TRADE BALANCE

Indonesia Trade Surplus Widens on Stronger Export Growth

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Executive Summary

Indonesia recorded a trade surplus of USD3.55 bn (Cons: USD0.74 bn, Prev: USD0.13 bn) in Aug '26, as export growth accelerated to 6.72% YoY (Cons: 4.17%, Prev: 6.05%), supported by stronger non-oil and gas shipments. Meanwhile, **import growth moderated to 19.09% YoY** (Cons: 29.80%, Prev: 27.02%), widening the trade surplus. **Looking ahead, global trade disruptions and elevated shipping costs amid Strait of Hormuz tensions, alongside domestic import demand and energy needs, will remain key factors for the trade balance.**

Indonesia's trade surplus widened sharply to USD3.55 bn in Aug '26 (Cons: USD0.74 bn, Prev: USD0.12 bn), **significantly exceeding expectations and improving from the previous month.** The stronger-than-expected surplus indicates a more favourable external balance and provides a stronger buffer against external pressures. However, the persistent oil and gas deficit, which widened by 52.77% YoY, leaves the trade balance exposed to global energy markets. Geopolitical tensions around the Strait of Hormuz could add pressure through higher energy, freight, and insurance costs, potentially widening the deficit further and increasing Indonesia's import costs.

Total exports reached USD26.61 bn in Aug '26, with growth accelerating to 6.72% YoY (Cons: 4.17%, Prev: 6.05%), **supported by stronger non-oil and gas shipments.** Growth was driven by processed oil (+16.85% YoY), gas (+6.35% YoY), and mining-related products (+14.85% YoY). By sector, mining and other exports (+14.85% YoY) recorded the strongest growth, followed by manufacturing (+6.03% YoY), while agriculture, forestry, and fisheries exports contracted (-1.84% YoY).

Total imports reached USD23.06 bn in Aug '26, with growth moderating to 19.09% YoY (Cons: 29.80%, Prev: 27.02%). The moderation was mainly reflected in non-oil and gas imports, which declined 12.52% MoM. By usage, raw materials and auxiliary goods remained the largest import component (-11.11% MoM), followed by capital goods (-16.04% MoM) and consumption goods (-5.96% MoM), reflecting broad-based declines across major import categories.

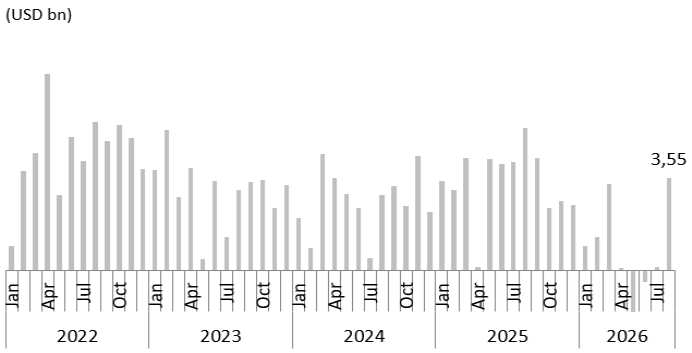
Market Implications and Strategic Outlook

We expect Indonesia's trade balance to maintain a positive trajectory over the coming months, supported by continued demand for key non-oil and gas exports and resilient activity across the manufacturing and mining sectors. Export performance should remain anchored by manufacturing products, while strong demand for mining commodities could provide additional support to overall export flows.

Nevertheless, downside risks remain tilted toward the external sector, particularly from geopolitical tensions and disruptions to global shipping routes. Indonesia's direct exposure to the Strait of Hormuz is mainly through energy imports, with around 20–25% of Indonesia's crude oil imports sourced from the Middle East, while the region also accounts for around 30% of LPG imports. Escalating tensions around the Strait could disrupt energy transit and international maritime trade, pushing up global energy prices, freight rates, and insurance costs. These developments could increase Indonesia's energy import bill and raise transportation costs for exporters, potentially limiting the improvement in the overall trade balance.

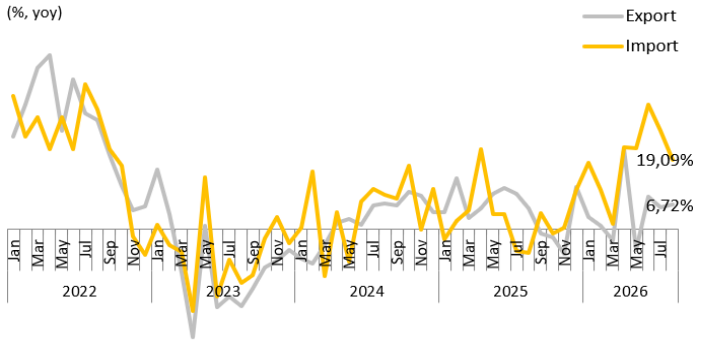
Domestically, trade performance will also depend on the strength of production, investment, and household demand. Raw material imports should continue to follow manufacturing activity, while capital goods imports will remain linked to investment conditions. Any sustained weakness in domestic production or investment could weigh on import demand, while stronger domestic activity could support imports and reduce the contribution of net exports to overall trade performance.

Figure 1: Trade Balance



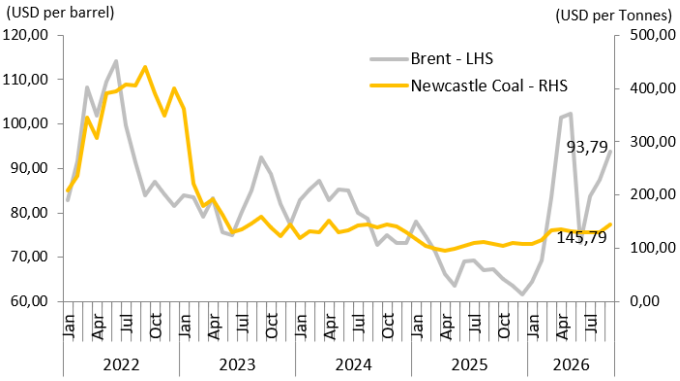
Sources: BPS, KBVS Research – treated (2026)

Figure 2: Export-Import Growth



Sources: Bloomberg, KBVS Research – treated (2026)

Figure 3: Oil and Coal Price



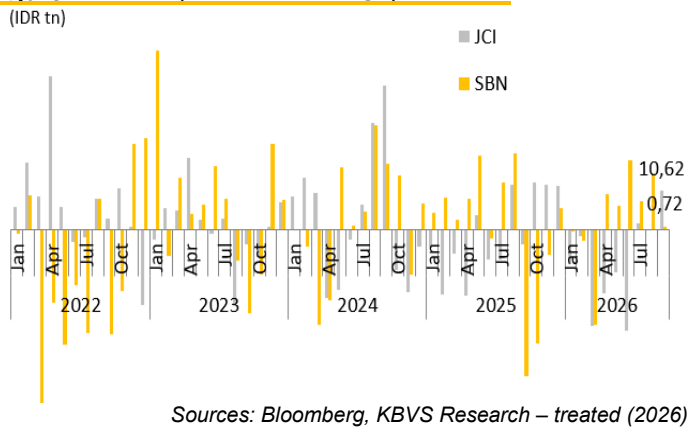
Sources: Bloomberg, KBVS Research – treated (2026)

On the import side, domestic demand is expected to remain relatively resilient. Raw materials and auxiliary goods should continue to support production activity, while capital goods demand should follow investment conditions and consumption goods imports should move with household spending. However, global energy price volatility will remain an important factor for Indonesia's oil and gas import bill, particularly if disruptions around the Strait of Hormuz persist.

On the export side, shipment volumes should remain supported by manufacturing and mining products, but export earnings will remain sensitive to commodity prices and manufacturing conditions across major trading partners.

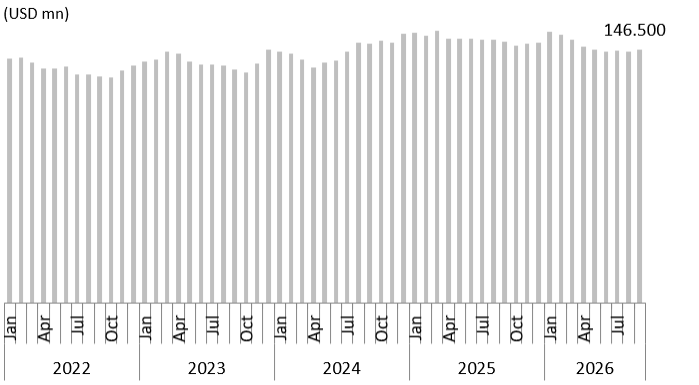
Overall, we expect the trade balance to remain in surplus through the remainder of 2026, although geopolitical risks, global energy price movements, and changes in external demand could keep monthly trade performance volatile.

Figure 4: Monthly Non-Resident Capital Flows



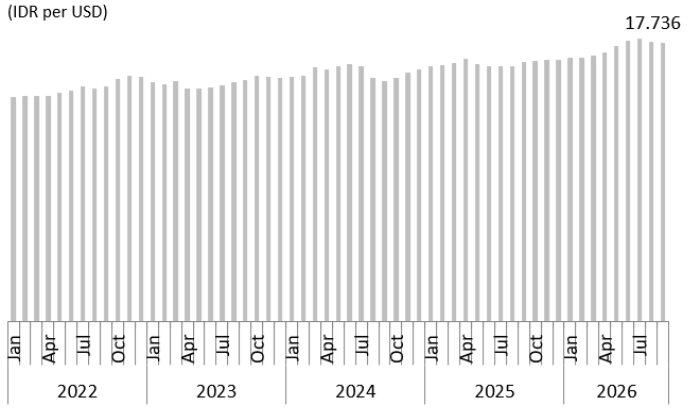
Sources: Bloomberg, KBVS Research – treated (2026)

Figure 5: Monthly Change of FX Reserves



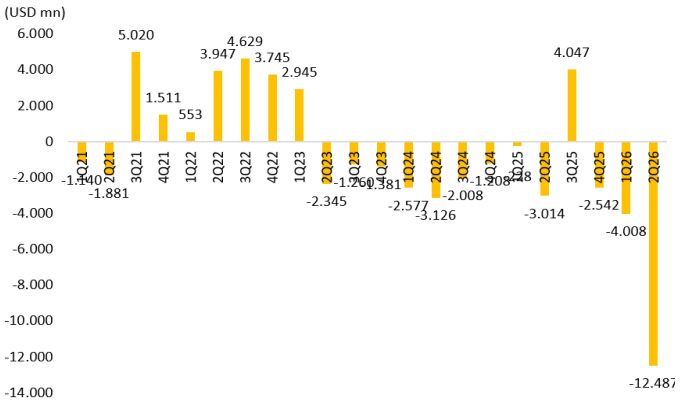
Sources: Bloomberg, KBVS Research – treated (2026)

Figure 6: Monthly Average Rupiah Exchange Rate



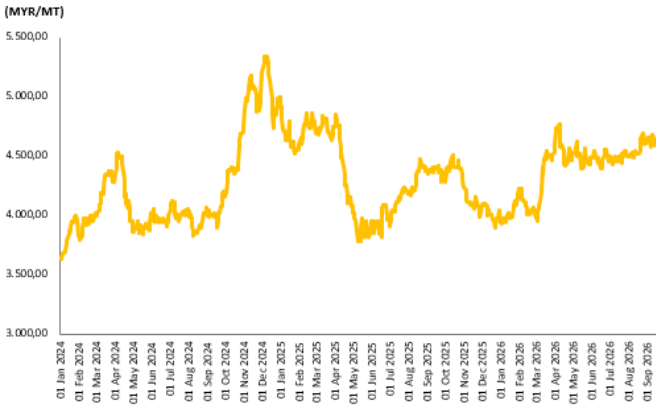
Sources: Bloomberg, KBVS Research – treated (2026)

Figure 7: Indonesia Current Account



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

Figure 8: CPO Price



Sources: BI, KBVS Research – treated (2026)

Table 1: Indonesia's Trade Balance

Indicators	*Value (USD bn)*		*Growth (%)*	
	Latest	*M-1*	*MoM*	*YoY*
Total Export (FOB)	**26,61**	**26,22**	**1,51**	**6,72**
Oil and Gas	**0,99**	**0,79**	**25,98**	**-5,10**
- Crude Oil	-	-	-	-100,00
- Processed Oil	0,36	0,28	28,03	16,85
- Gas	0,63	0,51	24,85	6,35
Non-Oil and Gas	**25,62**	**25,43**	**0,75**	**7,23**
- Agriculture, Forestry, and Fisheries	0,57	0,57	0,00	-1,84
- Manufacturing	21,76	21,76	0,00	6,03
- Mining & Others	3,10	3,10	0,00	14,85
Total Import (CIF)	**23,06**	**26,09**	**-11,63**	**19,09**
Oil and Gas	**3,53**	**3,77**	**-6,37**	**30,73**
- Crude Oil	0,92	1,19	-22,91	-6,25
- Processing Oil	2,61	2,58	1,29	51,83
- Gas	0,00	0,00	0,00	0,00
Non-Oil and Gas	**19,53**	**22,33**	**-12,52**	**17,20**
Import Based on the Goods Usage Classification				
Consumption Goods	2,10	2,24	-5,96	11,93
Raw/Auxiliary Materials	16,67	18,76	-11,11	22,48
Capital Goods	4,28	5,10	-16,04	10,63
Trade Balance	**3,55**	**0,12**	**2814,03%**	**-35,30%**
Oil and Gas Trade Balance	-2,54	-2,98	-14,92%	52,77%
Non-Oil and Gas Trade Balance	6,09	3,10	96,24%	-14,85%

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

Table 2: Indonesia's Non-Oil and Gas Main Trading Partner in Aug '26

Countries	*Share Export From Indonesia (%)*	*Share Import To Indonesia (%)*	*Trade Balance of Non-Oil & Gas with Indonesia*	*Latest PMI Manufacturing*
China	25,55	42,42	-1.532,60	52,1
Japan	5,66	5,65	219,30	54,1
U.S	12,07	4,58	2.409,20	57,0
India	5,88	2,31	1.191,30	55,1
Thailand	1,25	4,65	-567,90	49,6
South Korea	3,35	3,64	169,60	53,9
Singapore	1,95	2,76	-31,70	56,7
Malaysia	2,93	3,86	-197,20	51,5
Australia	4,51	2,64	829,80	49,9
Taiwan	3,25	4,00	-203,00	54,3
Germany	0,81	1,50	-102,40	53,9
Netherlands	2,02	0,36	302,50	55,6
Italy	1,01	0,81	93,60	50,4
Total 13 Countries	70,24	79,18	2.580,50	
Others	29,76	20,82	3.507,60	
Total	100,00	100,00	**6.088,10**	

Sources: BPS, KBVS Research – treated (2026)

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