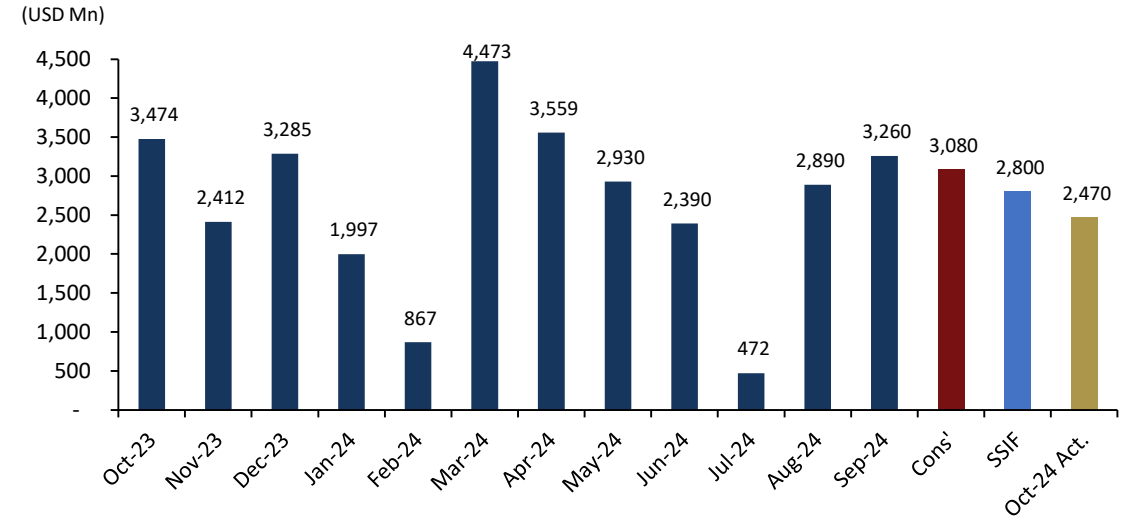


Balance of Trade: 15 November 2024

- In October 2024, Indonesia's trade balance experienced a shift as the surplus narrowed significantly to USD 2.47 billion, down from USD 3.47 billion in the same month the previous year. This figure not only fell short of market expectations, which had anticipated a surplus of USD 3.05 billion, as well as our forecast of USD 2.8 billion, but also marked the smallest trade surplus since June. The primary driver behind this shift was a notable surge in imports, which outpaced export growth and reshaped the country's trade dynamics.
- October's data reflect a robust increase in export activity, with shipments growing 10.25% year-over-year. This marked the seventh consecutive month of export growth and the fastest acceleration since January 2023, significantly outpacing market projections of 3.84% increase. Key drivers behind this uptick included heightened shipments to major trade partners, such as the United States, where exports jumped sharply 28.49%. India also showed strong demand, with 8.04% increase, alongside ASEAN countries at 18% and the European Union's 25.68%. This diversified demand underscores Indonesia's expanding footprint in global trade, with strategic partnerships across various regions buoying the country's export performance.
- However, imports rose at an even faster pace, surging 17.49% compared to October 2023's level. This increase was considerably higher than the anticipated 7.1% rise and represents a surge in domestic demand and investment activity. The sharp jump in imports could also signal a rise in raw materials and capital goods inflows, possibly reflecting efforts to bolster domestic industries or meet increased production requirements.
- The resulting trade balance in October, though positive, highlights the increasing pressures of rising import demand on Indonesia's external accounts. As imports outpace exports, the trade surplus may face further contractions in the near future, which could exert additional pressure on Indonesia's current account and potentially impact the rupiah's stability if these trends were to persist.
- Going forward, Indonesia's trade performance will hinge on global conditions, commodity prices, and domestic policy shifts. Balancing the fostering of local industry while maintaining trade relations with key partners will remain crucial. Amid global uncertainties, our ability to diversify exports and manage imports efficiently is vital for sustaining trade momentum. We foresee a possible halt in export growth given the persistent industrial contraction, as evidenced by four consecutive months of PMIs coming in below 50.

Indonesia Trade Balance



Export, Import Value (USD mn)

Description	Sep-24	Oct-24	Oct-23	% (MoM)	% (YoY)
Exports	22,056	24,414	22,145	10.7	10.2
Agriculture, Forestry, and Fisheries	564	664	373	17.6	78.1
Oil and Gas	1,151	1,345	1,370	16.9	-1.8
Mining and Others	3,886	3,970	4,288	2.2	-7.4
Manufacturing	16,454	18,435	16,113	12.0	14.4
Imports	18,825	21,938	18,673	16.5	17.5
Consumption Goods	1,853	2,039	1,818	10.0	12.2
Capital Goods	3,534	3,977	3,417	12.6	16.4
Intermediate Goods	13,438	15,922	13,438	18.5	18.5

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

