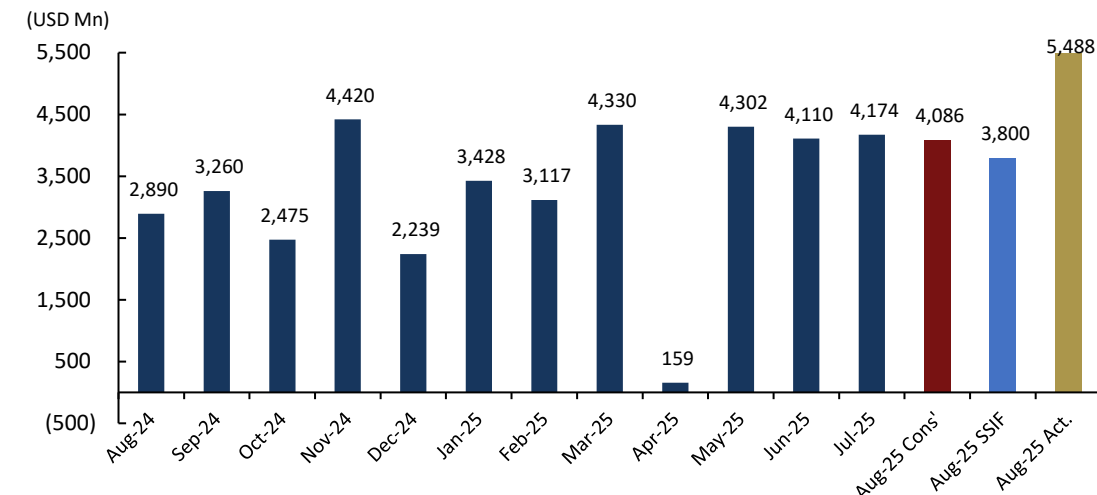


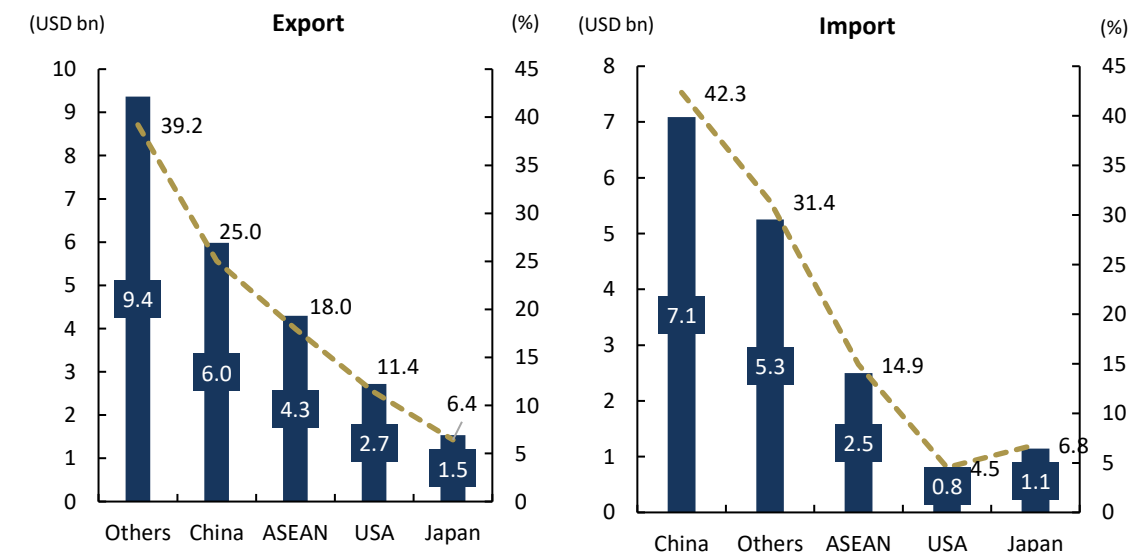
Balance of Trade: 1 October 2025

- Indonesia's trade surplus widened sharply in Aug-25, reaching USD 5.49 bn, the largest since Oct-22, but mainly due to weaker imports. Nevertheless, this was a substantial increase from USD 3.23 bn a year earlier, and it far exceeded both SSI Research's forecast of USD 3.4 bn and the market consensus of USD 3.99 bn. Despite this display of strength on Indonesia's external balance at a time of global trade uncertainties, it has not provided the much-needed support for our local currency.
- On the export front, shipments expanded 5.78% YoY, but moderated from July's strong 9.86% growth but still outperforming expectations of 5% rise. This resilience was notable given the imposition of new U.S. tariffs, underscoring Indonesia's ability to rely on commodity exports. Key drivers remained downstream mineral products such as nickel and copper, alongside steady agricultural exports, which helped maintain upward momentum in external earnings.
- By contrast, imports continued to contract, falling 6.56% YoY after a 5.86% drop in July. This was the steepest decline since May-24 and sharper than the anticipated 2% fall. The sustained contraction points to softer domestic demand conditions, with weaker purchases of raw materials and capital goods suggesting both industrial and investment activities have cooled. Household consumption also appeared constrained by subdued purchasing power, further contributing to the weakness in imports.
- The combination of stronger-than-expected exports and sharply lower imports produced the record surplus, boosting Indonesia's external buffers. For policymakers, this provides some support for IDR stability amid global financial pressures, particularly elevated U.S. yields and persistent trade tensions.
- Looking forward, exports are expected to hold up relatively well, supported by demand from ASEAN, China, and the EU, even as the U.S. market faces headwinds from tariff measures. Indonesia's downstreaming strategy will continue to act as a structural tailwind, raising the value-added content for exports. Imports may remain weak in the near term, however, raising concerns about the strength of domestic investment and consumption. Government infrastructure spending and fiscal disbursements later in the year could partially revive import demand, but the current trend suggests underlying fragility in our domestic economy. Overall, the trade surplus, well above both SSI Research's forecast and market expectations, underscores Indonesia's external resilience. Nonetheless, risks remain, particularly from global trade frictions, commodity price swings, and prolonged import weakness, which could temper optimism around domestic growth momentum.

Indonesia Trade Balance



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



Export, Import Value (USD mn)

Description	Jul-25	Aug-25	Aug-24	% (MoM)	% (YoY)
Exports	24,749	24,963	23,599	0.9	5.8
Agriculture, Forestry, and Fisheries	576	603	544	4.7	11.0
Oil and Gas	937	1,073	1,204	14.4	-10.9
Mining and Others	2,704	3,469	4,105	28.3	-15.5
Manufacturing	20,531	19,819	17,747	-3.5	11.7
Imports	20,575	19,475	20,843	-5.3	-6.6
Consumption Goods	2,025	1,880	1,984	-7.2	-5.2
Capital Goods	4,376	3,948	3,853	-9.8	2.5
Intermediate Goods	14,174	13,647	15,006	-3.7	-9.1