Balance of Trade: 1 September 2025

SAMUEL SEKURITAS INDONESIA
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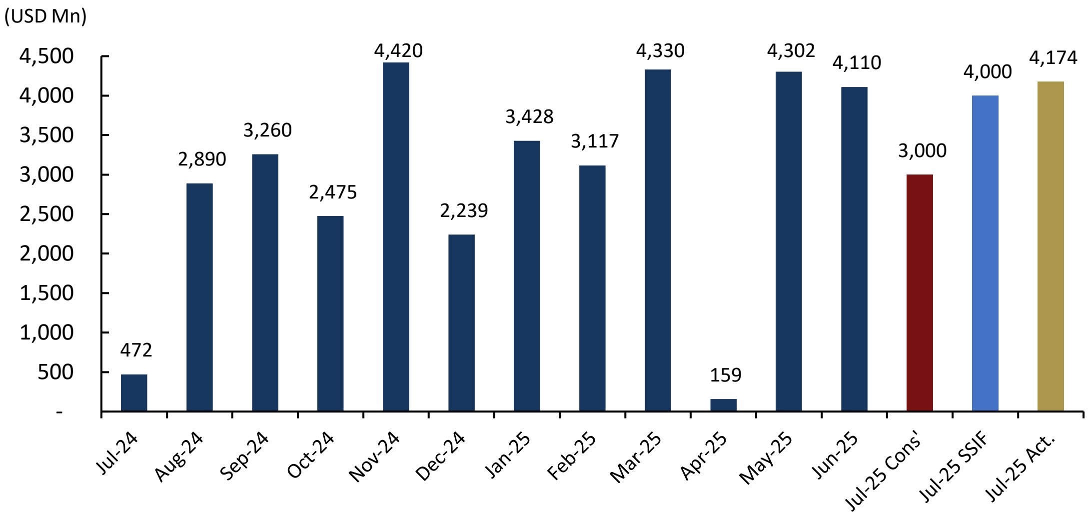
- Indonesia's July 2025 trade balance remained strong with USD 4.18 bn surplus, slightly exceeding SSI's forecast of USD 4.0 bn. This marks the third consecutive month of surpluses above USD 4 bn, driven by front-loading activities before U.S. tariffs. Exports grew 9.86% YoY in July, easing from the 11.29% expansion recorded in June as exporters adjusted to the U.S.-Indonesia trade agreement, which set 19% reciprocal tariff, lower than the anticipated 32%. The lower-than-expected rate provide Indonesian exporters, particularly in key sectors such as palm oil, electronics, automotive, and textiles, with some breathing room to preserve competitiveness in the U.S. market. However, export growth momentum may gradually normalize in the coming months as exporters adjust to the new tariff regime.
- Imports contracted 5.86% YoY in July, reversing 4.28% gain in June and marking the first decline post five straight months of growth due to weaker domestic demand and inventory adjustments by manufacturers. Notably, intermediate goods imports, critical for Indonesia's downstream industries, show signs of normalization after months of aggressive stocking.
- While Indonesia's trade surplus is expected to remain robust in 3Q25, the drivers are shifting. The initial strength came from accelerated shipments ahead of U.S. tariff measures, but as the front-loading effect dissipates, export growth is likely to moderate in the coming months.
- On the import side, we expect a gradual recovery toward late 3Q and 4Q25 as domestic consumption improves alongside government stimulus measures, including MBG and infrastructure spending tied to Danantara SWF initiatives. Nevertheless, external risks remain, particularly from potential U.S. policy shifts, impact of stronger on USD raw materials costs, and slowing global demand in China and Europe.
- Overall, Indonesia's external sector remains a pillar of macroeconomic stability with the trade surplus providing support to current account balance and cushioning pressures on Rupiah amid heightened global volatility. However, as front-loading wanes, sustaining strong trade performance will increasingly depend on policy execution, export diversification, and domestic demand resilience.

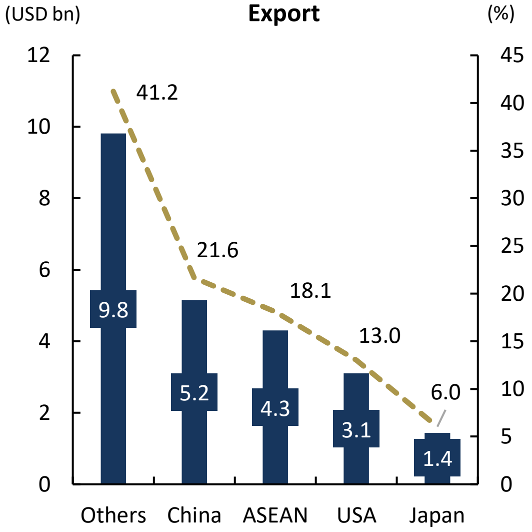
Indonesia Trade Balance

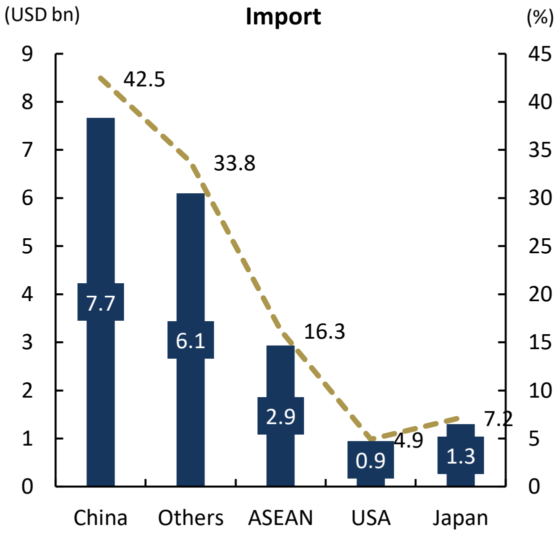


Export, Import Value (USD mn)

Description	Jun-25	Jul-25	Jul-24	% (MoM)	% (YoY)
Exports	**23,437**	**24,749**	**22,527**	**5.6**	**9.9**
Agriculture, Forestry, and Fisheries	587	576	498	-1.8	15.7
Oil and Gas	1,110	937	1,423	-15.6	-34.1
Mining and Others	2,736	2,704	3,774	-1.2	-28.3
Manufacturing	19,004	20,531	16,832	8.0	22.0
Imports	**19,333**	**20,575**	**21,856**	**6.4**	**-5.9**
Consumption Goods	1,800	2,025	2,076	12.5	-2.5
Capital Goods	4,182	4,376	3,682	4.6	18.8
Intermediate Goods	13,351	14,174	16,097	6.2	-11.9

Export & Import Values of Non-Oil & Gas Goods, Jul-25





Sources: Bloomberg, BPS, SSI Research