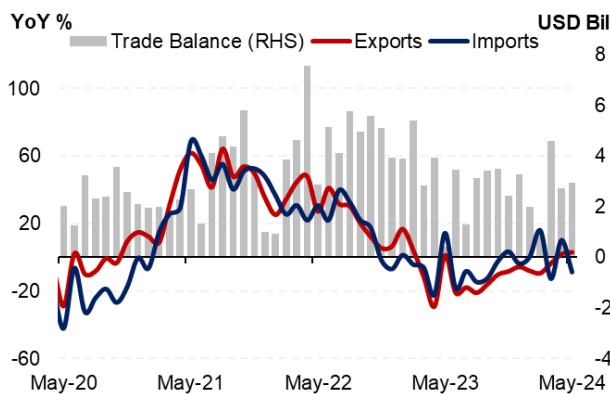


# Indonesia External Trade

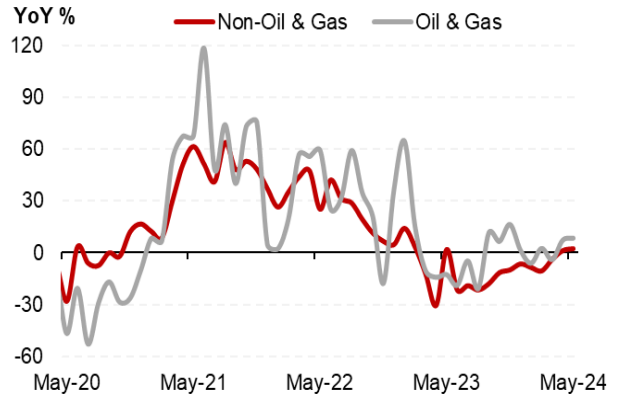
May exports hit a 15-month high YoY growth and trade surplus widened

- **Exports expanded for the second straight month (2.9% YoY; Apr: 1.7%), the fastest pace in 15 months and beating market expectations (-1.0%)**
  - MoM: rebounded sharply (13.8%; Apr: -13.0%) following a sharp decline in the previous month.
- **Increased exports due to higher shipment of both non-O&G and O&G products**
  - Non-O&G (2.5%; Apr: 1.3%): expanded for the second consecutive month, partly as manufacturing (4.6%; Apr: 8.8%), and agriculture (2.4%; Apr: 2.6%) continue to increase albeit at a slower pace. Meanwhile, mining fell for the 15th straight month (-4.8%; Apr: -17.0%) but growth contraction eased. By destination, growth was contributed by higher shipment to major trading partners led by the US (6.6%; Apr: 11.5%) and Japan (0.8%; Apr: -1.8%). Notably, shipment to China (-0.9%; Apr: -7.4%) remained weak but the contraction eased.
  - O&G (8.4%; Apr: 7.3%): expanded for the second straight month, mainly due to higher export of mining (16.4%; Apr: 20.9%), while the contraction in manufacturing (-8.8%; Apr: -13.3%) eased.
- **Imports contracted (-8.8%; Apr: 10.1%), but better than expectations (-9.9%), weighed by weak shipment in non-O&G (-8.2%; Apr: 12.3%) and O&G (-12.3%; Apr: 1.0%)**
  - By category, weaker growth was mainly due to a broad-based weakness led by raw materials (-7.5%; Apr: 8.5%), followed by capital goods (-10.1%; Apr: 22.0%) and consumer goods (-16.2%; Apr: 2.8%) and partly due to high base effect in the same month of last year.
  - MoM: rebounded sharply (14.8%; Apr: -5.9%) to a 12-month high following the fifth straight month of contraction.
- **Trade surplus widened (USD2.9b; Apr: USD2.7b), slightly lower than consensus (USD3.0b), as YoY exports outpaced the decline in imports**
  - Meanwhile, total trade declined in May (-2.9% YoY; Apr: 5.4%).
- **2024 export forecast maintained at 0.8% (2023: -11.3%)**
  - We reiterated our cautiously optimistic outlook despite two straight months of growth expansion recorded since April. This is primarily because we continue to expect a slower rebound in Indonesia’s exports in the near term, as exports of non-O&G products remained fragile alongside lower commodity prices. Additionally, the impact of the Red Sea conflict and port congestion has also added to our cautious outlook.

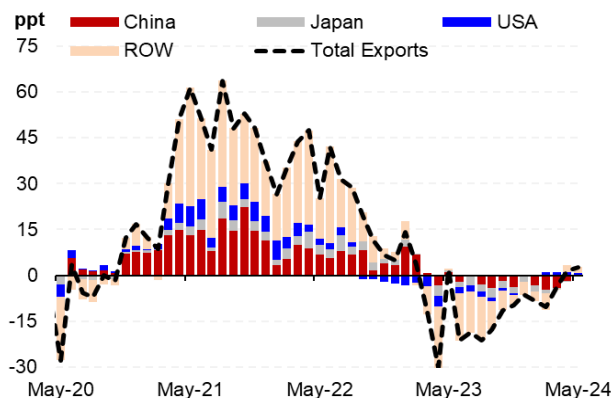
Graph 1: External Trade Growth Trend



Graph 2: Exports Growth by Group

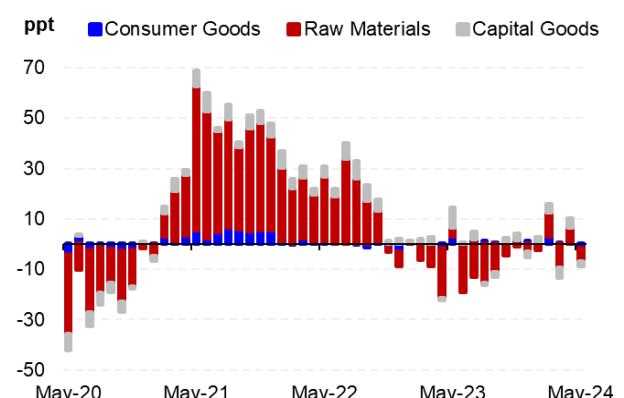


Graph 3: Non-Oil & Gas Exports by Destination (Top-3)



Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 4: Imports by Categories



Source: BPS Indonesia, Macrobond, Kenanga Research

20 June 2024

**Table 1: Indonesia External Trade Growth Trend**

		2022	2023	May -23	Jun -23	Jul -23	Aug -23	Sep -23	Oct -23	Nov -23	Dec -23	Jan -24	Feb -24	Mar -24	Apr -24	May -24
Total Trade	YoY %	23.7	-9.2	7.2	-19.9	-13.6	-18.4	-14.5	-6.9	-3.3	-4.9	-4.4	1.3	-8.0	5.4	-2.9
Trade Balance	USD bn	54.4	36.9	0.4	3.5	1.3	3.1	3.4	3.5	2.4	3.3	2.0	0.8	4.6	2.7	2.9
<b>Exports</b>	<b>YoY %</b>	<b>26.0</b>	<b>-11.3</b>	<b>1.0</b>	<b>-21.2</b>	<b>-18.1</b>	<b>-21.2</b>	<b>-16.2</b>	<b>-10.4</b>	<b>-8.6</b>	<b>-5.8</b>	<b>-8.2</b>	<b>-9.6</b>	<b>-3.7</b>	<b>1.7</b>	<b>2.9</b>
Non-Oil & Gas	YoY %	25.8	-12.0	2.0	-21.3	-18.8	-21.3	-17.7	-11.4	-9.8	-6.3	-8.3	-10.3	-3.7	1.3	2.5
	Share	94.6	93.8	94.0	93.9	94.1	94.0	93.2	93.8	94.2	93.4	93.2	93.7	94.3	93.1	93.6
Oil & Gas	YoY %	29.3	0.5	-12.6	-18.8	-4.7	-20.7	11.6	6.5	16.4	1.4	-6.1	2.6	-4.0	7.3	8.4
	Share	5.4	6.2	6.0	6.1	5.9	6.0	6.8	6.2	5.8	6.6	6.8	6.3	5.7	6.9	6.4
<b>Imports</b>	<b>YoY %</b>	<b>21.0</b>	<b>-6.6</b>	<b>14.3</b>	<b>-18.3</b>	<b>-8.3</b>	<b>-14.8</b>	<b>-12.5</b>	<b>-2.4</b>	<b>3.3</b>	<b>-3.8</b>	<b>0.3</b>	<b>15.8</b>	<b>-12.8</b>	<b>10.1</b>	<b>-8.8</b>
Non-Oil & Gas	YoY %	15.5	-5.6	18.9	-13.9	-2.7	-12.1	-14.5	-1.9	-0.4	-5.6	1.7	14.4	-16.7	12.3	-8.2
	Share	83.0	83.9	85.3	87.0	84.0	85.9	80.8	82.8	82.2	82.3	85.4	83.8	81.5	82.3	85.8
Oil & Gas	YoY %	58.3	-11.3	-6.5	-39.5	-29.7	-28.1	-2.8	-4.7	24.4	5.4	-7.2	23.8	10.3	1.0	-12.3
	Share	17.0	16.1	14.7	13.0	16.0	14.1	19.2	17.2	17.8	17.7	14.6	16.2	18.5	17.7	14.2

Source: BPS Indonesia, Macrobond, Kenanga Research

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