Monthly Sector Report (June '26)

Entering mid-2026, Indonesia's economic landscape is being tested by global geopolitical turmoil in the Middle East which has triggered volatility in world energy commodity prices while depreciating the Rupiah exchange rate to a new psychological level. The Bank Indonesia Board of Governors (RDG) meeting on 17-18 June 2026 decided to increase the BI-Rate by 25 bps to 5.75%, the Deposit Facility interest rate by 25 bps to 4.75%, and the Lending Facility interest rate by 25 bps to 6.50%. This increase is a further step to further strengthen the stabilization of the Rupiah exchange rate amidst the global high level and as a pre-emptive step to keep inflation in 2026 and 2027 within the target range of 2.5 ± 1% set by the Government.

The domino effect of this macro shock creates varying impacts in various domestic strategic sectors; starting from the mining industry which is required to maintain operational efficiency amidst the restructuring of production quotas, the heavy equipment sector which is starting to be selective in its expansion due to the soaring cost of industrial diesel, to the automotive market including used cars which is experiencing a drastic shift in consumer preferences due to soaring non-subsidized fuel prices. This synergy between upstream operational cost pressures and changes in downstream market behavior requires business actors in these three sectors to reorganize their business strategies in order to maintain healthy performance. Below we present complete information from these three sectors;

A. Heavy Equipment Industry: Cost Pressures Are Pressing, But The Industrial Investment Machine Still Runs

Entering June 2026, trends in the heavy equipment industry in Indonesia are influenced by a combination of external and internal factors, ranging from the policy of relaxing coal production quotas to pressure on operational costs due to rising energy prices. The following is some information that reflects the dynamics of heavy equipment industry trends throughout June 2026.

- Coal RKAB Quota Relaxation Plan: Potential to Boost Heavy Equipment Sales

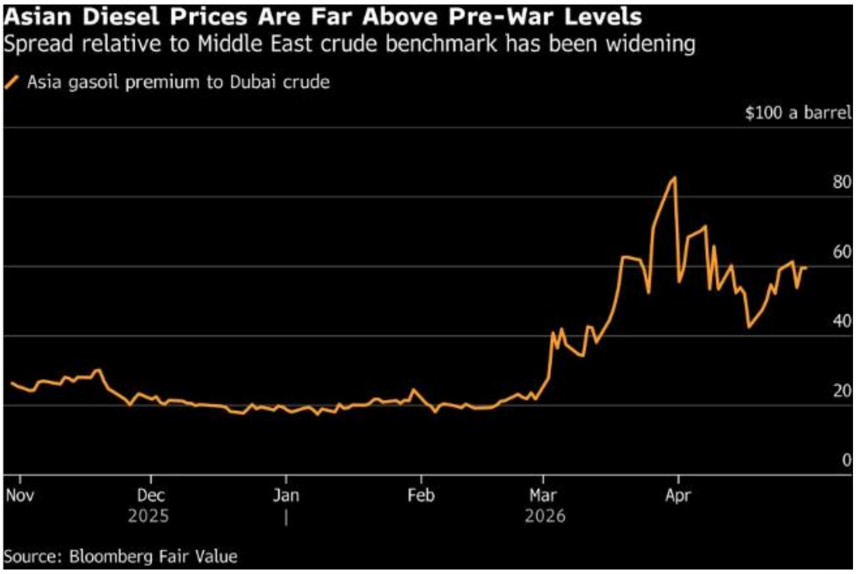
  The Ministry of Energy and Mineral Resources (ESDM) has set the coal production quota in the 2026 RKAB at around 600 million tons, lower than the realization in 2025 which reached 817.48 million tons. This restriction has an impact on the operations of a number of business actors, some even stopping production due to quotas running out. Until April 2026, realized production was recorded at 229 million tons or 38.2% of the annual quota, with a composition of 145 million tons for exports and 84 million tons for Domestic Market Obligation (DMO).

  In response to these conditions, the government is opening up opportunities for measurable relaxation or adjustment of quotas throughout 2026. This discourse has received a positive response from heavy equipment industry players because it has the potential to encourage increased activity and demand in the second semester of 2026.

However, the actual impact of the policy still depends on implementation in the field and market conditions. For the record, in the first quarter of 2026, most heavy equipment manufacturers still recorded a decline in sales compared to the same period the previous year.

- Industrial Solar Still High: Signal of Efficiency?

Apart from limiting coal production quotas, **the mining sector is also facing pressure from rising industrial diesel prices (HSD B40)**. For the period 1–14 June 2026, the economic price of diesel in Eastern Indonesia was recorded at around IDR 26,200/liter. This increase was triggered by disruptions in global energy supplies, weakening of the rupiah against the US dollar, as well as distribution factors, which ultimately increased pressure on operational costs. The portion of fuel costs can even reach 20%–40% of total operational costs, thus encouraging business actors to make efficiency through optimizing fuel use, improving hauling routes, managing heavy equipment operations, and implementing a fleet management system.



On the other hand, the construction sector is also affected by similar conditions. The weakening of the rupiah and rising diesel prices have caused material costs to increase, especially imported materials such as steel, MEP components, cement and instrumentation. Based on GAPENSI data, construction costs in the first semester of 2026 increased by around 6%–12% compared to the beginning of the year, with the highest increase in projects based on imported materials and steel (10%–15%), followed by projects made from local materials (6%–8%) and labor-intensive projects (4%–6%). This condition ultimately puts pressure on contractor profit margins.

- EMAS Invests IDR 143.75 Billion to Strengthen Operational Assets

PT Merdeka Gold Resources Tbk (EMAS) purchased assets in the form of heavy equipment, industrial machinery and spare parts worth around IDR 143.75 billion through affiliate transactions. This corporate action is aimed at supporting operational needs for the Pani gold mine project which is still in the development stage. This purchase aims to ensure the readiness of operational capacity, especially for main activities such as stripping soil layers, excavating material and transporting mining products, so that the production process can run according to target without obstacles in the field.

Procurement through affiliated entities is also considered more efficient in terms of costs and time compared to purchasing from external parties. This step is also part of the company's strategy to optimize investment spending and accelerate the fulfillment of operational needs. Overall, this transaction reflects EMAS' expansion phase in developing its gold mining project while strengthening operational readiness to support future production growth.

Nadya Citra Multasya
(Credit Analyst)

Overall, industrial conditions in June 2026 show a trend that tends to be selective with cost pressures still high, especially due to restrictions on coal production quotas and increases in industrial diesel prices which increase the operational burden on business actors. In the midst of these conditions, companies such as EMAS are carrying out corporate actions in the form of investments in operational assets that reflect an expansion strategy based on production capacity needs. This shows that even though there are short-term pressures, the prospects for the related sector still have growth potential which is supported by the investment cycle and operational needs in various industries.

B. Mining Industry: Stable Outlook with Support for Down-streaming and Energy Transition

The Indonesian mining industry in June 2026 shows a stable prospect with a positive trend (stable to positive). Positive sentiment is supported by increased certainty in mineral and coal sector regulations, flexibility in managing production quotas through the RKAB mechanism, as well as the continuation of the downstream program which is the government's priority. Apart from that, the prices of several main commodities, especially nickel, are still at levels that relatively support the operational performance and profitability of business actors.

The government's plan to develop PLTS with a capacity of 100 GW also has the potential to be a positive catalyst for the mining industry in the medium to long term, considering that the need for strategic minerals such as nickel, copper, aluminum and silica is expected to increase along with the acceleration of the energy transition and the development of a renewable energy ecosystem. On the other hand, the strengthening of the US dollar exchange rate also provides benefits for export-oriented mining companies by increasing income in Rupiah.

However, the mining sector still faces a number of risk factors that need to be monitored, including **volatility in global commodity prices**, slowing world economic growth which could affect mineral demand, **potential changes in fiscal policy such as adjustments to royalty rates and state revenues**, as well as operational risks related to **licensing and approval of production quotas**. Apart from that, the strengthening of the US dollar also has the potential to increase the cost of importing heavy equipment and the burden of obligations in foreign currency for companies that have high exposure to USD debt.

Taking these factors into account, the prospects for the Indonesian mining industry in the short to medium term are still considered quite good, supported by strong industrial fundamentals, Indonesia's position as a world strategic mineral producer, as well as the increasing need for minerals to support down-streaming and the global energy transition. However, business actors still need to maintain operational efficiency, discipline in cost management, and pay attention to regulatory developments and global commodity market dynamics in order to maintain sustainable business performance.

Y. Aziz
(Credit Analyst)

Overall, the Indonesian mining industry in June 2026 is in a stable condition with a positive trend (stable to positive). Support in the form of regulatory certainty, flexibility in production management through RKAB, sustainability of downstream programs, as well as the prospect of increasing demand for strategic minerals due to the development of renewable energy are the main factors supporting the prospects of this sector.

Even though there are still risks originating from volatility in global commodity prices, potential changes in fiscal policy, and uncertainty in world economic conditions, the fundamentals of the Indonesian mining industry are considered to remain strong. Therefore, in the short to medium term, the mining sector is predicted to be able to maintain relatively good performance with growth opportunities remaining open, especially for companies that have operational efficiency, a healthy financial structure, and the ability to take advantage of opportunities from the national energy downstream and transition program.

C. Used Car Market: Rupiah Weakens & Car Market Faces New Tests

The weakening of the rupiah exchange rate against the United States (US) dollar has the potential to impact the automotive industry, including the prices of spare parts on the aftermarket. Based on trade data for June 2026, the rupiah exchange rate on the spot market has reached the level of IDR 18,190 per US dollar. This condition is a challenge for automotive component industry players, considering that some raw materials and materials still depend on imports whose transactions use foreign currency.

Director of Astra Otoparts, Sophie Handili said, amidst the weakening rupiah exchange rate and rising material prices, the company is trying to maintain a balance between business sustainability and consumer purchasing power. Astra Otoparts has made price adjustments for some spare parts products. However, the increase in material costs is not entirely passed on to consumers.

Implement Efficiency and Automation: To reduce the impact of increasing production costs, Astra Otoparts is implementing a number of internal steps. One of them is by implementing multi-sourcing of materials to maintain the availability of raw materials in a sustainable manner. Apart from that, the company also increases productivity through automation in various operational lines and carries out a number of cost reduction programs. All these steps are taken to maintain the cost structure and prices competitive by considering various factors, ranging from business needs, people's purchasing power, to customer needs.

Lubricants Rise Above 10%: Even though the weakening of the rupiah and rising material prices still put pressure on company performance. Astra Otoparts continues to strive to manage the impacts that arise so as not to disrupt the supply or competitiveness of products in the market. In general, the average price increase for several automotive parts in the aftermarket segment is still below 10 percent.

www.shf.co.id
(021) 5695 4670
Mangkuluhur City Office
Tower 1, 16th Floor
@hanafinance

However, different conditions occurred for oil and lubricant products which experienced higher price increases. The weakening of the rupiah and rising material prices pose challenges for the company. However, industry players are trying to hold back the increase so as not to burden consumers too much and maintain product competitiveness in the market.

Apart from facing the weakening of the rupiah exchange rate against the US dollar, in recent months Indonesia has also experienced a significant spike in world crude oil prices. Pertamina's fuel oil (BBM) prices experienced changes several times from February 2026 to June 2026. Most recently, **as of June 10 2026, Pertamina increased the price of non-subsidized fuel types Pertamax and Pertamax Green 95**.

The price of Pertamax is now IDR 16,250 per liter, from previously IDR 12,300. Then, the price of Pertamax Green 95 increased from IDR 12,900 to IDR 17,000 per liter for Java. Meanwhile, the prices of other fuels, including Pertamax Turbo, Dex Series, Pertalite and Biosolar, have not changed from the previous month, which had previously increased.

The increase of almost IDR 4,000 per liter is the largest adjustment **since the turmoil in world oil prices due to the conflict between Iran and Israel and the United States which has lasted for the last three months.** For vehicle users who have been relying on Pertamax, daily operational costs will automatically increase quite significantly.

If this condition persists for months, consumers may start to recalculate the cost of vehicle ownership. As a result, demand for cars with large engines may slow down earlier than for fuel-efficient vehicles. The segments that are potentially most under pressure are upper-middle class SUVs and MPVs that rely on high-octane fuel. On the other hand, hybrid cars and electric vehicles have the opportunity to gain profits because the difference in operational costs is increasingly striking.

An interesting trend is starting to appear in the used car market. **A number of diesel car owners, from ladder frame SUVs to diesel MPVs, are now choosing to sell their vehicles** and switch to petrol cars with a capacity of seven passengers. This phenomenon is said to be increasingly encountered by used car traders in Jakarta. However, this does not mean that interest in diesel cars has completely disappeared. Diesel vehicles still have their own market, especially for users who often travel long distances or need large torque. However, compared to several years ago, consumers now appear to be more selective and compare the total cost of ownership before deciding to buy a vehicle.

For the automotive industry, the current increase in fuel prices cannot be called a direct threat to sales. However, if global energy prices remain high and price adjustments continue, the second half of 2026 is likely to be a watershed period. It is in this phase that it will be seen whether consumers are simply delaying spending on fuel or starting to change their vehicle purchasing decisions permanently.

Riko Sanjaya
(Credit Analyst)

The dual economic pressures in June 2026 triggered by the weakening of the Rupiah to IDR 18,190 per US Dollar and the surge in world oil prices due to the Middle East conflict have created a significant domino effect on the automotive industry and consumer behavior in Indonesia. In the upstream sector, component industries such as Astra Otoparts were forced to implement internal efficiencies, automate and implement multisourcing to contain the surge in imported material costs, even though lubricant prices continued to rise above 10 percent.

Meanwhile in the downstream sector, a sharp adjustment in the price of non-subsidized fuel such as Pertamax which jumped to IDR 16,250 per liter is starting to permanently change the map of market preferences because consumers are now much more selective about the total cost of vehicle ownership; This condition is starting to put pressure on the market for large-engined cars (conventional SUVs/MPVs) while opening up big opportunities to accelerate the adoption of electric vehicles (hybrid/EVs) which have much more striking operational cost efficiencies.

www.shf.co.id
(021) 5695 4670
Mangkuluhur City Office Tower 1, 16th Floor
@hanafinance

Source :

- https://investasi.kontan.co.id/news/regulasi-tambang-lebih-jelas-sentimen-positif-mengalir-ke-saham-emiten-nikel?utm_source=chatgpt.com
- https://www.bloombergtechnoz.com/detail-news/111768/esdm-setujui-664-rkab-mineral-batu-bara-per-juni-2026/2
- https://money.kompas.com/read/2026/05/29/195534026/esdm-siapkan-lahan-24000-hektar-di-jawa-untuk-proyek-plts-100-gw
- https://www.bincangbincangmobil.com/opinion-analytics/832783673/pertamax-melonjak-ke-rp-16250-per-liter-pasar-mobil-menghadapi-ujian-baru?page=3
- https://www.kompas.com/tren/read/2026/06/10/183000965/kilas-balik-harga-bbm-pertamina-februari-juni-2026-yang-naik-terus
- https://www.google.com/finance/beta/quote/USD-IDR?sa=X&ved=2ahUKEwig1fDv15mVAxWvSWwGHetwIkwQmY0JegQIFxAu&window=1M
- https://otomotif.kompas.com/read/2026/06/03/070200115/rupiah-melemah-harga-suku-cadang-otomotif-naik-10-persen
- https://www.cnbcindonesia.com/news/20260615171911-4-743030/banyak-warga-jual-mobil-diesel-ganti-ke-mobil-bensin-ada-apa
- https://radarpalu.jawapos.com/ekonomi/2606100001/harga-pertamax-naik-jadi-rp16550-per-liter-mulai-10-juni-2026-warga-khawatir-pertalite-langka
- https://perhapi.or.id/menteri-esdm-dan-perhapi-soroti-rencana-relaksasi-kuota-produksi-batu-bara/
- https://industri.kontan.co.id/news/relaksasi-rkab-batubara-berpotensi-dongkrak-penjualan-alat-berat-pada-2026
- https://perhapi.or.id/harga-solar-industri-masih-naik-penambang-makin-gencar-efisiensi/
- https://industri.kontan.co.id/news/gapensi-pelemahan-rupiah-dan-lonjakan-harga-solar-tekan-industri-konstruksi
- https://www.kabarbursa.com/market-hari-ini/emas-kucurkan-rp14375-miliar-buat-beli-aset-baru-begini-detailnya
- https://www.bi.go.id/id/publikasi/ruang-media/news-release/Pages/sp_2812626.aspx