

GOLD

Gold Sector | Indonesia | March, 2026

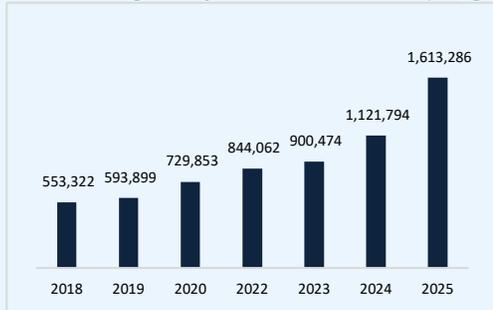
KEY INDEX

Table 1: Gold Price Forecasts (\$/ounce)

Financial Institution	2026 End-of-Period Forecast
J.P. Morgan	\$6,300
UBS	\$6,200
Deutsche Bank	\$6,000

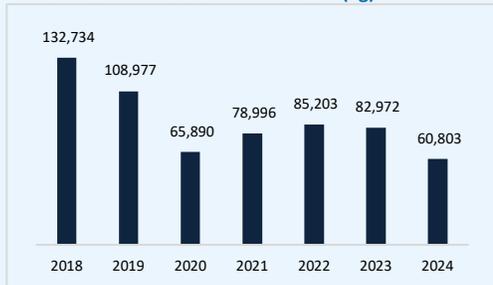
Source: Various Sources

Chart 1: Average Yearly Gold Price in Indonesia (IDR/gram)



Source: Badan Pusat Statistik

Chart 2: Gold Production in Indonesia (kg)



Source: Badan Pusat Statistik

Gold Sector: Sustained Growth and Structural Strength

- In 2026, the global gold market is experiencing strong momentum, with prices reaching elevated levels of \$5,000 to \$6,000 per ounce as global investors increasingly seek safe-haven assets to diversify away from fiat currency. Indonesia is working to capitalize on these market conditions to advance its position in the global supply chain, aiming to transition from a primary exporter of unrefined ore into a more integrated financial and processing center. By establishing its first National Bullion Bank and advancing its downstreaming (hilirisasi) policies, the government intends to ensure that resources from domestic sites like Grasberg are refined and managed locally. This structural shift is positioned as a foundational element of the country's broader strategy to support a target of 8% economic growth.
- Global gold prices are currently maintaining elevated levels, driven in part by central banks increasing their reserves to hedge against economic uncertainty and currency fluctuations. This sustained international demand aligns with Indonesia's current policy initiatives, which include developing domestic refining capabilities and establishing a National Bullion Bank. By retaining more of the supply chain domestically, the government aims to utilize higher gold valuations to support the stability of the Rupiah and broader long-term economic objectives.

Revenue Expansion and Margin Recovery

- Indonesian gold mining companies reported improved financial metrics throughout 2025, primarily supported by elevated global gold prices. This higher price environment contributed directly to sector-wide revenue growth. As a result, the industry experienced a recovery in overall profitability, with the average EBITDA margin reaching 28.3% by the third quarter of 2025.
- In addition to the favorable commodity pricing, financial performance was supported by internal cost-management initiatives. Mining firms focused on operational efficiency and production cost controls to maintain their margins. Furthermore, active exploration programs resulted in mineral reserve upgrades at several domestic sites. These operational developments supported the companies' underlying asset bases and provided a foundation for ongoing capital expenditures and future development plans.

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- **Growth and Stability**

Global Market Dynamics and Their Influence on Domestic Prices

The valuation of gold in Indonesia is fundamentally anchored to the international spot price, making global market forces the primary driver of domestic costs. At the international level, this baseline price is continuously shaped by the careful balance of supply and demand. Global demand is heavily influenced by central banks purchasing gold to diversify their national reserves, alongside institutional investors who buy the metal as a stable, safe-haven asset during periods of economic uncertainty. Conversely, the global supply of gold remains relatively rigid, relying on the limited, steady output from international mining operations and the volume of recycled gold re-entering the market. Ultimately, these international shifts in supply and demand dictate the core, underlying value of the metal before it is converted into the Indonesian Rupiah to establish the local market price.

A Year of Recovery for Indonesia's Biggest Mines

Despite elevated global gold prices, Indonesia's two largest mining operations are utilizing 2026 to resolve operational disruptions that occurred in late 2025. PT Freeport Indonesia (PTFI) is managing the safe resumption of activities at its Grasberg mine following a severe mudslide that halted operations at its primary underground site. Consequently, PTFI's gold production is projected to be notably lower this year, with a full operational recovery anticipated by 2027. Concurrently, PT Amman Mineral Internasional Tbk (AMMN) is conducting equipment repairs at its new West Sumbawa refinery. These maintenance activities are expected to continue through the first half of 2026, with AMMN projecting a recovery in processing volumes later in the year as the facility stabilizes. For both entities, 2026 represents a transitional period focused on remediating these operational challenges to restore standard production levels.

The Pani Gold Project

In contrast to the operational recoveries at established sites, domestic production is being supported by the development of new assets, such as the Pani Gold Mine in Gorontalo. Operated by PT Merdeka Copper Gold Tbk (MDKA) and its subsidiary EMAS, the open-pit project commenced initial gold production ahead of schedule in mid-February 2026. According to MDKA's February 2025 Quarterly Activities Report, the site targets an initial output of 100,000 to 115,000 ounces for the current year. Concurrently, MDKA is advancing the construction of additional processing facilities to support a long-term production target of 500,000 ounces annually. Alongside the steady output from its established Tujuh Bukit mine in East Java, the continued development of the Pani Gold Project positions it to become a significant primary gold asset within the Asia-Pacific region.

PT Aneka Tambang Tbk and The National Bullion Ecosystem

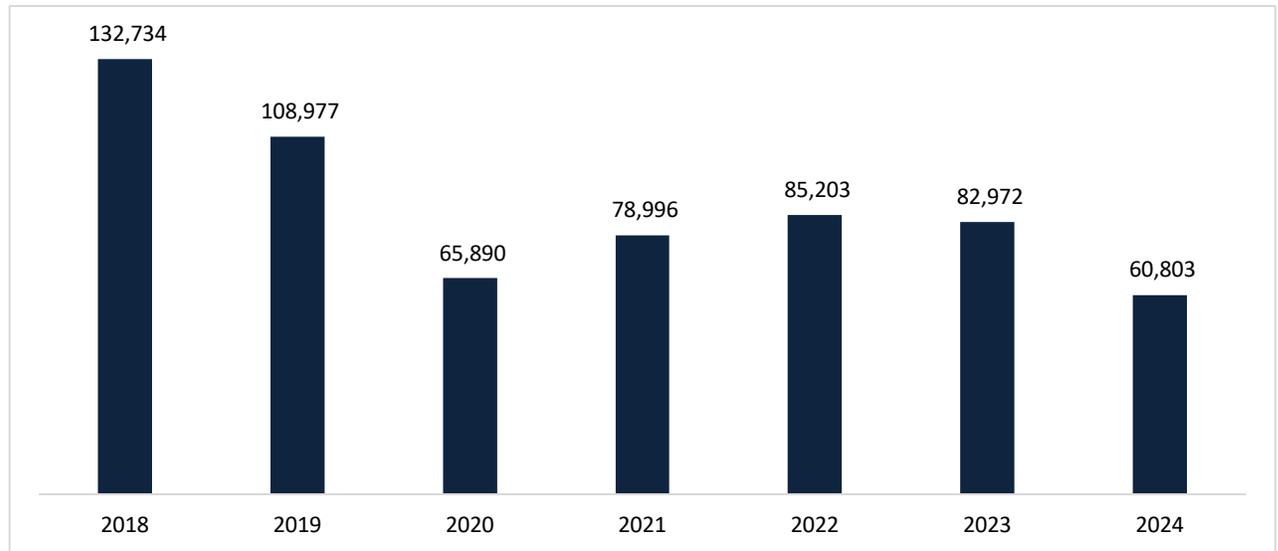
As Indonesia's primary state-owned refiner, PT Aneka Tambang Tbk (ANTM) is managing an increase in domestic gold demand, driven by elevated retail prices that reached IDR 3.16 million per gram in early 2026. To support its distribution targets, ANTM is utilizing recovering local supply from the Freeport mine alongside strategic imports, which has reduced its overall reliance on foreign gold relative to 2025. However, heightened retail demand from consumers seeking wealth preservation has led to intermittent inventory constraints at retail outlets. These localized stock limitations are primarily the result of elevated consumer purchasing volumes and conservative inventory management strategies, rather than systemic production deficits.

The Post-Pandemic Rebound in Gold Production

According to data published by Badan Pusat Statistik (BPS), Indonesia's gold production fluctuated between 2019 and 2024, reflecting the operational impacts of the COVID-19 pandemic and the subsequent recovery period. In 2019, prior to the pandemic, national gold production was recorded at 108,977 kilograms. Output declined to 65,890 kilograms in 2020. As industry operations normalized during the recovery phase, production increased to 78,996 kilograms in 2021 and reached a preliminary total of 85,203 kilograms in 2022.

However, this upward trajectory reversed in the subsequent years, with total output decreasing to 82,972 kilograms in 2023 and falling further to 60,803 kilograms in 2024. This recent contraction is primarily attributed to regulatory and administrative transitions within the sector.

Chart 1: Gold Production in Indonesia (kg)



Source: *Badan Pusat Statistik*

Strategic De-Dollarization and Indonesia's Financial Resilience

In 2026, global gold prices remain elevated, supported by ongoing purchases from central banks and institutional investors hedging against currency exposure and fiscal risks. This structural demand, alongside a broader trend of diversifying away from the U.S. dollar, is partly a response to shifting international trade policies and sanctions. Led by institutions such as the People's Bank of China, various nations are increasing their gold reserves to reduce reliance on U.S. Treasuries and manage geopolitical risks, which has helped sustain current market valuations. This international demand environment aligns with Indonesia's current domestic policy framework. Through strict downstream regulations and the establishment of the National Bullion Bank, the government aims to localize refining and retain more of the domestic supply chain. These initiatives are designed to leverage higher global gold valuations to support the stability of the Rupiah and broader macroeconomic objectives.

Retail Trend

In 2026, retail and high-net-worth demand for gold remains robust. According to data from the World Gold Council (gold.org), global demand exceeded 5,000 tonnes in 2025, with sales of physical bars and coins reaching a 12-year high. This international trend is reflected in the Indonesian domestic market, where retail prices have ranged between IDR 2.7 million and IDR 3.0 million per gram. While elevated price levels have moderated demand for premium jewelry, there has been a notable increase in the purchase of smaller, fractional gold bars (0.5 to 5 grams) as consumers seek accessible inflation hedges. Despite record pricing, domestic retail investment remains steady, driven by expectations of sustained price momentum. This ongoing demand is supported by significant capital inflows across both retail and institutional segments, underscoring gold's traditional role as a wealth preservation asset during periods of macroeconomic uncertainty.

The Shift in Gold Buying

In 2026, elevated gold prices have notably shifted consumer purchasing patterns in Indonesia, transitioning the focus from discretionary jewelry to wealth preservation. Reflecting broader regional trends—such as those highlighted by the China Gold Association, which reported a 27% decline in premium jewelry sales as consumers opted for lower-purity alternatives, alongside a nearly 30% increase in demand for physical bars

and coins—domestic buyers are similarly prioritizing investment-grade assets. Rather than purchasing gold primarily for ornamental purposes, retail consumers are increasingly accumulating the metal to hedge against currency depreciation. Furthermore, despite record-high valuations, retail liquidations remain relatively subdued. Instead of selling their holdings outright, consumers are frequently utilizing physical gold as collateral for pawnshop financing, suggesting a prevailing market expectation of continued long-term price appreciation.

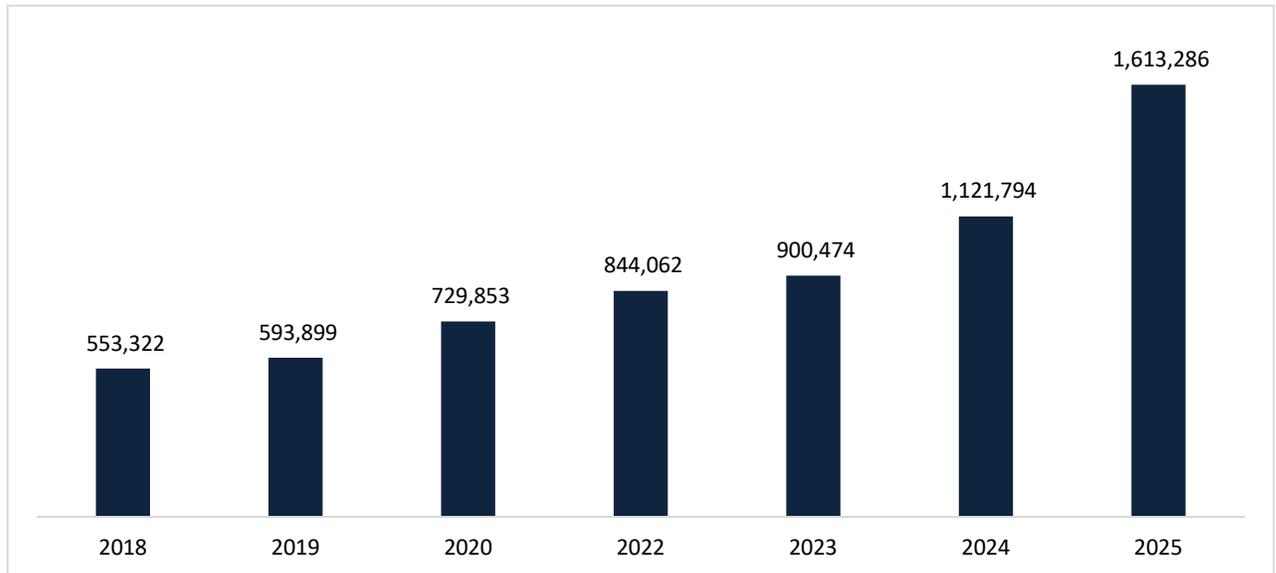
The Digital Gold Boom Among Indonesian Youth

Demographic shifts, particularly among Millennials and Gen Z, are driving a transition from traditional physical gold purchases toward digital investment platforms such as Pintu, Treasury, and Pluang. These applications facilitate fractional investing, allowing retail participants to acquire and trade smaller denominations of gold—starting as low as IDR 11,000 without the logistical requirements of physical storage. This digitalization trend has contributed to a notable increase in market activity. According to the Indonesia Commodity & Derivatives Exchange (ICDX), digital gold trading volumes in 2025 reached 58.6 million grams, with the total transaction value rising to IDR 115.6 trillion. While these digital assets are designed to be backed by physical gold, regulatory authorities continue to emphasize the necessity of strict oversight to ensure that all transactions remain transparent and are fully supported by verifiable physical reserves.

Consistent Upward Trajectory of Domestic Gold Prices

Between 2018 and 2025, the average annual gold price in Indonesia exhibited a consistent upward trend, providing a supportive pricing environment for the domestic industry. Starting at an average of IDR 553,322 per gram in 2018, the valuation increased over the subsequent years, reaching IDR 844,062 in 2022 and IDR 1,121,794 per gram in 2024. This multi-year growth continued into 2025, with the average price reaching a high of IDR 1,613,286 per gram. For the Indonesian gold sector, this sustained price appreciation reinforces the commodity's underlying market value and provides a baseline for ongoing financial planning and capital investment.

Chart 2: Average Yearly Gold Price in Indonesia (IDR/gram)



Source: *Badan Pusat Statistik*

Strong 2026 Performance of Gold Mining Companies Driven by Rising Prices

Gold prices in early 2026 reflect an ongoing upward trend, primarily driven by geopolitical tensions, trade policy uncertainties, and increased allocations to tangible assets by central banks and institutional investors. Following multiple historical highs in the preceding year, gold continues to be utilized as a macroeconomic hedge, sustaining steady market demand. Several major financial institutions, including J.P. Morgan,

Deutsche Bank, and UBS, forecast further price appreciation, with some year-end projections approaching \$6,000 per ounce. According to J.P. Morgan, gold currently represents approximately 2.8% of global financial assets, this share is still low compared to historical peaks, leaving plenty of room for continued investment growth.

Table 1: Gold Price Forecasts (\$/ounce)

Financial Institution	2026 End-of-Period Forecast (US\$/ounce)	Revision Date	Key Driver Identified
J.P. Morgan	\$6,300	February 2, 2026	Structural diversification into real assets
UBS	\$6,200	January 29, 2026	Decline in real rates and geopolitical risk
Deutsche Bank	\$6,000	January 26, 2026	Strong long-term bullish conviction
Societe Generale	\$6,000	January 26, 2026	Sustained safe-haven and diversification motives
Morgan Stanley	\$5,700	January 23, 2026	Bull case for second-half 2026 acceleration
Goldman Sachs	\$5,400	January 22, 2026	Private sector and EM central bank demand
Citi Research	\$5,000	January 13, 2026	Short-term momentum and ETF inflows
Commerzbank	\$4,800	January 13, 2026	Safe-haven demand amid global uncertainty

Source: Various sources

- **Regulation of the Industry**

Strategic Regulations Accelerating Domestic Value Creation

In 2026, the Indonesian government implemented regulatory changes to advance its downstreaming (hilirisasi) policy, which aims to increase domestic gold processing capabilities. As part of this shift, the regulatory framework transitioned from multi-year mining plans to annual Work Plan and Budget (RKAB) approvals. To manage potential administrative delays during this transition, the government granted mining operators a 25% interim production quota to sustain near-term operations. These administrative adjustments coincide with a revised, tiered export tax structure introduced in late 2025, which ranges from 7.5% to 15%. This framework applies higher tax rates to unrefined products, such as doré bars, and lower rates to processed forms like granules or minted bars, depending on global pricing thresholds.

Bullion Bank Licensing

Indonesia has introduced a regulatory framework for bullion banking, enabling authorized financial institutions to offer gold-based savings, financing, and trading services. To ensure systemic stability and adequate risk management within this new sector, the Financial Services Authority (OJK) has mandated a minimum core capital requirement of IDR 14 trillion for full operational licenses. This capitalization threshold currently limits market entry primarily to large-scale, well-capitalized institutions. Consequently, initial participation in the domestic bullion banking market has been led by major state-affiliated entities, notably PT Pegadaian and PT Bank Syariah Indonesia (BSI).

- **Competition in the Industry**

State Dominance vs. Private Expansion

The competitive landscape of the Indonesian gold sector comprises a mix of state-affiliated entities and private enterprises. The state-owned mining holding company, Mining Industry Indonesia (MIND ID), maintains a significant market position through its key subsidiaries, PTFI and ANTM. Concurrently, private mining firms such as PT Merdeka Copper Gold Tbk (MDKA) and PT Bumi Resources Minerals Tbk (BRMS) are expanding their production profiles by developing new primary gold assets. Specifically, MDKA is advancing operations at the Pani Gold Project, while BRMS is increasing processing capacity across its domestic concessions.

- **Revenue and Cost Structure**

Navigating Evolving Costs to Maximize Record Revenues

In 2026, the financial profile of the Indonesian gold sector is characterized by elevated revenues alongside an evolving cost structure. Mining operations are reporting strong top-line growth, supported by sustained high global gold prices and favorable exchange rates, which have helped offset recent production fluctuations. Concurrently, the industry is managing increased expenditure requirements, including standard operational costs, capital investments for domestic refining capacity, and the newly implemented 7.5% to 15% export tax on unrefined gold. To navigate these regulatory and structural shifts, mining firms are focusing on cost management and operational efficiency to optimize margins within the current high-price market environment.

- **Financial Profile**

Robust Revenue Growth and Debt Dynamics

Between 2022 and 2024, the combined revenue of monitored Indonesian gold companies increased from approximately IDR 112.6 trillion to IDR 176.0 trillion. Within this group, ANTM reported IDR 72.0 trillion in revenue for the first nine months of 2025, exceeding its total revenue for the full year of 2024. Private entities, including PT Hartadinata Abadi Tbk (HRTA) and BRMS, also recorded consistent year-over-year revenue growth during this period. However, individual financial performance varied across the sector; AMMN, for example, reported a decrease in revenue, recording IDR 8.9 trillion for the first nine months of 2025 compared to a full-year total of IDR 42.2 trillion in 2024. Overall, the financial data indicates aggregate sector growth supported by both state-affiliated operations and private-sector contributions, despite variations in individual corporate performance.

Table 2: Revenue of Indonesian Gold Companies

Company	Ticker	Revenue (IDR, Billion)			
		2022	2023	2024	9M2025
PT Aneka Tambang Tbk	ANTM	45,930	41,048	69,192	72,028
PT Hartadinata Abadi Tbk	HRTA	6,918	12,857	18,229	25,193
PT Merdeka Copper Gold Tbk	MDKA	12,919	26,006	35,484	21,108
PT Amman Mineral Internasional Tbk	AMMN	42,031	30,982	42,213	8,944
PT Archi Indonesia Tbk	ARCI	3,215	3,804	4,558	5,391
PT J Resources Asia Pasifik Tbk	PSAB	1,489	2,592	3,740	3,634
PT Bumi Resources Minerals Tbk	BRMS	173	711	2,573	3,011
Total		112,675	117,999	175,989	139,309

Source: Capital IQ

The capital structure within the Indonesian gold sector exhibits varying levels of leverage, with the average industry Debt-to-Equity (DER) ratio increasing from 1.6x in 2022 to 2.6x in 9M2025. State-affiliated entities such as ANTM operate with a DER near zero, relying predominantly on equity financing. Conversely, several private firms have increased their leverage to support capital expenditures. For example, AMMN reported a DER increase to 1.3x, while BRMS recorded a ratio of 12.7x alongside its investments in processing capacity. Other operators, including MDKA and PT J Resources Asia Pasifik Tbk (PSAB), reported leverage metrics between 0.6x and 0.7x, reflecting a more balanced capital structure amidst current industry expenditure requirements.

Table 3: Capital Structure of Indonesian Gold Companies

Company	Ticker	Debt to Equity Ratio (x)			
		2022	2023	2024	9M2025
PT Aneka Tambang Tbk	ANTM	0.1	0.1	0.0	0.1
PT Hartadinata Abadi Tbk	HRTA	1.2	1.4	1.5	1.4
PT Merdeka Copper Gold Tbk	MDKA	0.7	0.6	0.6	0.7
PT Amman Mineral Internasional Tbk	AMMN	0.5	0.7	0.8	1.3
PT Archi Indonesia Tbk	ARCI	1.3	1.5	1.5	1.2
PT J Resources Asia Pasifik Tbk	PSAB	0.7	0.9	0.8	0.6
PT Bumi Resources Minerals Tbk	BRMS	6.7	7.0	10.4	12.7
Average		1.6	1.7	2.2	2.6

Source: Capital IQ

The profitability of Indonesian gold companies, as measured by EBITDA margins, improved in 2025 following a contraction in the prior year. The industry average margin decreased to 23.3% in 2024 before increasing to 28.3% during the first nine months of 2025. AMMN recorded a 45.9% margin in 9M2025, placing it at the upper end of the sector, though this represents a reduction from its 59.4% margin in 2022. Several other mining firms, including PT Archi Indonesia Tbk (ARCI), PSAB, and BRMS, reported EBITDA margins exceeding 40% during the 2025 period. Meanwhile, other operators exhibited lower margin profiles; ANTM reported a 12.3% margin in 9M2025, while HRTA and MDKA recorded margins of 4.1% and 2.8%, respectively.

Table 4: Profitability of Indonesian Gold Companies

Company	Ticker	EBITDA Margin (%)			
		2022	2023	2024	9M2025
PT Aneka Tambang Tbk	ANTM	12.4	9.1	6.2	12.3
PT Hartadinata Abadi Tbk	HRTA	8.1	5.7	4.9	4.1
PT Merdeka Copper Gold Tbk	MDKA	3.4	2.4	2.6	2.8
PT Amman Mineral Internasional Tbk	AMMN	59.4	46.4	53.7	45.9
PT Archi Indonesia Tbk	ARCI	36.0	32.7	25.7	46.7
PT J Resources Asia Pasifik Tbk	PSAB	35.9	52.7	40.8	45.3
PT Bumi Resources Minerals Tbk	BRMS	25.2	43.6	29.5	41.4
Average		25.8	27.5	23.3	28.3

Source: Capital IQ

The debt-servicing capacity within the Indonesian gold sector, as measured by the EBITDA-to-interest expense ratio, has moderated in recent years. The industry average decreased from 16.7x in 2022 to 4.9x during the first nine months of 2025 (9M2025), reflecting an increased allocation of operating earnings toward interest obligations. During this period, AMMN reported a reduction in its interest coverage ratio from 11.9x in 2022 to 0.9x in 9M2025. Conversely, some operators showed improved debt-servicing metrics; ARCI reported an increase to 5.9x, while PSAB reached 7.6x in 9M2025. ANTM's interest coverage is categorized as 'Not Meaningful' (NM) for 9M2025, a designation consistent with the company's negligible levels of interest-bearing debt.

Table 5: Interest Coverage Ratio of Indonesian Gold Companies

Company	Ticker	EBITDA to Interest Expense Ratio (x)			
		2022	2023	2024	9M2025
PT Aneka Tambang Tbk	ANTM	34.7	21.1	33.9	NM
PT Hartadinata Abadi Tbk	HRTA	2.6	2.8	3.2	4.3
PT Merdeka Copper Gold Tbk	MDKA	3.4	2.4	2.6	2.8
PT Amman Mineral Internasional Tbk	AMMN	11.9	4.9	5.1	0.9
PT Archi Indonesia Tbk	ARCI	3.9	2.7	2.0	5.9
PT J Resources Asia Pasifik Tbk	PSAB	1.6	5.6	9.9	7.6
PT Bumi Resources Minerals Tbk	BRMS	58.9	NM	5.2	8.0
Average		16.7	6.6	8.8	4.9

Source: Capital IQ

- **Outlook**

Continued Revenue Growth Amidst Shifting Fiscal Policies

The outlook for Indonesian gold sector revenues remains supported by stable production targets and prevailing global price levels. While anticipated adjustments to corporate or sector-specific tax structures may impact net profitability margins, current revenue growth is projected to provide a buffer against these increased fiscal obligations. Ongoing efforts to improve operational efficiency are expected to further mitigate these costs. Overall, the industry's financial performance will likely depend on the balance between sustained top-line growth and the evolving domestic regulatory and tax environment.

The "China Plus One" Advantage

Global trade tensions and uncertainties regarding tariff policies have led to increased interest in the 'China Plus One' strategy, as market participants seek to diversify supply chains and reduce dependence on a single region for refined metals. In this context, Indonesia is being viewed as a potential alternative for mining and refining infrastructure. The continued expansion of domestic processing capabilities aligns with the global trend of establishing resilient, alternative supply pathways. Should this interest translate into sustained investment, Indonesia may increase its presence in the international gold export market and further integrate its downstream ecosystem into the global supply chain.

Middle East Conflict Catalyzes Demand in Indonesian Gold Market

Geopolitical developments in the Middle East beginning in late February 2026 have contributed to increased volatility in the gold market, supporting a higher price floor for bullion. Following a brief peak near \$5,400 per ounce, prices settled in the \$5,100–\$5,150 range by March 5—a notable increase compared to the year-end 2025 range of \$4,300–\$4,339. Domestically, these events have influenced broader macroeconomic conditions, including a rise in oil prices to \$70 per barrel, which may affect the Indonesian fiscal deficit. Historically, periods of international uncertainty tend to encourage domestic retail interest in physical gold as a capital preservation asset, sustaining demand levels despite elevated pricing.

- **Industry Risk Profile: Moderate**

In 2026, the Indonesian gold sector is characterized by elevated global pricing and a supportive environment for capital investment. The industry outlook remains stable as primary operational assets, including Grasberg and Batu Hijau, continue their transition toward projected production levels. While the sector is adapting to administrative changes—specifically the transition to annual RKAB approvals and the implementation of a 7.5% to 15% export tax on unrefined gold—these policies are designed to increase domestic refining capacity and market transparency. Supported by the expansion of the digital gold ecosystem, 2026 represents a period of structural transition where regulatory adjustments are balanced by record price valuations and an ongoing focus on domestic value creation.