

Near-Zero Surplus as Import Surge Overwhelms Export Rebound

Indonesia's trade surplus narrowed sharply to USD0.09 bn in Apr '26 (Cons: USD1.35 bn; KBVS: USD3.61 bn; Prev: USD3.32 bn), **extending the surplus streak to 72 consecutive months since May '20, but only by the slimmest margin on record in recent years.** Despite a strong export rebound of 21.98% YoY (Cons: 9.00% YoY; KBVS: 11.09% YoY; Prev: -3.10% YoY) to USD25.30 bn, a simultaneously massive import surge of 22.49% YoY (Cons: 2.64% YoY; KBVS: -5.54% YoY; Prev: 1.51% YoY) to USD25.21 bn all but wiped out the surplus. The Apr '26 result marks a dramatic reversal from Mar '26's USD3.32 bn print and represents a significant miss against consensus.

On the export side, the Apr '26 rebound was broad-based and driven by downstream manufacturing. Non-oil and gas exports led the expansion at USD24.15 bn (+23.36% YoY), while oil and gas exports came in at USD1.15 bn (-1.20% YoY). The top drivers were: animal and vegetable fats and oils (HS 15), which surged 66.59% YoY and contributed the largest share to total export growth at 5.91%; nickel and related products (HS 75), which jumped 75.52% YoY; and machinery and mechanical appliances (HS 84), which rose 57.90% YoY. Manufacturing continued to dominate non-oil and gas exports at USD20.59 bn (29.07% YoY), reinforcing Indonesia's structural pivot toward downstreaming, the same narrative that has been building since the nickel ore export ban in 2020. Mineral fuels (HS 27) remained a soft spot, declining -3.54% YoY. On a cumulative basis, exports in Jan-Apr '26 reached USD92.15 bn (+5.48% YoY), with CPO and fats (HS 15) up 16.59% YoY and iron and steel (HS 72) up 2.54% YoY, while coal (HS 2201) continued to weigh on overall performance, dropping -7.27% YoY.

The primary surprise came from the import side, where a broad-based surge across all categories overwhelmed the export beat. Total imports reached USD25.21 bn (+22.49% YoY), with the non-oil and gas segment as the primary driver, contributing 12.39% to total import growth. Oil and gas imports spiked to USD4.60 bn (+82.52% YoY), pushing the oil and gas deficit to USD3.44 bn from USD1.89 bn in Mar '26. Non-oil and gas imports rose to USD20.62 bn (+14.11% YoY), with all three usage categories expanding simultaneously: raw and auxiliary materials remained the dominant driver at 24.56% YoY, contributing the largest share to total import growth at 17.86%; consumption goods posted the sharpest growth at 42.90% YoY; and capital goods expanded 5.64% YoY. Among the top non-oil and gas commodity groups, machinery and mechanical appliances (HS 84) recorded the highest value increase at USD1.93 bn (+17.91% YoY), while precious metals and jewellery (HS 71) posted the largest decline at USD0.28 bn (-9.58% YoY). Crucially, this significant expansion in machinery and raw materials closely correlates with the execution of down payments and component deliveries for Indonesia's recent USD9 bn defence procurement package, notably the J-10CE fighter jet acquisition. Consequently, this import shock reveals a strategic trade-off where trade balance stability is temporarily compromised to accelerate the nation's military deterrence. On a cumulative basis, Jan-Apr '26 imports reached USD86.51 bn (+13.46% YoY), with oil and gas imports at USD12.93 bn (+17.58% YoY) and non-oil and gas imports at USD73.58 bn (+12.70% YoY).

The trade balance figure of USD0.09 bn (MoM: -97.32%; YoY: -44.31%) reflects a near-complete compression of the surplus, driven by a -USD3.44 bn oil and gas deficit that almost entirely offset the USD3.53 bn non-oil and gas surplus.

The non-oil and gas surplus were anchored by animal and vegetable fats and oils (HS 15), mineral fuels (HS 27), and iron and steel (HS 72) as the three largest surplus contributors. The cumulative Jan–Apr '26 surplus stood at USD5.64 bn, sustained by a non-oil and gas surplus of USD14.16 bn against an oil and gas deficit of USD8.52 bn. On a bilateral basis, the US (USD5.76 bn), India (USD4.41 bn), and the Philippines (USD2.93 bn) were the largest cumulative surplus partners, while China (USD7.59 bn), Australia (USD3.29 bn), and Singapore (USD2.82 bn) remained the deepest deficit sources.

Outlook

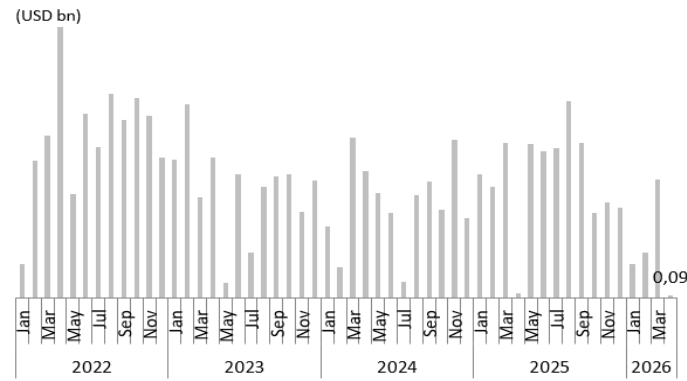
The Apr '26 result serves as a clear warning signal for Indonesia's external balance, with oil and gas now the dominant risk factor for the trade surplus trajectory. The near-zero surplus print was not driven by export weakness, but rather by an extraordinary oil and gas import bill that has widened substantially for two consecutive months. If this elevated energy import trajectory persists into May–Jun '26, the 2Q26 current account balance faces meaningful downside risk relative to prior estimates.

On the export side, the structural outlook remains constructive. The ongoing downstreaming narrative, anchored by nickel, CPO derivatives, and increasingly copper, provides a durable foundation for non-oil and gas export growth. With manufacturing's share of total exports now at elevated levels and RKAB approvals largely finalized (coal: 580 mn MT; nickel: 100 mn MT), the normalization of residual coal shipments should provide additional sequential support in May–Jun '26. The full-year trajectory for non-oil and gas exports remains intact.

However, the oil and gas import surge introduces a new layer of vulnerability. The +82.52% YoY spike in oil and gas imports in Apr '26, driven by processed oil (+87.76% YoY), appears to reflect both elevated global crude and refined product prices and potentially front-loaded energy procurement. Sustained elevated crude oil prices, should they persist, would continue to widen the oil and gas deficit and suppress the headline trade surplus, irrespective of non-oil and gas performance. Combined with ongoing non-resident capital outflows and IDR pressure, this dynamic reinforces the case for Bank Indonesia to maintain a cautious policy stance in the near term.

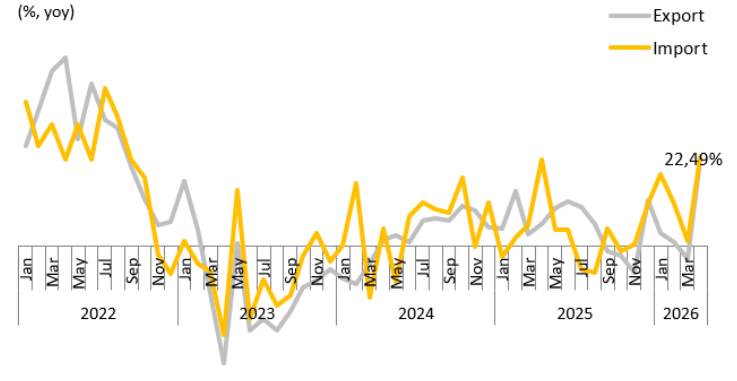
The broad-based acceleration in non-oil and gas imports, particularly raw and auxiliary materials (+24.56% YoY) and consumption goods (+42.90% YoY), may reflect healthy underlying demand. The surge in raw material imports is consistent with a robust manufacturing sector and could be a leading indicator of stronger production volumes in 2Q26. However, the magnitude of the consumption goods surge warrants monitoring, particularly in the context of ongoing fiscal pressures and subsidy dynamics. Key risks to watch include: (1) further escalation in global oil prices; (2) US tariff uncertainty weighing on global trade volumes and demand from key partners; and (3) continued capital outflows pressuring FX reserves and IDR, warranting close monitoring of BI's response.

Fig 1. Trade Balance



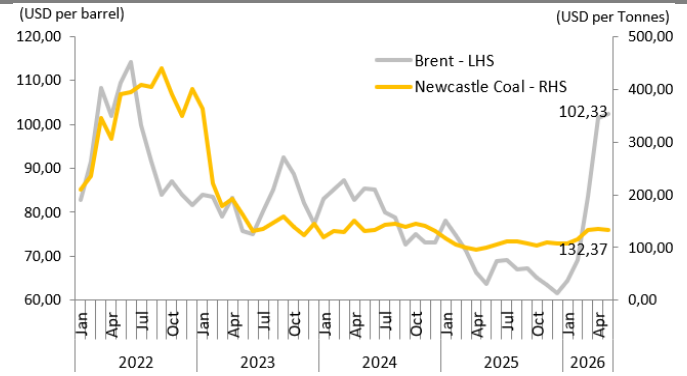
Sources: BPS, KBVS Research – treated (2026)

Fig 2. Export and Import Growth



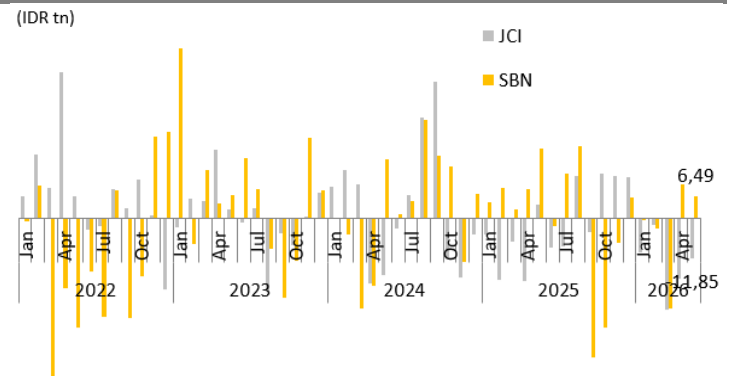
Sources: BPS, KBVS Research – treated (2026)

Fig 3. Oil and Coal Price



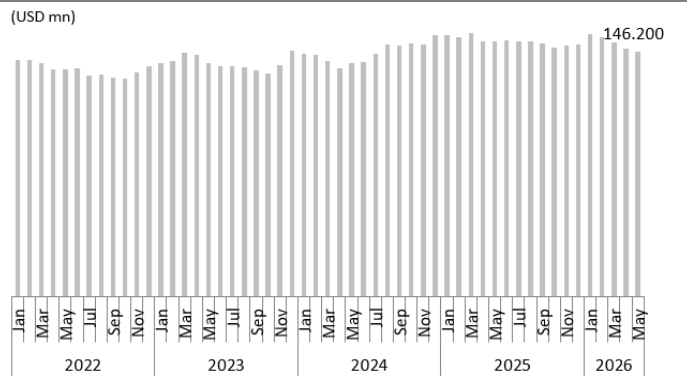
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 4. Monthly Non-Resident Capital Flows



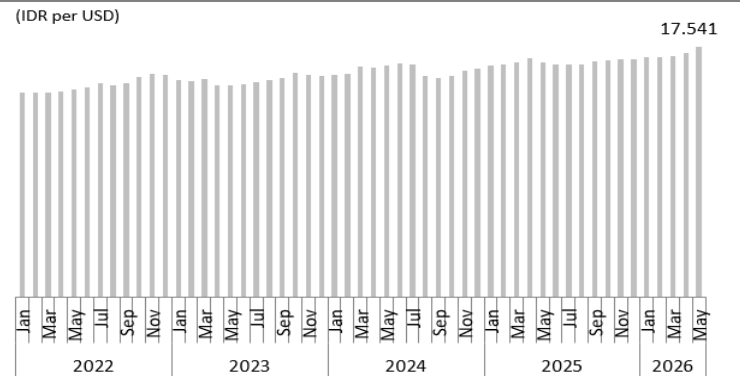
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 5. Monthly Change of FX Reserves



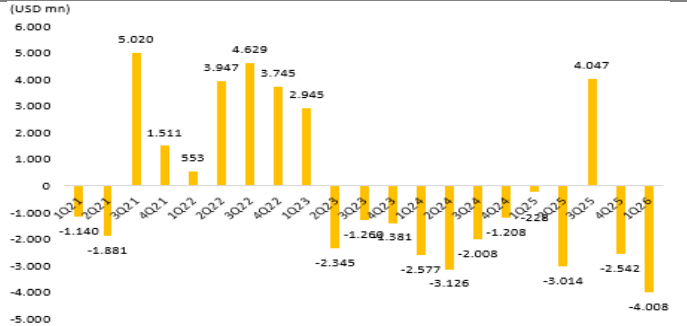
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 6. Monthly Average Rupiah Exchange Rate



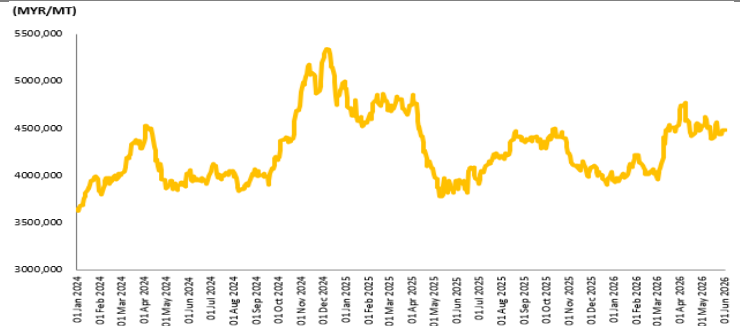
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 7. Indonesia Current Account



Sources: Bank Indonesia, KBVS Research – treated (2026)

Fig 8. CPO Price



Sources: Bloomberg, KBVS Research – treated (2026)

Table 1. Indonesia's Trade Balance				
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	25,30	22,53	12,32	21,98
Oil and Gas	1,16	1,28	-9,81	-1,20
- Crude Oil	0,07	0,13	-50,11	-34,54
- Processed Oil	0,56	0,48	14,92	22,66
- Gas	0,53	0,66	-19,73	-13,28
Non-Oil and Gas	24,15	21,25	13,66	23,36
- Agriculture, Forestry, and Fisheries	0,45	0,32	41,16	-5,53
- Manufacturing	20,59	17,92	14,85	29,07
- Mining & Others	3,11	3,00	3,61	-1,17
Total Import (CIF)	25,21	19,21	31,28	22,49
Oil and Gas	4,60	3,17	45,09	82,52
- Crude Oil	1,09	0,85	28,45	67,49
- Processing Oil	3,51	2,32	51,18	87,76
- Gas	0,00	0,00	0,00	0,00
Non-Oil and Gas	20,62	16,04	28,55	14,11
Import Based on the Goods Usage Classification				
Consumption Goods	2,43	1,55	56,67	42,90
Raw/Auxiliary Materials	18,65	13,77	35,46	24,56
Capital Goods	4,13	3,89	6,33	5,64
Trade Balance	0,09	3,32	-97,32%	-44,31%
Oil and Gas Trade Balance	-3,44	-1,89	82,32%	155,06%
Non-Oil and Gas Trade Balance	3,53	5,21	-32,19%	133,93%

Sources: BPS, KBVS Research – treated (2026).

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Apr '26				
Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	25,93	41,84	-2.515,60	51,8
Japan	5,61	5,64	31,40	54,5
U.S	11,59	4,57	1.747,50	55,1
India	7,00	2,31	1.085,90	55,0
Thailand	1,25	5,64	-668,40	50,7
South Korea	3,19	3,49	150,30	54,8
Singapore	1,80	1,89	5,00	56,1
Malaysia	2,97	4,27	46,10	50,7
Australia	4,25	2,73	359,90	49,9
Taiwan	3,81	4,16	-237,00	52,6
Germany	0,75	1,40	-110,00	50,1
Netherlands	2,15	0,38	402,40	55,9
Italy	1,04	0,77	68,20	52,9
Total 13 Countries	71,34	79,09	365,70	
Others	28,66	20,91	3.166,70	
Total	100,00	100,00	3.532,40	

Sources: BPS, KBVS Research – treated (2026).

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