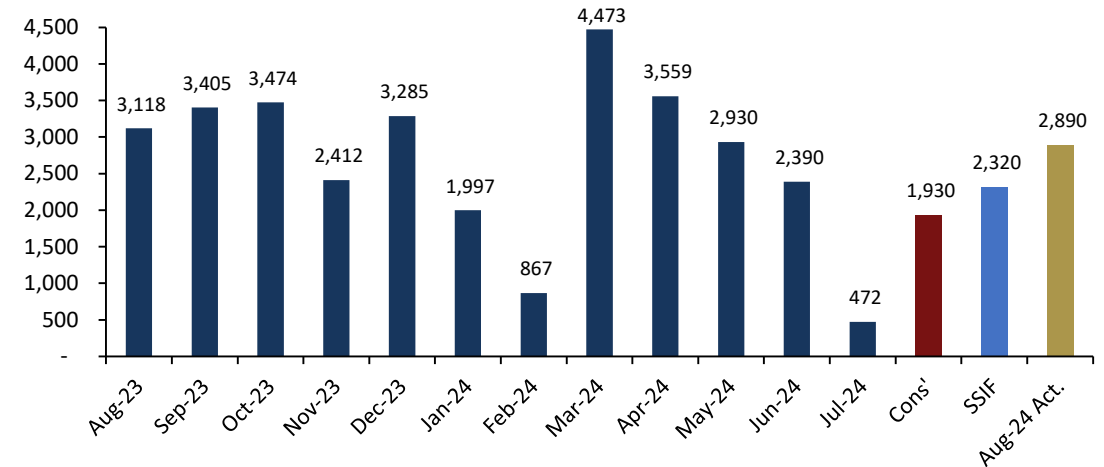


# Balance of Trade: 17 September 2024

- Indonesia's trade surplus rose to USD 2.89 bn in August 2024, compared to USD 0.47 bn a month earlier. This figure surpassed the market consensus of USD 1.96 bn and our upper bound forecast of USD 2.32 bn, demonstrating stronger-than-anticipated trade performance. Although the figure is below the USD 3.12 billion recorded in the same month last year, the surplus still reflected a combination of robust export growth and continued rise in imports, signaling both domestic demand recovery and export competitiveness in global markets.
- Export growth remained strong in August, increasing 7.13% YoY. This marked the fifth consecutive month of export expansion and the fastest growth rate in 19 months. The figure significantly surpassed market forecasts of 3.83% increase and built upon July's revised growth rate of 6.60%. Key drivers behind this export surge included high global demand for Indonesia's commodities, particularly palm oil and electronics, as well as favorable currency conditions, with the Rupiah trading at IDR 15,740 per USD in August, which boosted the competitiveness of Indonesian products. Despite global economic uncertainties, Indonesia's export sector continued to demonstrate resilience.
- On the other hand, imports increased 9.46% YoY in August, surpassing market expectations of an 8.15% rise. Although this represented a slight slowdown from the 11.07% growth recorded in July, the import figure reflected built up of raw materials and inputs for manufacturing and infrastructure means, driven by hoarding tendencies as the Rupiah strengthened below the 16k level. Continued domestic consumption has fueled this import growth, signaling stable economic rebound.
- In the first eight months of 2024, Indonesia posted a cumulative trade surplus of USD 23.71 bn, supported by a slight decline in exports of 0.35% and a rise in imports of 3.1% (2023 import growth: -3.8% YoY). While the trade balance remains in surplus, the growing pace of imports relative to exports suggests that future trade dynamics will require careful monitoring, particularly if global demand were to soften or domestic consumption patterns shifted.
- Looking ahead, this better-than-expected trade surplus is likely to be disrupted by the ongoing appreciation of the Rupiah, which could potentially drag down export growth in the short run. Another factor that could limit future export growth is the ongoing industrial contraction, as evidenced by two consecutive months of subpar PMI.

## Indonesia Trade Balance

(USD Mn)

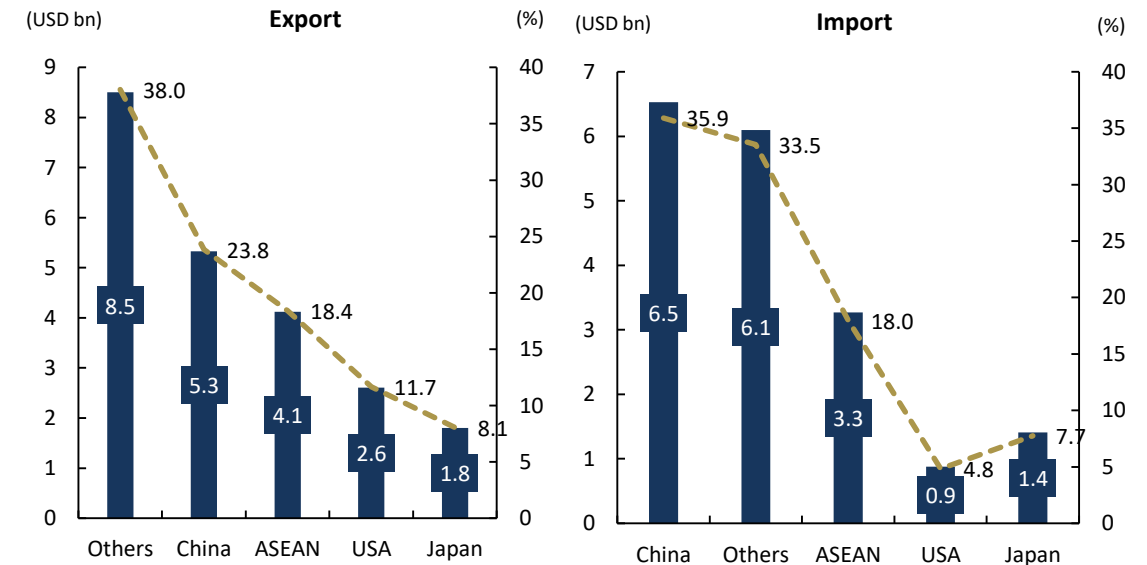


## Export, Import Value (USD mn)

Description	Jul-24	Aug-24	Aug-23	% (MoM)	% (YoY)
<b>Exports</b>	<b>22,237</b>	<b>23,565</b>	<b>21,996</b>	<b>6.0</b>	<b>7.1</b>
Agriculture, Forestry, and Fisheries	500	544	390	8.7	39.6
Oil and Gas	1,423	1,204	1,319	-15.4	-8.7
Mining and Others	3,774	4,105	3,994	8.8	2.8
Manufacturing	16,540	17,713	16,295	7.1	8.7
<b>Imports</b>	<b>21,736</b>	<b>20,665</b>	<b>18,880</b>	<b>-4.9</b>	<b>9.5</b>
Consumption Goods	2,074	1,979	2,138	-4.6	-7.4
Capital Goods	3,635	3,806	3,401	4.7	11.9
Intermediate Goods	16,027	14,880	13,342	-7.2	11.5

Sources: Bloomberg, BPS, SSI Research

## Export & Import Values of Non-Oil & Gas Goods, Aug-24



Analyst: Fithra Faisal