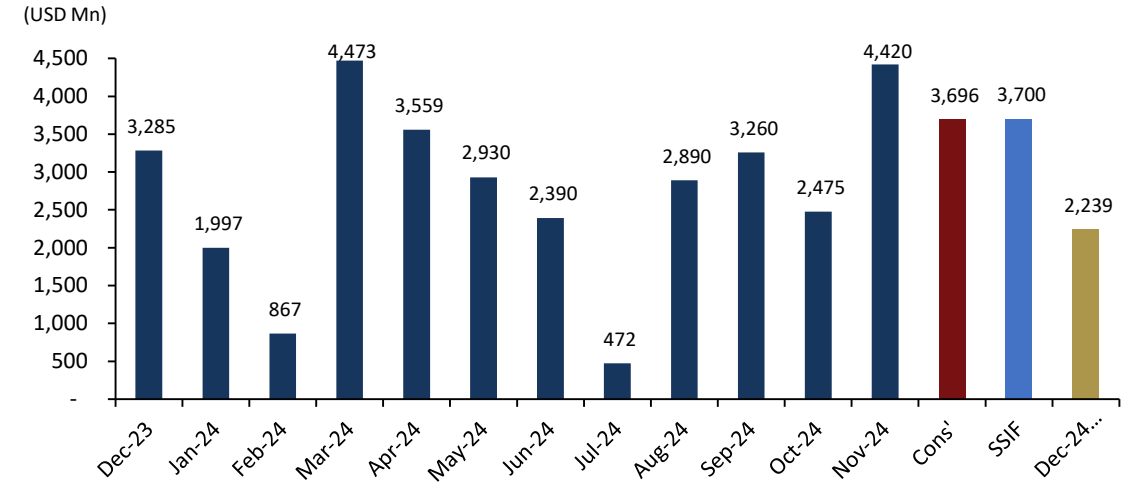


Balance of Trade: 15 January 2025

- Indonesia's December 2024 trade surplus narrowed significantly, declining to USD 2.24 billion from USD 4.4 billion in the previous month. This figure fell short of both SSI's projection (USD 3.7 billion) and market consensus (USD 3.8 billion), marking the smallest surplus since February 2024. The contraction was primarily driven by sharp increase in imports, which grew 11.07% year-on-year, a stark contrast to the modest 0.01% increase recorded in November and well above market expectations of 4.84% gain. The surge in imports was attributed to seasonal effects, reflected in the expansion of Indonesia's December manufacturing PMI (51.2) in the lead up to Lebaran (Eid al-Fitr) preparations. However, rising imports raise concerns about the country's growing dependence on foreign goods and the potential adverse impact on the current account balance.
- On the export side, shipments grew 4.78% year-on-year in December, marking the ninth consecutive month of growth. However, the expansion was weaker than expected, falling short of market projection of 7.38% and decelerating significantly from 9.14% growth seen in November. The slower growth in exports suggests weaker global demand and declining commodity prices, particularly for Indonesia's coal and nickel.
- Export growth may pick up in January due to Chinese New Year effect. Nevertheless, due to global economic slow down, balancing initiatives to promote domestic industries while maintaining strong trade partnerships with key countries will be vital. Amid global uncertainties, effectively diversifying export markets and optimizing import management will be crucial for sustaining trade momentum moving forward.
- Looking ahead, Indonesia's trade outlook presents a mix of challenges and opportunities. The surge in imports suggests that domestic consumption and investment activities remain robust, which could support economic growth in the near term. However, as Chinese New Year and Lebaran effects are of the way and given the widening gap between import and export growth raising concerns due to external vulnerabilities, we expect additional pressure on Indonesia's trade balance in the 2Q25 and beyond.

Indonesia Trade Balance



Export, Import Value (USD mn)

Description	Nov-24	Dec-24	Dec-23	% (MoM)	% (YoY)
Exports	23,998	23,461	22,391	-2.2	4.8
Agriculture, Forestry, and Fisheries	581	580	355	-0.3	63.2
Oil and Gas	1,314	1,539	1,479	17.1	4.1
Mining and Others	3,843	3,730	4,866	-2.9	-23.3
Manufacturing	18,260	17,612	15,692	-3.5	12.2
Imports	19,632	21,222	19,107	8.1	11.1
Consumption Goods	2,022	2,305	2,050	14.0	12.4
Capital Goods	3,593	3,912	3,271	8.9	19.6
Intermediate Goods	14,017	15,005	13,786	7.1	8.8

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

