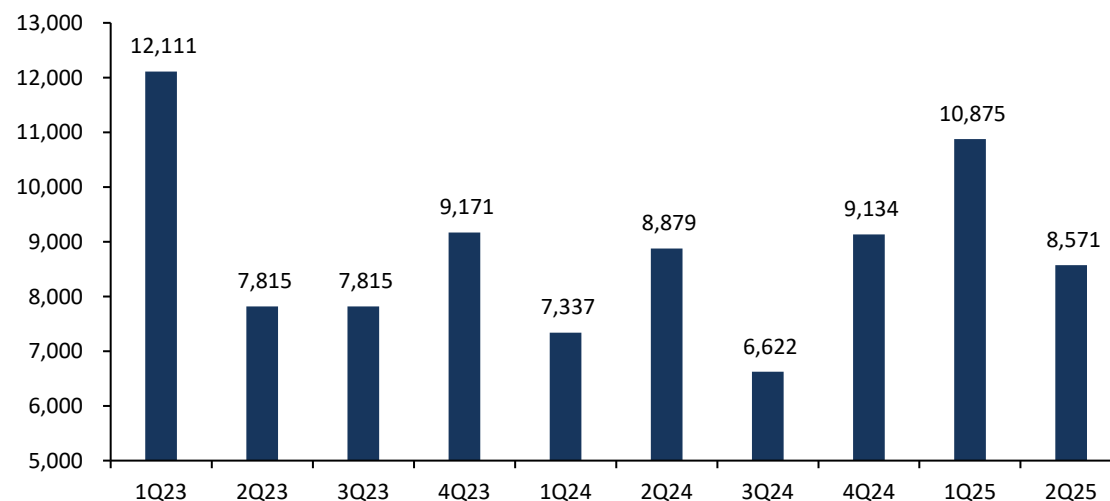


Current Account Balance 2Q25: 21 August 2025

- Indonesia's 2Q25 CAD stood at USD 3.0 bn (0.89% of GDP), slightly better than SSI's forecast of USD 3.5 bn deficit, reflecting stronger-than-expected trade performance and gradual recovery in the services sector. However, this also marked the 9th consecutive quarter of deficit, underscoring that external balance remaining structurally fragile despite improving trade surplus.
- Trade balance continued to cushion CAD with 2Q25 trade surplus widening to USD 10.58 bn, from USD 9.99 bn in 2Q24, driven by resilient non-oil and gas exports, particularly CPO, nickel, and auto components. Demand from key trading partners, combined with temporary front-loading of shipments ahead of tariff changes, provided support to export growth. Meanwhile, imports remained contained as raw materials and capital goods demand moderated, helping prevent deeper CAD deterioration.
- On the other hand, the primary income deficit widened to USD 9.83 bn, from USD 9.45 bn in the same quarter last year, primarily attributed to higher dividend and profit repatriation by foreign investors following strong corporate earnings, alongside sustained interest payments on external debt.
- Encouragingly, the services account deficit narrowed to USD 5.51 bn from USD 5.99 bn in 2Q24, as inbound tourism continued its gradual recovery, particularly from ASEAN, China, and Australia. Lower global freight costs vs. 2024 levels also provided relief for service imports, reducing the overall gap. Additionally, the secondary income surplus rose to USD 1.74 bn from USD 1.43 bn on stronger remittances from overseas workers and seasonal government transfers associated with Eid-related spending in Q2.
- From market perspective, the better-than-expected CAD outcome offers some reassurance for Indonesia's external stability. The resilience of the trade surplus, combined with improving remittance inflows and recovering tourism sector, has helped offset persistent weaknesses in the income account.
- Looking ahead, BI expects full-year CAD to remain within 0.5%–1.3% of GDP (SSI: 1% of GDP), assuming continued export resilience from downstream commodities and manufactured goods, gradual tourism improvement, and moderated import growth amid cautious local demand. However, downside risks persist, particularly from weaker global demand, especially from China and the U.S., volatility in commodity prices, and potential capital outflows if the Fed were to delay its expected rate cuts.

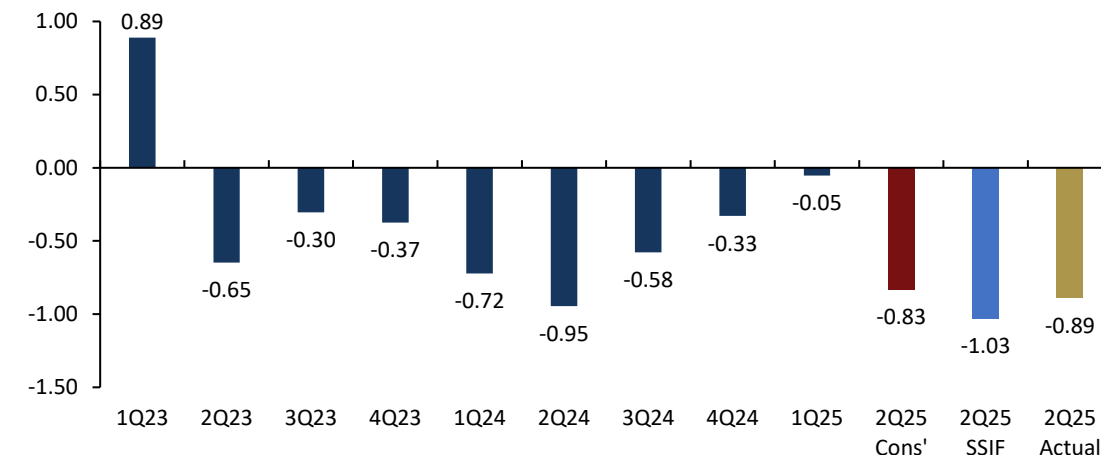
Quarterly Trade Balance, 1Q23 – 2Q25

(USD mn)



Current Account Balance, 1Q23 – 2Q25

(% to GDP)



Various Average Commodity Prices, 2Q24 vs 2Q25

