

## Indonesia's Trade Surplus Persists, but Downside Risks Loom

Indonesia's trade surplus extended its streak for the 58th consecutive month in Feb '25, reaching USD3.12 bn (Cons: USD2.40 bn, KBVS: USD2.08 bn, Prev: USD3.45 bn). This was supported by robust export growth, which surged 14.05% YoY (Cons: 7.75% YoY, KBVS: 4.26% YoY, Prev: 4.68% YoY). As a result, total exports amounted to USD21.98 bn, with non-oil and gas exports contributing USD20.84 bn. On the other hand, imports rose by 2.30% YoY (Cons: 1.00% YoY, KBVS: -2.13% YoY, Prev: -2.67% YoY), reaching USD18.86 bn. Of this, USD15.99 bn came from non-oil and gas imports, while oil and gas imports stood at USD2.87 bn.

From a sectoral perspective, the largest monthly increase in exports in Feb '25 came from **Animal and Vegetable Fats&Oils (HS15)**, which surged **37.04%** to USD2.94 bn (Prev: USD2.14 bn). This was primarily driven by a significant rise in crude palm oil (CPO) and its derivatives, which jumped 58.35% MoM or 89.05% YoY. India, a key export destination, also saw a notable 35.05% MoM increase in aggregate imports from Indonesia. Meanwhile, exports of **Machinery and Mechanical Appliances (HS84)** grew 37.85% MoM to USD0.72 bn (Prev: USD0.52 bn). **However, the most substantial decline was recorded in Mineral Fuel Exports (HS27), which fell -4.01% MoM, driven by a sharp -19.07% MoM drop in Coal exports.** This was influenced by coal prices hitting their lowest level since May '21. Additionally, exports of **Nickel and Its Products (HS75)** plummeted **-26.18% MoM**, while **Iron and Steel exports (HS72)** contracted by **-6.20% MoM**.

On the import side, the Ramadan and Eid holiday cycle typically drives increased mobility, which was reflected in a sharp rise in crude oil and refined oil product imports. Crude oil imports soared 49.47% MoM, while refined oil imports rose 5.81% MoM in Feb '25. Among non-oil and gas imports, the most significant monthly increase was in **Precious Metals and Jewelry (HS71)**, which surged 110.26% MoM to USD0.62 bn (Prev: USD0.29 bn). This was followed by **Mineral Fuel (HS27)** imports, which jumped 78.65% MoM to USD0.46 bn (Prev: 0.26 bn). Conversely, the steepest declines were recorded in **Fruit (HS08)**, which fell **-34.27% MoM**, and **Fertilizer (HS31)**, which dropped **-31.57% MoM**.

Despite solid trade performance in Feb '25, concerns over the potential impact of Trump's tariffs on Indonesia's exports is still looming. Importantly, imports of Raw Materials and Intermediate Goods grew by 7.44% MoM, while Capital Goods imports rose by 4.13% MoM, indicating ongoing industrial activity. However, Consumer Goods imports declined by -10.61% MoM, raising concerns about weakening purchasing power ahead of the Ramadan and Eid cycle. This trend is further compounded by the continued depreciation of the Rupiah, which weakened 0.64% MoM against the USD in Feb '25, bringing its year-to-date depreciation to 1.88%.

Looking ahead, the Rupiah's depreciation in Mar '25 is likely to constrain consumer goods imports. Moreover, the extended Eid holiday period (shorter working days) is expected to weigh on export performance in the same month, despite the recent uptick in commodity prices since mid-March. In addition, potential trade disruptions stemming from Trump's tariffs, possible retaliatory measures, and reciprocal trade actions pose key risks. Secondary and tertiary effects must also be closely monitored. Nevertheless, Indonesia stands to benefit from the potential shifts in global supply chains, including industry relocations and technology transfers, which could provide long-term opportunities.

Fig 1. Trade Balance

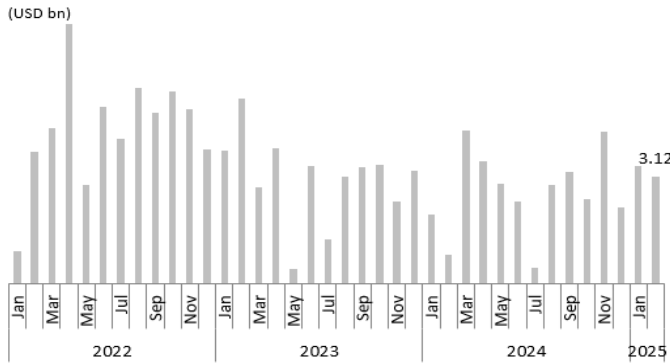


Fig 2. Export and Import Growth

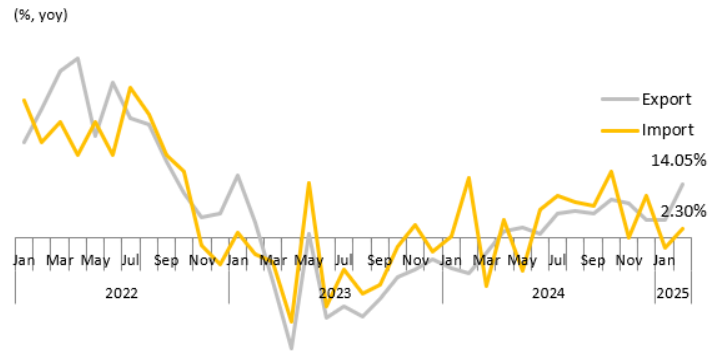


Fig 3. Oil and Coal Price

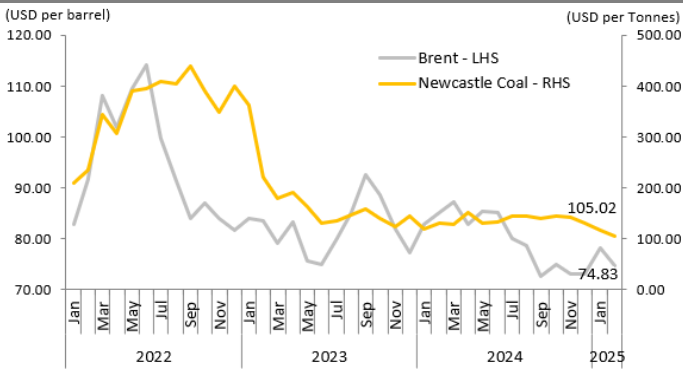


Fig 4. Monthly Non-Resident Capital Flows

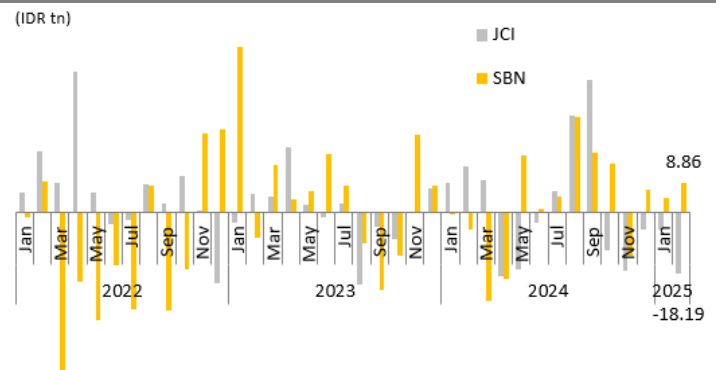


Fig 5. Monthly Change of FX Reserves

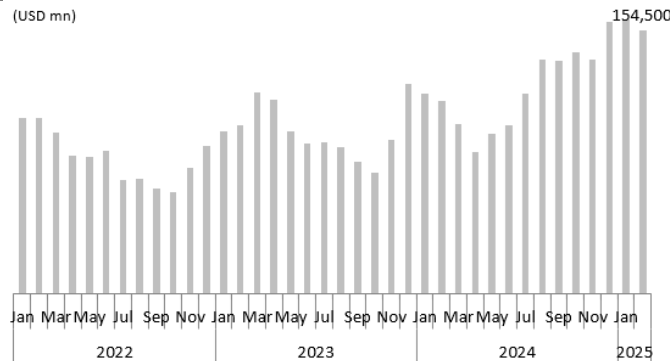


Fig 6. Monthly Average Rupiah Exchange Rate

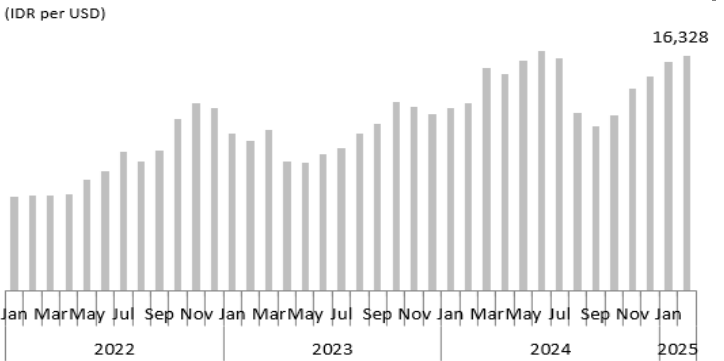


Fig 7. Indonesia Current Account

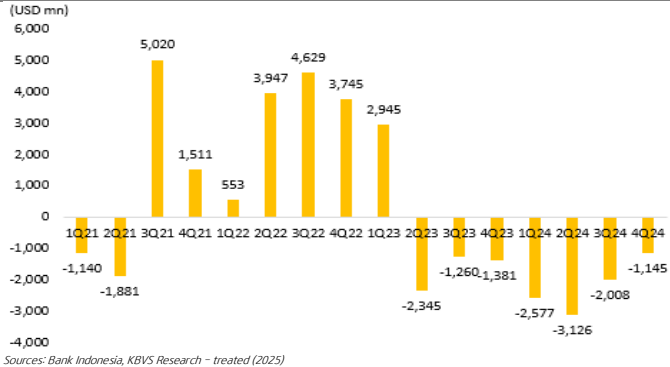


Fig 8. CPO Price



Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
<b>Total Export (FOB)</b>	<b>21.98</b>	<b>21.43</b>	<b>2.58</b>	<b>14.05</b>
<b>Oil and Gas</b>	<b>1.14</b>	<b>1.06</b>	<b>8.25</b>	<b>-5.98</b>
- Crude Oil	0.19	0.07	169.49	-3.01
- Processed Oil	0.33	0.40	-16.98	-35.81
- Gas	0.59	0.62	-5.61	23.33
<b>Non-Oil and Gas</b>	<b>20.84</b>	<b>20.37</b>	<b>2.29</b>	<b>15.40</b>
- Agriculture, Forestry, and Fisheries	0.56	0.55	3.05	52.01
- Manufacturing	17.65	17.11	3.17	29.56
- Mining & Others	2.63	2.72	-3.40	-35.38
<b>Total Import (CIF)</b>	<b>18.86</b>	<b>17.94</b>	<b>5.18</b>	<b>2.30</b>
<b>Oil and Gas</b>	<b>2.87</b>	<b>2.48</b>	<b>15.50</b>	<b>-3.76</b>
- Crude Oil	0.82	0.55	49.46	-2.21
- Processing Oil	2.04	1.93	5.81	-4.38
- Gas	0.00	0.00	0.00	0.00
<b>Non-Oil and Gas</b>	<b>16.00</b>	<b>15.45</b>	<b>3.52</b>	<b>3.47</b>
<b>Import Based on the Goods Usage Classification</b>				
Consumption Goods	1.47	1.64	-10.61	-21.05
Raw/Auxiliary Materials	13.94	12.97	7.45	4.78
Capital Goods	3.45	3.32	4.13	5.48
<b>Trade Balance</b>	<b>3.12</b>	<b>3.49</b>	<b>-10.75%</b>	<b>258.26%</b>
<b>Oil and Gas Trade Balance</b>	<b>-1.72</b>	<b>-1.43</b>	<b>20.87%</b>	<b>-2.09%</b>
<b>Non-Oil and Gas Trade Balance</b>	<b>4.84</b>	<b>4.92</b>	<b>-1.59%</b>	<b>84.04%</b>

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

Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	21.50	39.40	-1,756.50	50.8
Japan	5.81	7.66	-47.20	49.0
U.S	11.35	4.90	1,570.00	52.7
India	6.98	2.67	1,267.70	56.3
Thailand	1.60	4.11	-428.60	50.4
South Korea	3.66	4.27	11.00	49.9
Singapore	2.19	1.98	153.40	51.5
Malaysia	2.95	4.05	-93.90	50.7
Australia	4.70	3.23	485.00	49.7
Taiwan	4.38	4.90	104.30	50.6
Germany	0.90	1.83	-142.80	46.5
Netherlands	1.92	0.44	366.50	50.0
Italy	1.04	0.92	97.70	47.4
<b>Total 13 Countries</b>	<b>68.98</b>	<b>80.36</b>	<b>1,586.60</b>	
<b>Others</b>	<b>31.02</b>	<b>19.64</b>	<b>3,253.60</b>	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>4,840.20</b>	

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

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