, and disciplined risk management and operational efficiency. **As of May 2026, MUF recorded new financing disbursements of IDR 9.80 trillion, representing a 6.4% year-on-year increase.** By leveraging funding synergies with Bank Mandiri and focusing on segments with strong prospects and asset quality, MUF aims to drive business growth while maintaining healthy and sustainable profitability.

3. **WOM Finance**

   WOM Finance demonstrated **positive performance in the first half of 2026, with net profit rising 14.10% year-on-year to Rp96.72 billion, driven by a 5.2% increase in revenue to Rp1.11 trillion and 13.70% asset growth to Rp8.38 trillion.** Looking toward the end of 2026, the company sees continued growth opportunities arising from public financing needs; it plans to strengthen core business lines–such as motorcycle financing, multipurpose financing secured by vehicle ownership documents (BPKB), gold installment plans, and Hajj financing–while simultaneously diversifying into other financing sectors. However, WOM Finance must remain mindful of economic dynamics and industry competition by balancing business expansion, operational productivity, and asset quality through prudent financing practices.

4. **CIMB Niaga Auto Finance**

   Car financing within **the multifinance industry remains under pressure, reflected in a 3.25% year-on-year contraction to IDR 230.47 trillion as of June 2026**, driven by adjustments in purchasing power and macroeconomic dynamics. Nevertheless, CNAF continues to see growth opportunities–fueled by transportation needs and an increasingly diverse range of vehicle options–with car financing disbursements reaching IDR 2.7 trillion through June 2026. To sustain growth through the end of the year, CNAF plans to strengthen digital synergies, expand dealer partnerships, and enhance service quality, while implementing selective acquisition and monitoring processes to ensure healthy expansion and maintain the quality of its assets and financing portfolio.

Riko Sanjaya
(Credit Analyst)

Overall, the multifinance and automotive industries remain in a phase of limited recovery as of 2026. New car sales growth has yet to fully reflect a recovery in purchasing power, while the used car and automotive financing markets continue to face pressure due to uneven demand. Nevertheless, growth opportunities remain in more affordable segments–such as MPVs priced under IDR 200 million and used hybrid vehicles–as well as in non-automotive and MSME financing. These conditions indicate that future industry growth will be selective and segmented rather than driven by a broad-based market recovery.

From the perspective of multifinance companies, sustained positive performance demonstrates that profitability can be maintained amidst macroeconomic pressures–primarily through efficiency, diversification, and prudent risk management. In our view, aggressive expansion is not the preferred strategy under current conditions; companies should instead focus on portfolio quality, selectivity in financing disbursement, and the development of segments with strong demand fundamentals. By adopting this approach, the industry has the opportunity to maintain healthy, sustainable growth, even though overall industry growth targets continue to face challenges.

Source :

- https://www.bloombergtechnoz.com/detail-news/118896/esdm-mulai-setujui-rkab-nikel-batu-bara-capai-belasan-perusahaan/2
- https://www.bloombergtechnoz.com/detail-news/117375/rkab-2027-didesak-rampung-akhir-2026-cegah-ketidakpastian/2
- https://www.bloombergtechnoz.com/detail-news/119284/esdm-setujui-revisi-rkab-penambang-nikel-bantah-telah-terima/2
- https://www.detik.com/bali/bisnis/d-8600339/sebulan-pakai-bbm-b50-pengemudi-ungkap-kondisi-mesin-mobil
- https://www.inilah.com/biodiesel-b50-masuk-babak-baru-kendaraan-niaga-terbukti-tetap-optimal

- https://nextindonesia.id/Update/2026/07/27/287/B50-Berpotensi-Hapus-Impor-Solar,-Namun-Belum-Tentu-Pangkas-Subsidi-APBN
- https://www.cnbcindonesia.com/news/20260713083312-4-750270/resmi-harga-bbm-biosolar-b50-di-spbu-pertamina
- https://www.kompas.id/artikel/weda-bay-menjadi-titik-awal-industri-alat-berat-listrik
- https://www.metrotvnews.com/read/KRXCQYw6-industri-alat-berat-di-indonesia-punya-peluang-tarik-investasi
- https://keuangan.kontan.co.id/news/target-multifinance-2026-berisiko-meleset-pembiayaan-baru-tumbuh-188.
- https://www.cnbcindonesia.com/market/20260811125038-17-758247/ojk-ungkap-sederet-tantangan-industri-multifinance
- https://industri.kontan.co.id/news/pasar-mobil-bekas-diprediksi-masih-lesu-hingga-akhir-2026-ini-pemicunya.
- https://industri.kontan.co.id/news/daya-beli-lesu-mitra-pinasthika-mpmx-yakin-pasar-mobil-bekas-tumbuh-di-semester-ii.
- https://keuangan.kontan.co.id/news/laba-adira-finance-naik-26-ini-tantangan-berat-hingga-akhir-2026.
- https://keuangan.kontan.co.id/news/muf-optimistis-laba-tetap-terjaga-hingga-akhir-2026-ini-strateginya.
- https://keuangan.kontan.co.id/news/wom-finance-terapkan-sejumlah-strategi-ini-guna-tingkatkan-kinerja-hingga-akhir-2026.
- https://keuangan.kontan.co.id/news/cnaf-tetap-bidik-pertumbuhan-pembiayaan-mobil-hingga-akhir-2026.

www.shf.co.id 0896 - 1628 - 6384 Mangkuluhur City Office Tower 1, 16th Floor @hanafinance