

Trade Surplus Continues, but CAD Expected to Persist

Indonesia's trade surplus narrowed to USD2.24 bn in Dec '24 (Cons: USD 3.37 bn; KBVS: USD 3.64 bn; Prev: USD 4.42 bn), following a decline in exports by -2.24% MoM or -4.78% YoY (Cons: -7.38% YoY; KBVS: -4.78% YoY; Prev: -9.14% YoY) and an increase in imports by 8.10% MoM or 11.07% YoY (Cons: 4.70% YoY; KBVS: 3.75% YoY; Prev: 0.01% YoY). This marks the 56th consecutive month of trade surplus since Apr '20.

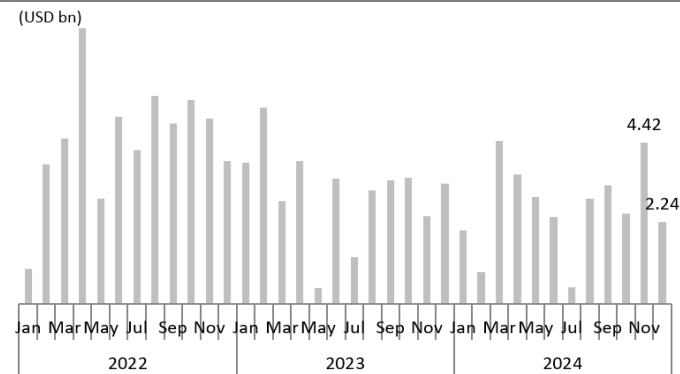
The primary drivers behind the export decline were a significant drop in nickel and nickel-related products (HS75) by -20.48% MoM and machinery and mechanical appliances (HS84) by -26.38% MoM. However, notable increases in crude oil exports (28.02% MoM) and natural gas exports (24.09% MoM) during the same period provided some support.

On the import side, the primary contributors to the increase were crude oil imports, which surged by 82.69% MoM, and mineral fuel imports (HS27), which rose by 33.45% MoM. Conversely, the decline in imports of precious metals and jewelry (HS71) by -21.11% MoM partially offset these increases.

Despite a quarterly trade surplus of USD9.18 bn in 4Q24, concerns remain over the persistent current account deficit (CAD), which has been ongoing since 2Q23. The CAD is driven by an average quarterly services deficit of USD4.25 bn and a primary income deficit averaging USD 8.44 bn per quarter from 2Q23 to 3Q24.

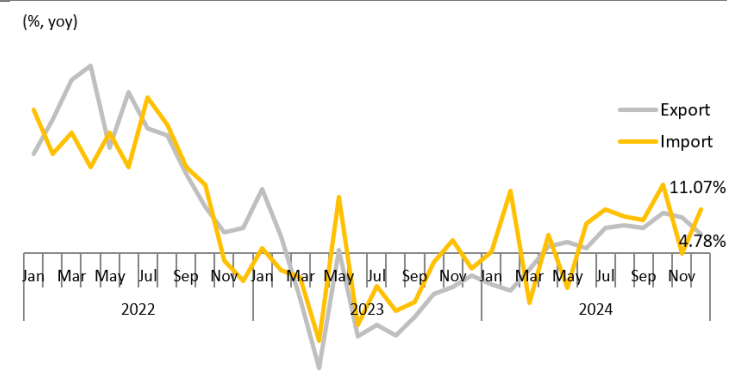
The continued CAD raises concerns about Rupiah volatility. Despite the 25 bps BI rate cut implemented today, we hope that Bank Indonesia will adopt a more inward-looking approach by encouraging a reduction in domestic funding costs, boosting credit absorption, and driving economic growth within the country

Fig 1. Trade Balance



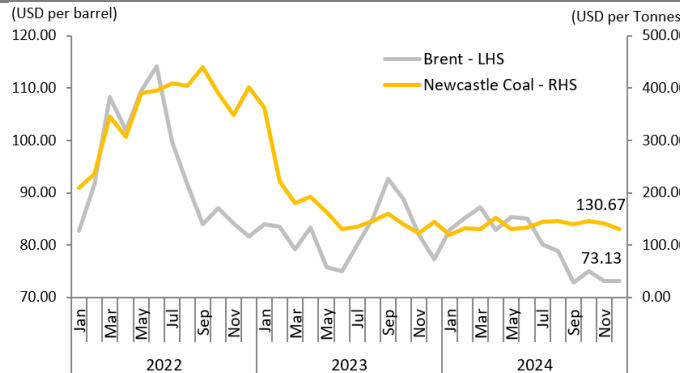
Sources: BPS, KBVS Research - treated (2025)

Fig 2. Export and Import Growth



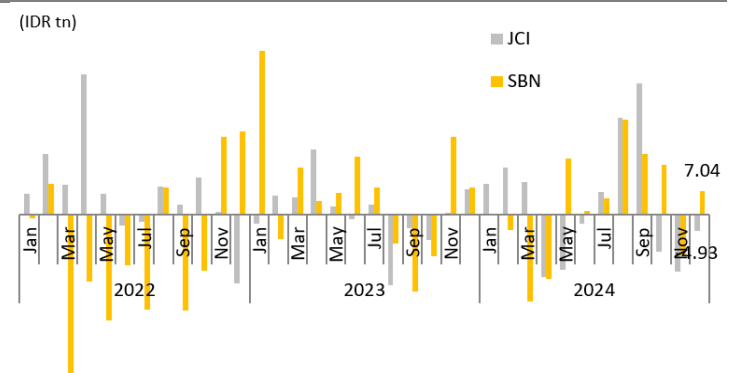
Sources: BPS, KBVS Research - treated (2025)

Fig 3. Oil and Coal Price



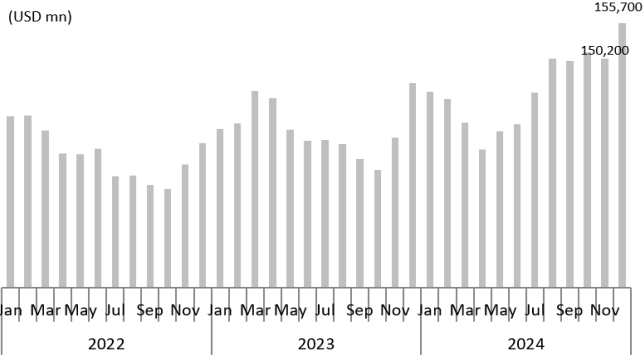
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 4. Monthly Non Resident Capital Flows



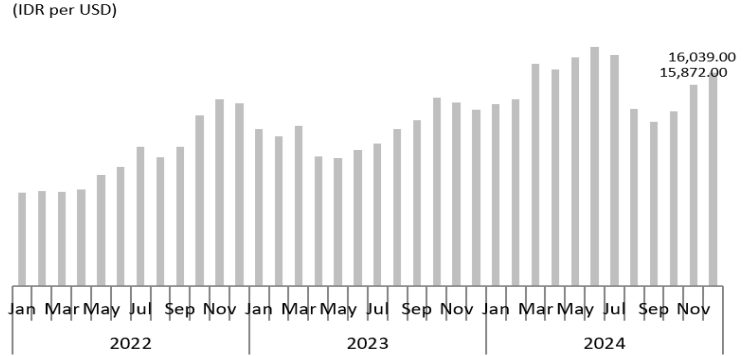
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 5. Monthly Change of FX Reserves



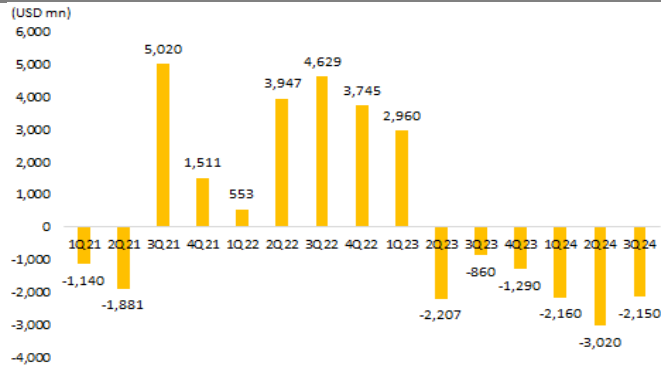
Sources: Bank Indonesia, BPS, and KBVS Research - treated (2025)

Fig 6. Monthly Average Rupiah Exchange Rate



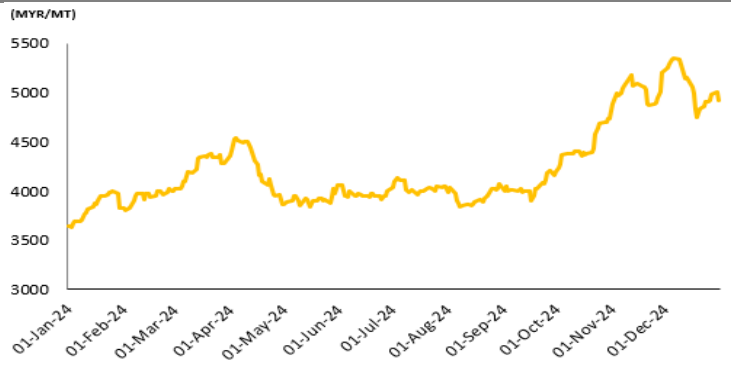
Sources: Bank Indonesia, KBVS Research - treated (2025)

Fig 7. Indonesia's Current Account



Sources: Bank Indonesia, KBVS Research - treated (2025)

Fig 8. CPO Price



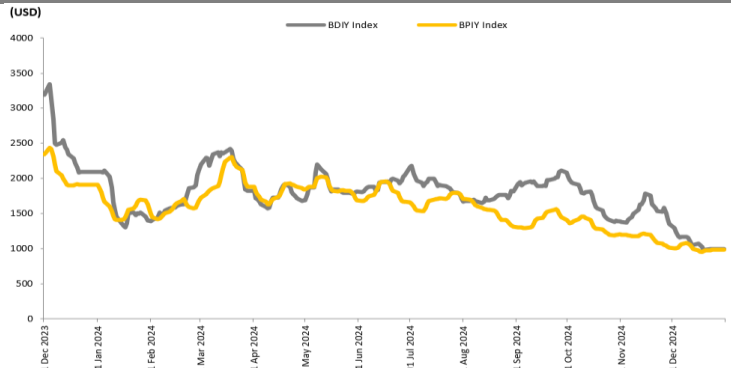
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 9. Nickel Price



Sources: Bank Indonesia, KBVS Research - treated (2025)

Fig 10. Baltic Exchange Dry Index & Baltic Exchange Panamax Index



Sources: Bloomberg, KBVS Research - treated (2025)

Table 1. Indonesia's Trade Balance

Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	Mom	YoY
Total Export	23.46	24.00	-2.24	4.78
Oil and Gas	1.54	1.31	17.09	4.09
- Crude Oil	0.23	0.18	27.98	104.70
- Processed Oil	0.47	0.46	2.52	-23.29
- Gas	0.84	0.68	24.08	11.19
Non-Oil and Gas	21.92	22.68	-3.36	4.83
- Agriculture, Forestry, and Fisheries	0.58	0.58	-0.31	63.21
- Manufacturing	17.61	18.26	-3.55	12.24
- Mining & Others	3.73	3.84	-2.94	-23.34
Total Import	21.22	19.63	8.10	11.07
Oil and Gas	3.30	2.57	28.26	-2.24
- Crude Oil	0.90	0.49	82.70	-1.24
- Processing Oil	2.40	2.08	15.34	-2.62
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	17.93	17.06	5.06	13.92
Import Based on the Goods Usage Classification				
Consumption Goods	2.31	2.02	14.00	12.44
Raw/Auxiliary Materials	15.01	14.02	7.05	8.84
Capital Goods	3.91	3.59	8.88	19.6
Trade Balance	2.24	4.37	-48.73%	-32.36%
Oil and Gas Trade Balance	-1.76	-1.26	39.95%	-6.99%
Non-Oil and Gas Trade Balance	4.00	5.62	-28.92%	-23.15%

Sources: BPS, KBVS Research – treated (2025).

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Dec'24

Countries	Share Export From Indonesia	Share Import To Indonesia	Trade Balance With Indonesia	Latest PMI Manufacturing
China	24.20	36.29	-1,499.80	50.5
Japan	7.47	7.53	104.90	49.6
US	10.57	4.80	1,752.20	49.4
India	8.17	2.50	1,023.20	56.4
Thailand	1.95	4.87	-493.50	47.8
South Korea	3.66	4.36	37.50	49.0
Singapore	2.46	1.87	161.00	52.7
Malaysia	3.02	4.93	66.50	51.1
Australia	4.13	3.12	451.30	50.4
Taiwan	2.30	4.85	-167.80	51.4
Germany	0.96	1.87	-156.60	42.5
Netherlands	1.84	0.50	260.00	48.6
Italy	0.90	0.83	-0.20	46.2
Total 13 Countries	71.63	78.32	1,538.70	
Others	28.37	21.68	2,457.60	
Total	100.00	100.00	3,996.30	

Sources: BPS, KBVS Research – treated (2025).

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