

Improving Trade Balance Fails to Lift FX Reserves Amid Rising Volatility

Indonesia's external trade position remained resilient in Nov '25, underpinned by a sustained trade surplus that widened to USD2.66 bn (Cons: USD3.10 bn; KBVS: USD3.25 bn; Prev: USD2.40 bn). As a result, Indonesia's cumulative trade surplus for January–November 2025 reached USD38.54 bn, a significant improvement compared with USD29.24 bn recorded in the same period of 2024. This stronger cumulative performance was primarily driven by higher exports, which rose to USD256.56 bn during the January–November 2025 period, up from USD242.93 bn in the corresponding period of 2024. This improvement occurred despite a moderate increase in imports, which climbed from USD213.69 bn in the first eleven months of 2024 to USD218.02 bn over the same period in 2025.

On a monthly basis, exports contracted by 7.08% MoM and 6.60% YoY in Nov '25 (Cons: -1.85% YoY; Prev: -2.31% YoY), extending the downward trend and reflecting continued softness in external demand. Total export value declined to USD22.52 bn (Prev: USD24.11 bn). The annual contraction was largely driven by broad-based weakness in non-oil and gas exports, particularly from the mining and quarrying sector (-22.28% YoY) and agriculture (-6.09% YoY), while the manufacturing sector also edged lower (-1.46% YoY). This suggests that export pressures are no longer confined to commodity-specific factors, but increasingly reflect subdued global demand conditions.

Meanwhile, imports fell by -9.09% MoM, while still showing a modest annual improvement of 0.46% YoY (Cons: +3.61% YoY; Prev: -1.15% YoY), bringing total imports to USD19.86 bn (Prev: USD 19.77 bn). Import growth was primarily supported by oil and gas imports (+11.19% YoY), while non-oil and gas imports remained weak (-1.15% YoY). From a usage perspective, the increase was driven by capital goods imports (+17.27% YoY), indicating ongoing investment activity, while consumer goods (-1.76% YoY) and raw materials (-3.56% YoY) continued to contract.

Outlook and Implications

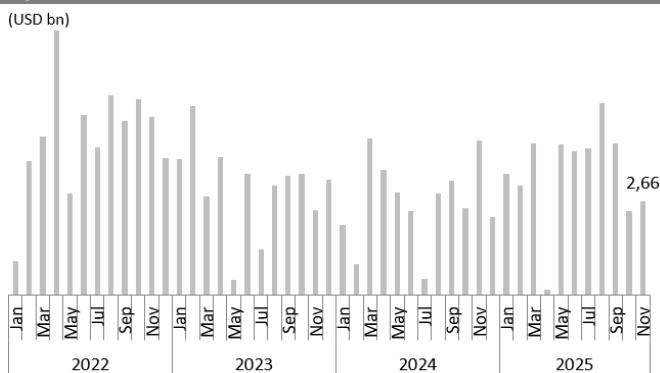
Looking ahead, we believe that the lack of a meaningful recovery in China's consumption and ongoing trade frictions with the US will remain key constraints on Indonesia's export growth. At the same time, heightened geopolitical risks, particularly stemming from the US–Venezuela conflict, could push global oil prices higher. This poses a risk to Indonesia, given that energy remains a major component of its import bill, while a broader risk-off sentiment could also weigh on capital inflows.

On the domestic front, seasonal factors, including Lunar New Year, Ramadan, and the Eid holiday period, are expected to support higher import demand in the coming months, particularly for consumer goods.

We view the stronger trade surplus in 2025 as a potential positive catalyst for Rupiah appreciation. However, this improvement has not been sufficient to lift foreign exchange reserves, which declined from USD155.72 bn at end-2024 to USD150.06 bn as of end-November 2025. As a result, **beyond depreciation pressures, heightened Rupiah volatility is likely to remain a structural feature throughout 2025 and could extend into 2026.**

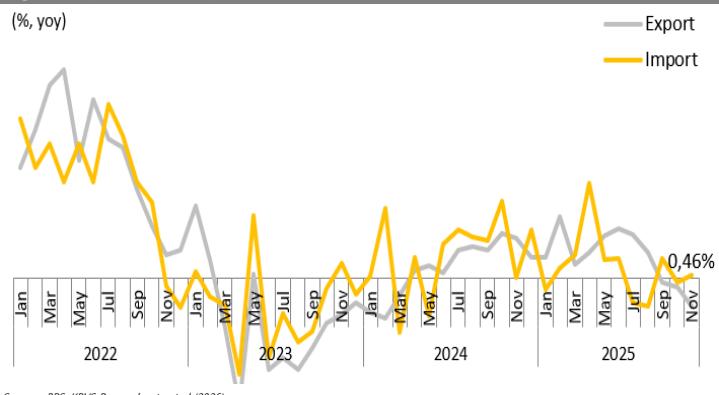
Against this backdrop, we expect Bank Indonesia to maintain the BI Rate at its current level at the January 20–21, 2026 RDG-BI meeting. In parallel, we hope that fiscal measures aimed at improving the investment climate can be implemented more swiftly, in order to attract stronger foreign direct investment inflows and support more sustainable economic growth going forward.

Fig 1. Trade Balance



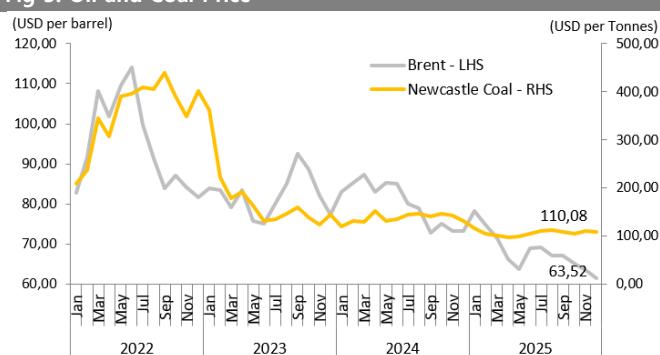
Sources: BPS, KBVS Research – treated (2026)

Fig 2. Export and Import Growth



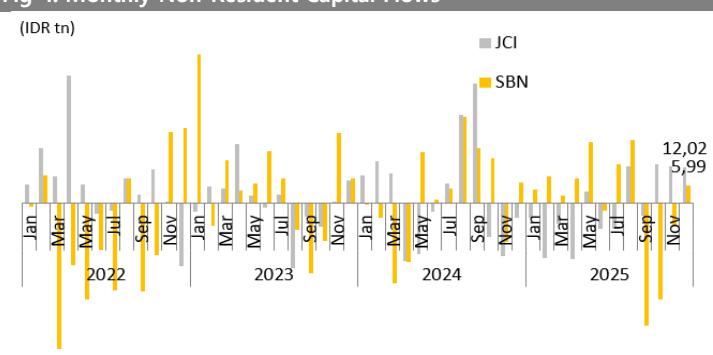
Sources: BPS, KBVS Research – treated (2026)

Fig 3. Oil and Coal Price



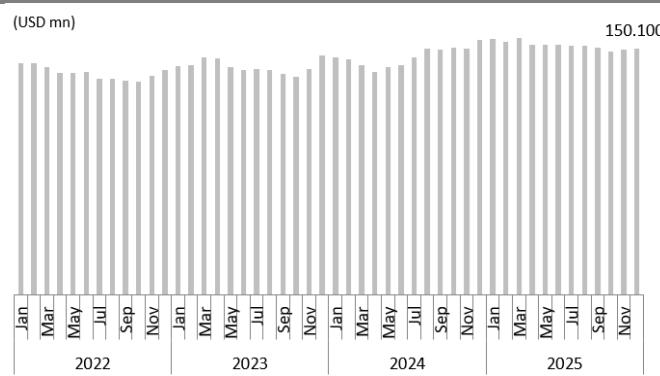
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 4. Monthly Non-Resident Capital Flows



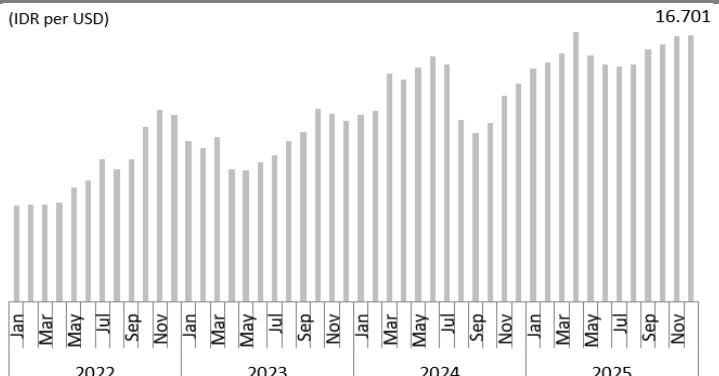
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 5. Monthly Change of FX Reserves



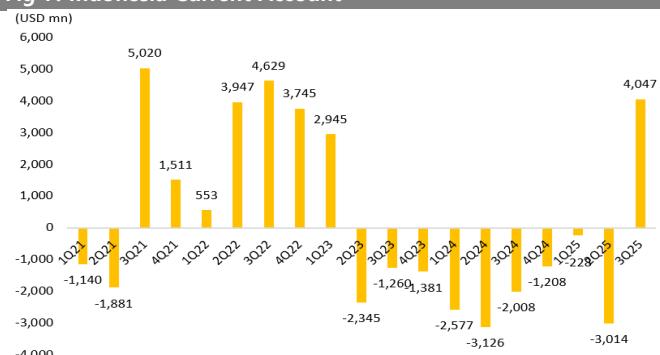
Sources: Bloomberg, KBVS Research – treated (2026)

Fig 6. Monthly Average Rupiah Exchange Rate



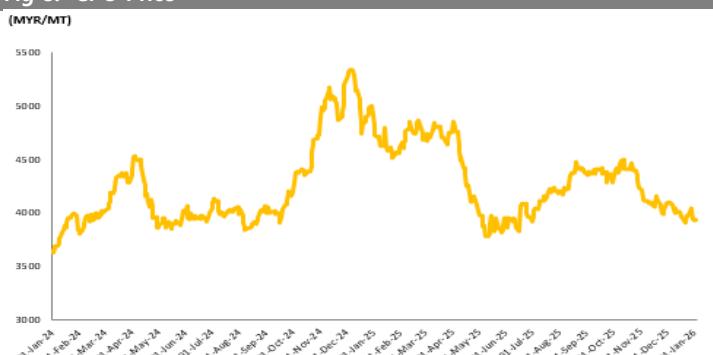
Sources: Bloomberg, KBVS Research – treated (2026)

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)	22,52	24,24	-7,08	-6,60
Oil and Gas	0,88	0,89	-1,25	-32,88
- Crude Oil	0,15	0,07	122,79	-14,97
- Processed Oil	0,22	0,24	-6,95	-51,06
- Gas	0,51	0,58	-13,54	-25,39
Non-Oil and Gas	21,64	23,34	-7,30	-5,09
- Agriculture, Forestry, and Fisheries	0,54	0,63	-13,72	-6,09
- Manufacturing	18,11	19,97	-9,32	-1,46
- Mining & Others	2,99	2,74	8,89	-22,28
Total Import (CIF)	19,86	21,84	-9,09	0,46
Oil and Gas	2,86	2,81	1,70	11,19
- Crude Oil	0,87	0,82	6,94	76,93
- Processing Oil	1,99	2,00	-0,45	-4,41
- Gas	0,00	0,00	0,00	0,00
Non-Oil and Gas	17,00	19,03	-10,68	-1,15
Import Based on the Goods Usage Classification				
Consumption Goods	1,99	2,00	-0,54	-1,76
Raw/Auxiliary Materials	13,60	15,20	-10,51	-3,56
Capital Goods	4,27	4,65	-8,12	17,27
Trade Balance	2,66	2,39	11,24%	7,35%
Oil and Gas Trade Balance	-1,98	-1,92	3,07%	-14,81%
Non-Oil and Gas Trade Balance	4,64	4,31	7,61%	-3,36%

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

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Nov '25

Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	23,80	41,10	-2.136,70	50,1
Japan	5,75	7,04	230,80	49,7
U.S	11,50	4,73	1.697,60	51,8
India	6,72	2,27	850,80	55
Thailand	1,39	4,09	-527,50	51,6
South Korea	3,26	3,69	128,70	50,1
Singapore	2,03	2,10	91,10	50,9
Malaysia	3,64	4,45	-66,70	50,2
Australia	4,39	2,82	531,30	50,1
Taiwan	2,81	4,32	-171,50	56,8
Germany	0,96	1,74	-196,50	47,7
Netherlands	2,07	0,43	409,00	51,1
Italy	1,10	0,84	648,00	50,6
Total 13 Countries	69,42	79,62	1.488,40	
Others	30,58	20,38	3.150,30	
Total	100,00	100,00	4.638,70	

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

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