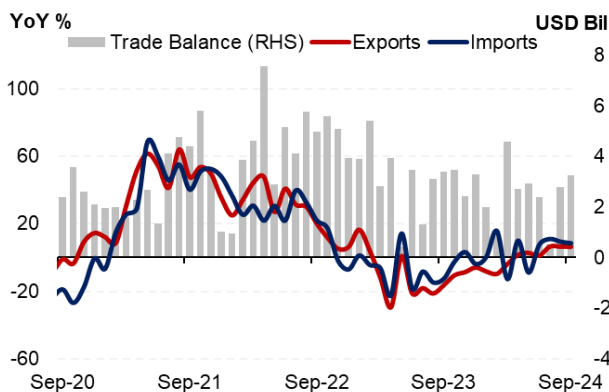


Indonesia External Trade

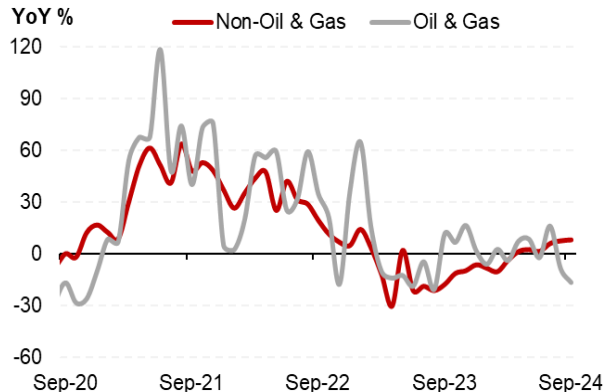
Exports and imports moderated; trade surplus hit six-month high

- **Exports slowed slightly in September (6.4% YoY; Aug: 6.6%), below market expectations (8.0%), but remained positive for the sixth straight month**
 - MoM: contracted (-5.8%; Aug: 5.4%), a three-month low.
- **Exports remained supported by strong shipments of non-O&G, but partially weighed by weak O&G**
 - Non-O&G (8.1%; Aug: 7.5%): growth expanded, due to higher mining (9.0%; Aug: 2.8%) and relatively solid agriculture (39.3%; Aug: 40.2%) but was partially capped by a slower manufacturing (6.3%; Aug: 8.9%). By destination, it was contributed by a rebound in shipment to China (3.5%; Aug: -0.8%), but the momentum was partially weighed by a moderate growth to other major export destinations, namely the US (20.9%; Aug: 22.4%) and Japan (14.8%; Aug: 17.8%).
 - O&G (-16.7%; Aug: -8.7%): deeper contraction due to weak manufacturing (-37.2%; Aug: -29.7%) and mining (-5.5%; Aug: 4.5%).
- **Imports moderated to a three-month low in September (8.6%; Jun: 9.5%), and lower than consensus (11.8%) due to a sharp fall in the demand for O&G (-24.0%; Aug: -0.5%)**
 - By category, growth was led by higher capital goods (18.4%; Aug: 11.9%) and a rebound in consumer goods (11.3%; Aug: -7.4%). However, the momentum was partially capped by a slowdown in raw materials (5.9%; Aug: 11.5%).
 - MoM: fell sharply (-8.9%; Aug: -4.9%) to a 14-month low.
- **Trade surplus widened (USD3.3b; Aug: USD2.8b), a six-month high and beating consensus (USD2.8b), as imports fell more than exports on a MoM basis**
 - Meanwhile, total trade moderated slightly (7.4% YoY; Aug: 7.9%).
- **2024 export forecast maintained at 0.8% (2023: -11.3%), due to last year's low base**
 - Year-to-date, exports rebounded by 0.3% (Jan-Aug: -0.4%) thanks to a sustained turnaround in export growth amid a low base effect recorded in the 2H last year, and further backed by a positive performance in the non-oil & gas product. Looking ahead, we continue to expect export growth to sustain a positive momentum in the near term. This is partly because we continue to expect a gradual economic recovery in China, Indonesia's largest trading partner, following a sizeable stimulus to stimulate the economy.

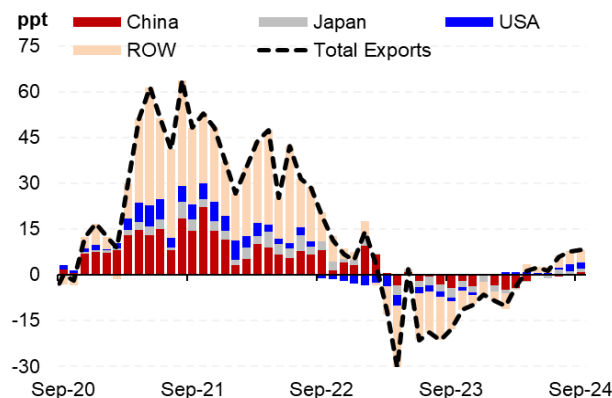
Graph 1: External Trade Growth Trend



Graph 2: Exports Growth by Group

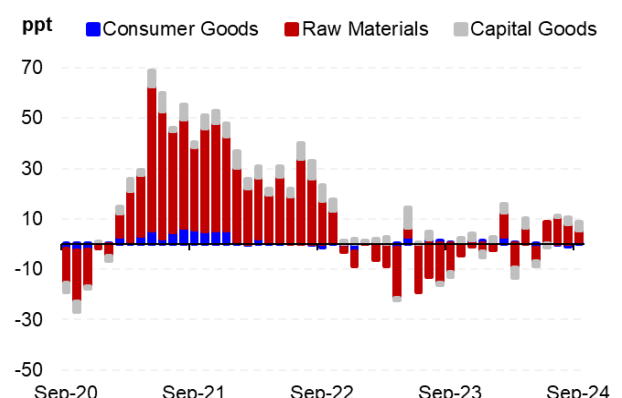


Graph 3: Non-Oil & Gas Exports by Destination (Top-3)



Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 4: Imports by Categories



Source: BPS Indonesia, Macrobond, Kenanga Research

16 October 2024

Table 1: Indonesia External Trade Growth Trend

		2022	2023	Sep -23	Oct -23	Nov -23	Dec -23	Jan -24	Feb -24	Mar -24	Apr -24	May -24	Jun -24	Jul -24	Aug -24	Sep -24
Total Trade	YoY %	23.7	-9.2	-14.6	-6.9	-3.3	-4.9	-4.4	1.3	-8.0	5.4	-2.9	4.1	8.8	7.9	7.4
Trade Balance	USD bn	54.4	36.9	3.4	3.5	2.4	3.3	2.0	0.8	4.6	2.7	2.9	2.4	0.5	2.8	3.3
Exports	YoY %	26.0	-11.3	-16.2	-10.4	-8.6	-5.9	-8.2	-9.6	-3.7	1.7	2.9	1.2	6.6	6.6	6.4
Non-Oil & Gas	YoY %	25.8	-12.0	-17.7	-11.4	-9.8	-6.3	-8.3	-10.3	-3.7	1.3	2.5	1.4	6.0	7.5	8.1
	Share	94.6	93.8	93.2	93.8	94.2	93.4	93.2	93.7	94.3	93.1	93.6	94.1	93.6	94.9	94.7
Oil & Gas	YoY %	29.3	0.5	11.6	6.5	16.4	1.4	-6.1	2.6	-4.0	7.3	8.4	-2.3	16.0	-8.7	-16.7
	Share	5.4	6.2	6.8	6.2	5.8	6.6	6.8	6.3	5.7	6.9	6.4	5.9	6.4	5.1	5.3
Imports	YoY %	21.0	-6.6	-12.5	-2.4	3.3	-3.8	0.3	15.8	-12.8	10.1	-8.8	7.6	11.1	9.5	8.6
Non-Oil & Gas	YoY %	15.5	-5.6	-14.5	-1.9	-0.4	-5.6	1.7	14.4	-16.7	12.3	-8.2	1.7	10.6	11.1	16.3
	Share	83.0	83.9	80.8	82.8	82.2	82.3	85.4	83.8	81.5	82.3	85.8	82.3	83.6	87.2	86.6
Oil & Gas	YoY %	58.3	-11.3	-2.8	-4.7	24.4	5.4	-7.2	23.8	10.3	1.0	-12.3	47.2	13.6	-0.5	-24.0
	Share	17.0	16.1	19.2	17.2	17.8	17.7	14.6	16.2	18.5	17.7	14.2	17.7	16.4	12.8	13.4

Source: BPS Indonesia, Macrobond, Kenanga Research

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