

Education Inflation in Indonesia

by Michael Vincent Sebastian Handojo

An analytical report on the trends and disparities of education inflation across Indonesia from January 2024 to June 2025. This presentation offers insights for economists, policymakers, and the general public.



Max Inflation in Education Sector: Monthly Overview

This slide provides an overview of the maximum monthly inflation in the education sector and analyzes the underlying reasons for these trends.

Month	Region	Inflation
Januari	KOTA BIMA	21.97
Februari	KOTA BIMA	21.97
Maret	KOTA BIMA	21.97
April	KOTA BIMA	21.97
Mei	KOTA BIMA	21.97
Juni	KOTA BIMA	22.05
Juli	KOTA PEMATANGSIANTAR	8.24
Agustus	KAB MESUJI	9.19
September	KOTA BIMA	21.97
Oktober	KOTA BIMA	21.97
November	KOTA BIMA	21.97
Desember	KOTA BIMA	21.97

Why Kota Bima Was Dominant (10 Consecutive Months)?

- Education costs, especially tuition and fees, increased early.
- Prices remained consistently high due to market rigidity.
- Likely influenced by private/foundation schools' pricing.

Why Did It Drop in July & August?

- Other regions saw sudden inflation spikes (new school year effect).
- Inflation in other cities surpassed Kota Bima's rate.
- No additional increase occurred in Kota Bima during these months.

Max Deflation in Education Sector: Monthly Overview

This slide presents an overview of the maximum monthly deflation in the education sector and explores the factors contributing to these trends.

Month	Region	Deflation
Januari	KOTA KOTAMOBAGU	-16.2
Februari	KOTA KOTAMOBAGU	-16.2
Maret	KOTA KOTAMOBAGU	-16.2
April	KOTA KOTAMOBAGU	-16.2
Mei	KOTA KOTAMOBAGU	-16.2
Juni	KAB HALMAHERA TENGAH	-53.49
Juli	KAB KARIMUN	-8.16
Agustus	KAB KARIMUN	-7.1
September	KOTA KOTAMOBAGU	-16.54
Oktober	KOTA KOTAMOBAGU	-16.37
November	KOTA KOTAMOBAGU	-16.37
Desember	KOTA KOTAMOBAGU	-16.37

Why Kota Kotamobagu Dominated (9 Months)?

- Strong regional price control and consistent decrease in educational costs.
- Reflected local government subsidies or cost-cutting policies.
- Indicated stable or low demand in educational expenses.

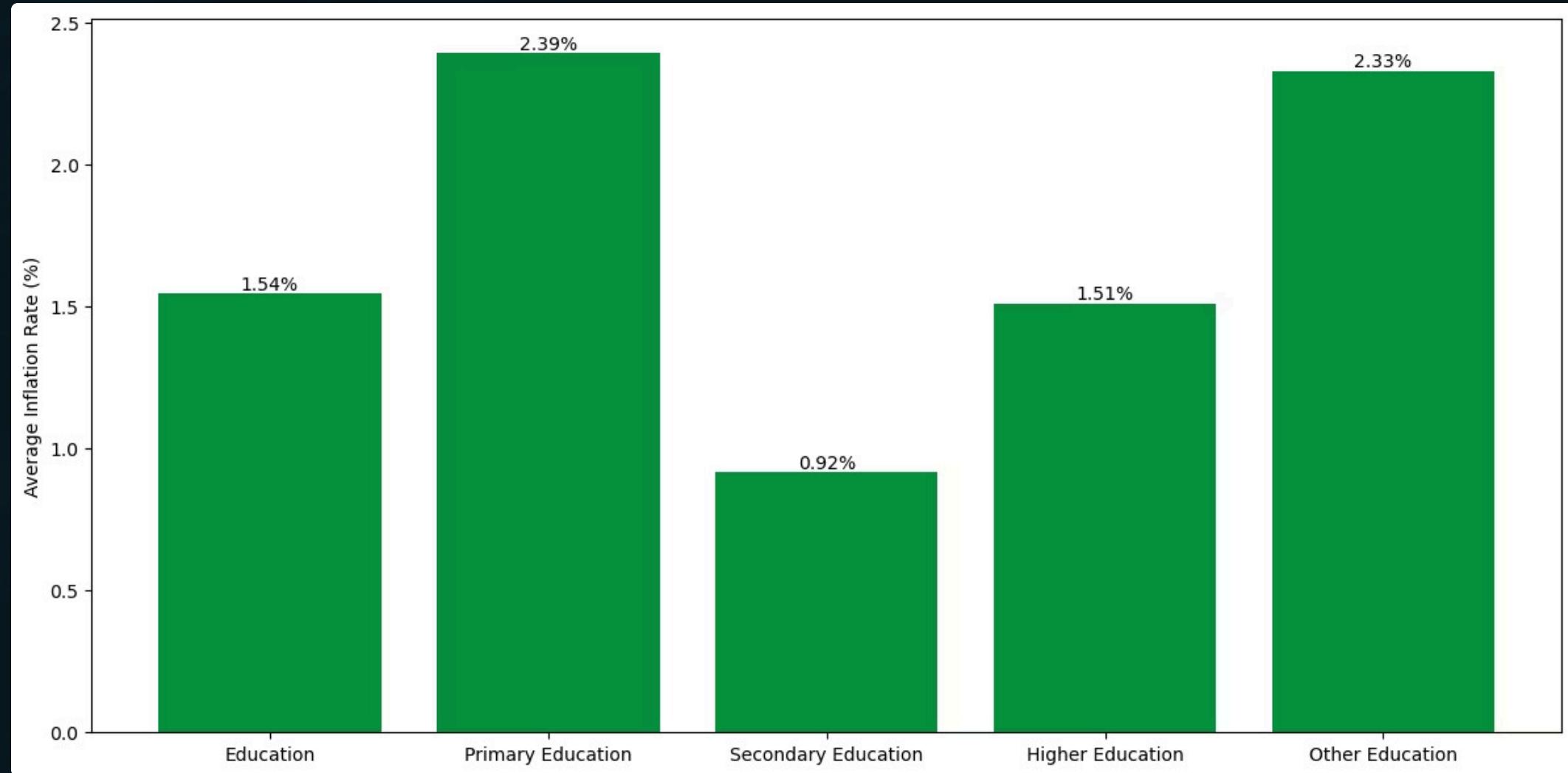
Why Was It Replaced in June–August?

- Kab. Halmahera Tengah (June) and Kab. Karimun (July–August) saw sudden deflation surges.
- Likely due to unexpected school fee waivers or aid programs.
- Fewer private school activities during that period.

Sharp Drop in May & June: Kota Kotamobagu (-16.2% in May) suggests end-of-year fee returns or major discounts. Kab. Halmahera Tengah (-53.49% in June) indicates radical cost drops, possibly due to free tuition, delayed academic year, or data anomaly.

Average Inflation Comparison Across Education Sectors

This slide provides an overview of sectoral inflation trends in education, identifying the most impacted segment and key contributing factors.



Why Basic Education Has the Highest Inflation Rate

Essential & Compulsory

High and consistent demand, especially during school enrollment periods.

Private Sector Pricing

Many private schools freely adjust tuition and fees.

Lack of Direct Subsidies

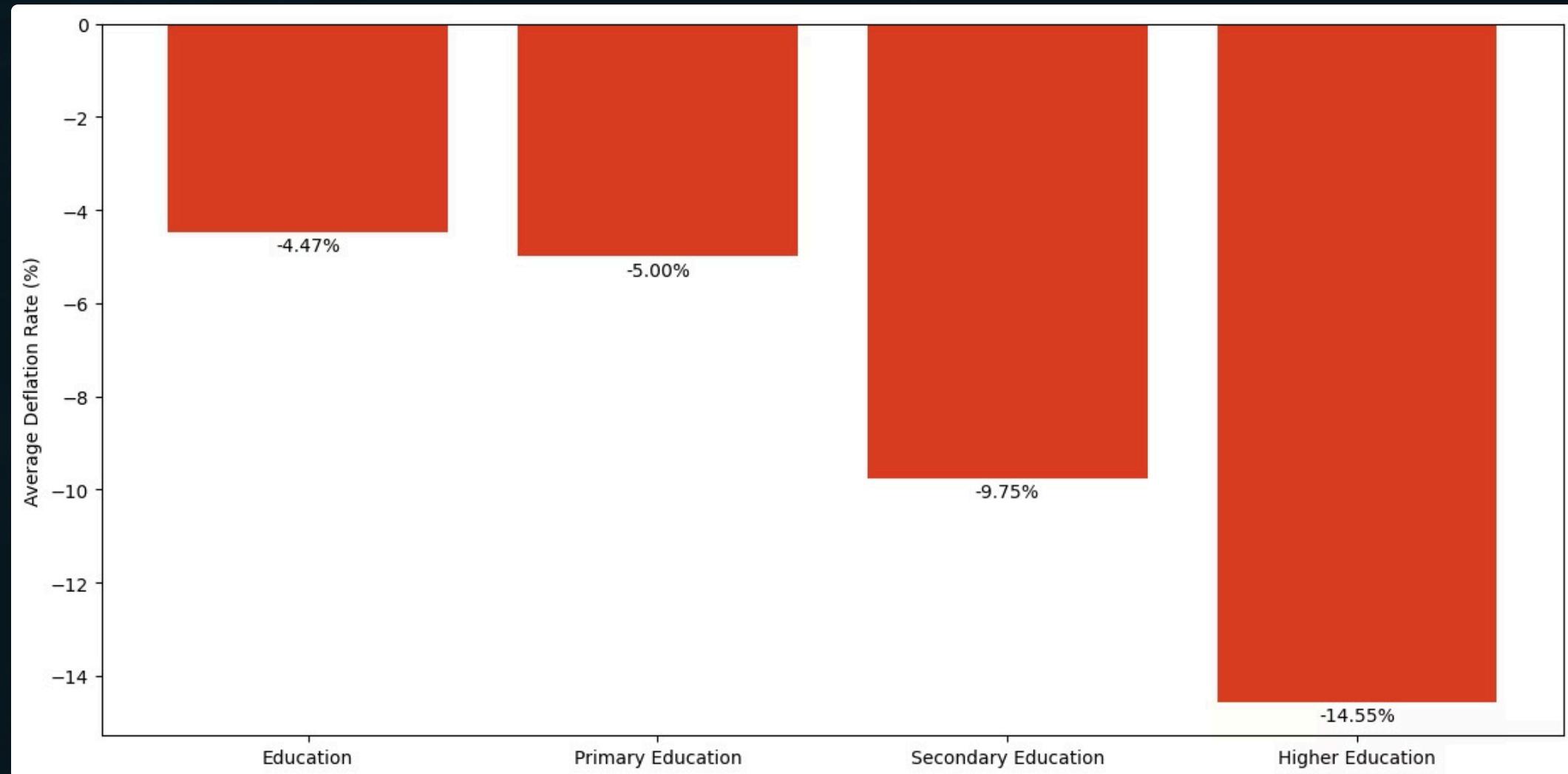
Non-formal education (like tutoring) is fully market-driven.

Seasonal Effects

Inflation spikes during May–August due to the new academic year.

Average Deflation Comparison Across Education Sectors

An overview of inflation and deflation trends in the education sector, identifying the most affected segments and their main contributing factors.



No Data for "Other Education"

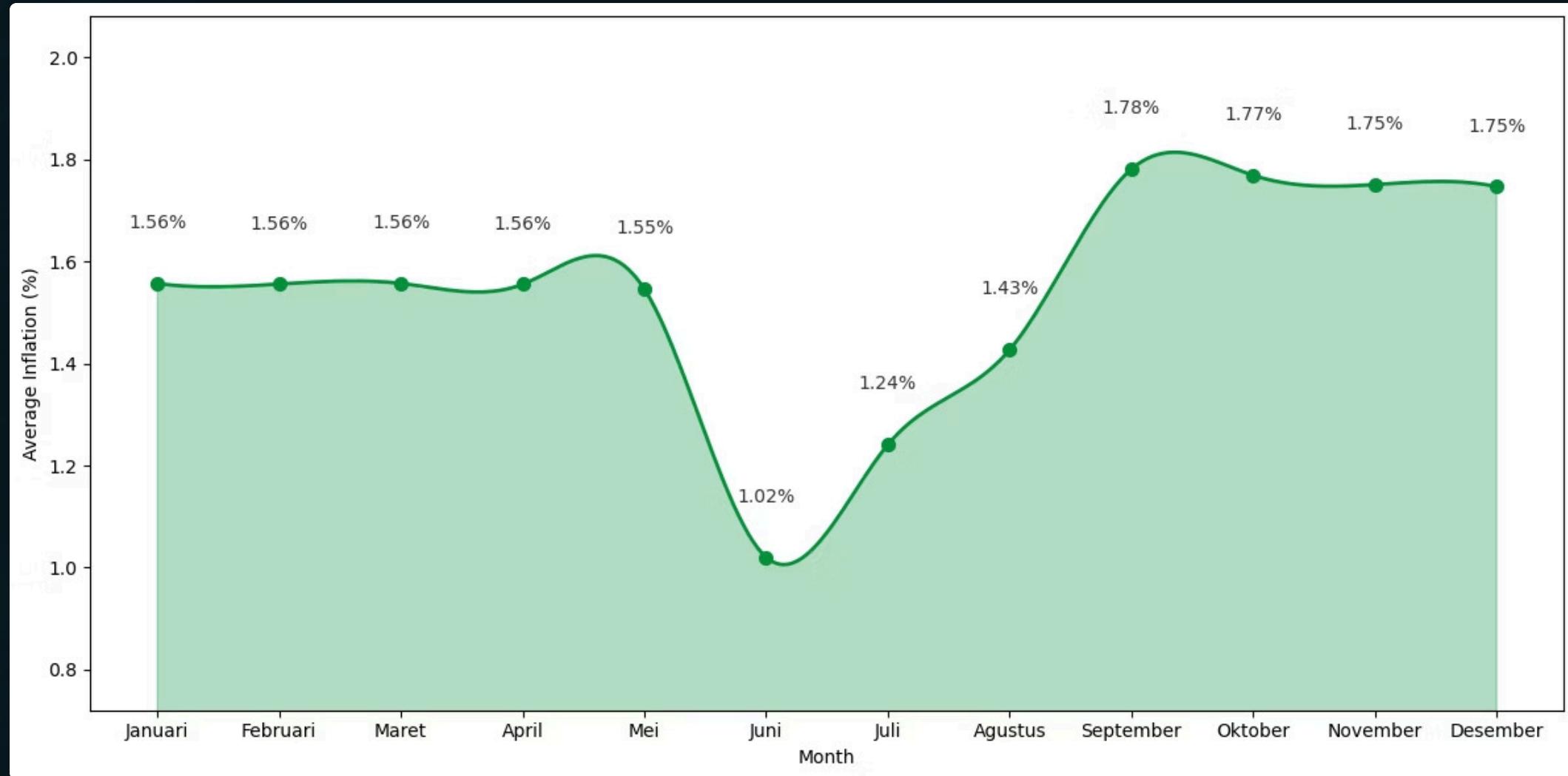
This category likely did not experience any negative inflation (deflation) during the observed period. Its average deflation rate is zero or not applicable.

Higher Education Shows the Highest Deflation (-14.55%)

- Significant fee reductions or scholarship expansions.
- Institutional tuition adjustments to reduce costs.
- Remote learning reducing operational expenses.
- Government subsidy interventions targeting universities.

Average Monthly Inflation Trend in Education

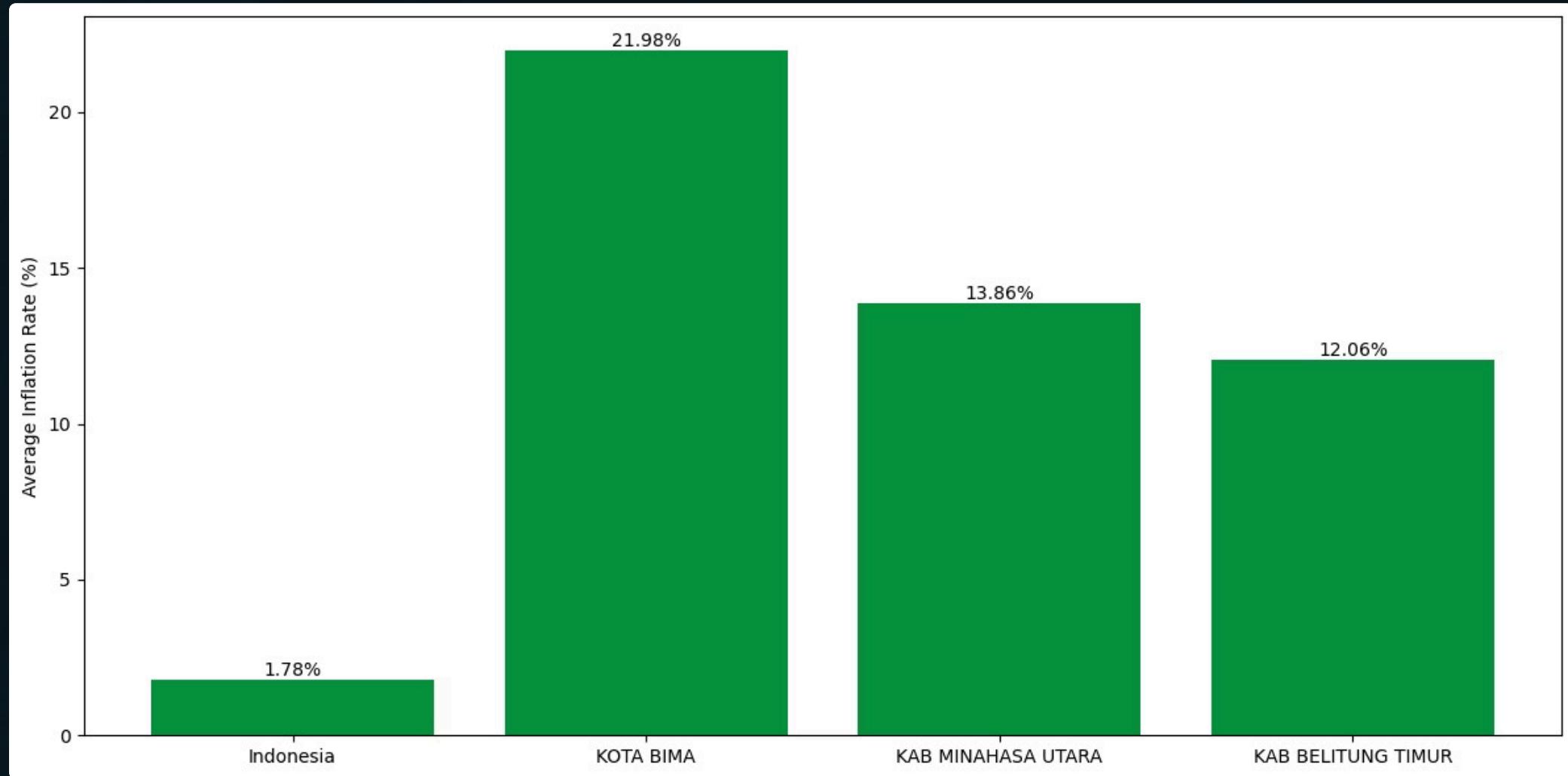
Presents a month-by-month overview of inflation dynamics in the education sector, highlighting seasonal spikes and key contributing factors.



- 1 Stable Period (Jan–Mei 2024)
Inflation remained steady at ~1.55–1.56%, indicating price consistency.
- 2 Significant Drop in June (1.02%)
Likely due to academic year-end effect or macroeconomic factors.
- 3 Gradual Recovery (July–August)
Costs rise again as schools prepare for the new academic year.
- 4 Peak in September (1.78%)
Aligns with the start of the academic year, with sharp expense spikes.
- 5 Plateau Period (Oct–Dec 2024)
Inflation stabilizes at ~1.75%, reflecting consistent expenditures.

Average Education Inflation: Indonesia vs. Top 3 Regions

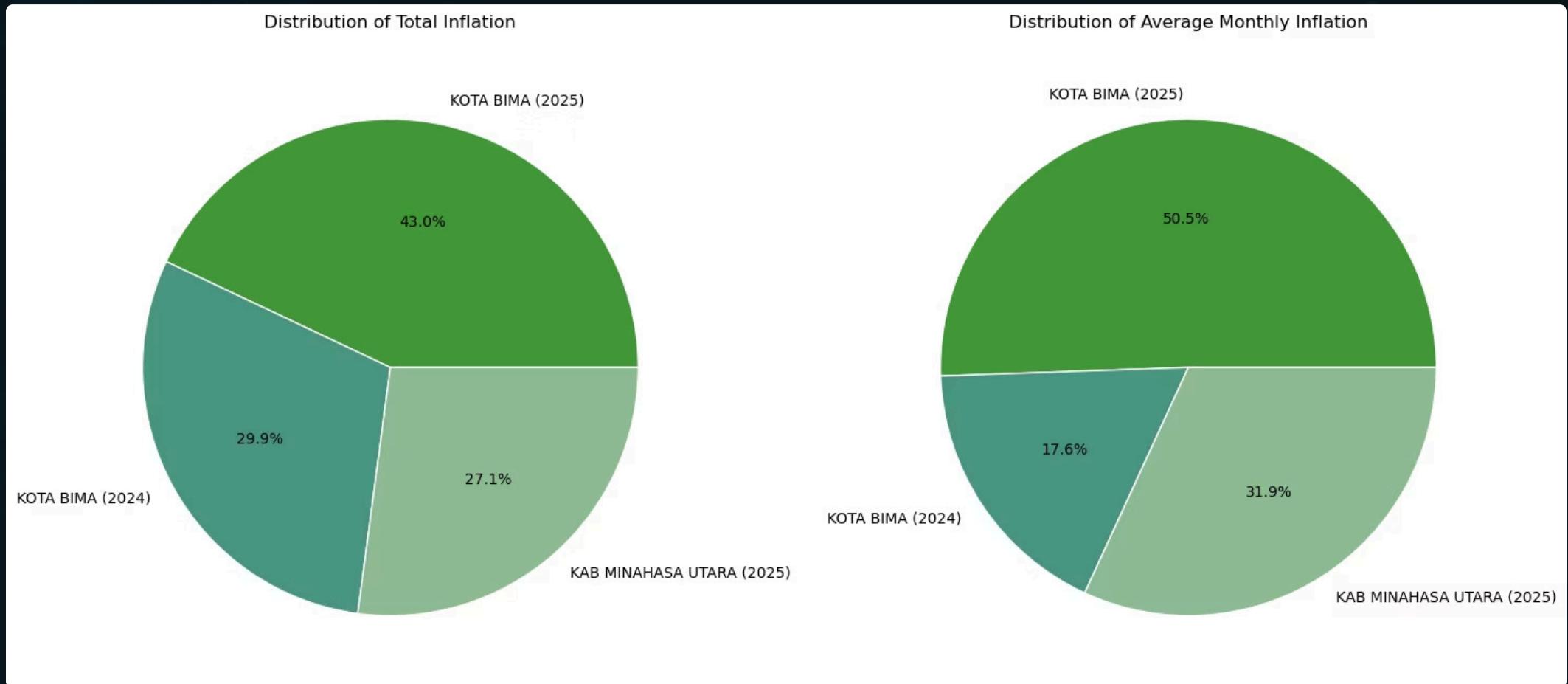
Compares national average inflation in education with the top three highest-inflation regions, highlighting significant regional disparities.



This chart highlights the inflation gap between Indonesia's national average and the top three regions with the highest education inflation. The stark disparity indicates that inflation is not uniformly distributed across the country, revealing regional imbalances in educational costs. While the national trend appears moderate, some areas face significantly higher inflation—underscoring the need for more localized policies and targeted interventions.

Distribution of Total and Average Monthly Inflation in the Top 3 Regions

Comparing the share of yearly and monthly inflation among the most affected regions in the education sector.



This slide compares the total yearly inflation and average monthly inflation in the top three regions with the highest education inflation rates in Indonesia.

The most striking observation is **Kota Bima**, which consistently leads both in total annual inflation and monthly averages throughout 2024 and 2025. This dominance indicates a sustained and systemic price pressure in the region.

Meanwhile, **North Minahasa Regency** presents an interesting trend. Its share in total inflation remains lower than Kota Bima, but its average monthly inflation has recently increased significantly — signaling a growing short-term price pressure.

This comparison between total and average values highlights that inflation doesn't occur uniformly across time or regions. Each area follows its own pace, underscoring the need for targeted, region-specific policy interventions rather than relying solely on national averages.

Conclusion

The analysis of education inflation from January 2024 to June 2025 reveals significant regional disparities across Indonesia. While the national average inflation appears stable, certain areas—such as Kota Bima, North Minahasa, and Mimika—consistently experience much higher inflation rates.

This gap between national and regional data underscores that inflation in Indonesia is not evenly distributed, with some regions facing persistent and accelerated increases in education costs. Moreover, the divergence between total annual inflation and monthly averages in different regions suggests varying inflation dynamics over time.

These findings highlight the importance of localized economic strategies and region-specific policy interventions to address cost-of-living challenges in the education sector. Relying solely on national averages risks overlooking vulnerable regions where inflation severely impacts access to affordable education.

