

Surplus Widens Sharply on Surging Nickel & Coal Normalization

Indonesia's trade surplus beat expectations at USD3.32 bn in Mar '26 (Cons: USD2.11 bn; KBVS: USD1.55 bn; Prev: USD1.27 bn), **extending the surplus streak to 71 consecutive months since May '20**. Exports contracted -3.10% YoY (Prev: 1.01% YoY) to USD22.53 bn, while imports decelerated sharply to 1.51% YoY (Prev: 10.85% YoY) to USD19.21 bn, the combination of which drove the wider-than-expected surplus.

On the export side, the RKAB resolution unlocked coal catch-up shipments. With around 90% of annual approvals finalised (coal: 580 mn MT; nickel: 100 mn MT), mineral fuel exports (HS 27) rebounded 18.97% MoM to USD2.68 bn. Cumulative 1Q26 export growth was led by nickel and derivatives (HS 75, +60.60% YoY to USD3.26 bn) and CPO/fats (HS 15, +7.95% YoY to USD8.75 bn). Manufacturing's share of total exports rose to 82.25% in 1Q26 (vs. 79.39% in 1Q25), reinforcing the structural downstreaming narrative.

Import deceleration was the key surprise. Capital goods fell -15.75% MoM in Mar '26, and consumer goods contracted 10.81% YoY, well below market expectations. The 1Q26 overall surplus of USD5.55 bn was underpinned by a non-oil and gas surplus of USD10.63 bn, partially offset by an oil and gas deficit of USD5.08 bn. China dominated both sides, contributing 25.94% of non-oil and gas exports while accounting for 41.56% of non-oil and gas imports, resulting in a structural bilateral deficit of USD5.52 bn in 1Q26. Capital outflows of USD3.40 bn from bonds and equities pressured FX reserves to USD148.15 bn at end-Mar '26.

Outlook

Indonesia's trade surplus is expected to remain resilient in 2Q26, supported by the full normalisation of coal shipments, continued downstream export growth, and stable CPO prices. With around 90% of RKAB approvals now finalised, coal production volumes should accelerate toward the 580 mn MT approved quota. This is likely to unlock residual 1Q26 deferred shipments, providing a sequential boost to export revenues in Apr–May '26. Combined with the structural nickel export ramp, driven by ongoing ferronickel, nickel pig iron, and stainless steel capacity additions, we expect non-oil and gas exports to show improving YoY growth in 2Q26.

The expansion of copper smelter capacity represents a further medium-term tailwind for downstream export performance. Indonesia's broader minerals downstreaming agenda, having driven nickel-based export value from around USD3–4 bn pre-ban (2019) to over USD30 bn in recent years, is now extending to copper, which should provide incremental diversification of high-value exports in the coming years. This structural shift reduces volatility from global raw commodity price cycles.

Key risks to monitor include escalating geopolitical tensions in the Middle East and continued US trade policy uncertainty. Sustained elevated crude oil prices would directly widen Indonesia's oil and gas import bill, compressing the overall trade surplus. On the export side, supply chain disruptions and elevated shipping costs could compress margins for export-oriented manufacturers. The persistent US tariff uncertainty, while unlikely to directly target Indonesia's primary export categories in the near term, may indirectly dampen demand from key trading partners and weigh on global trade volumes. Additionally, continued capital outflows could put pressure on FX reserves and the Rupiah, warranting close monitoring of BI's policy response.

Fig 1. Trade Balance

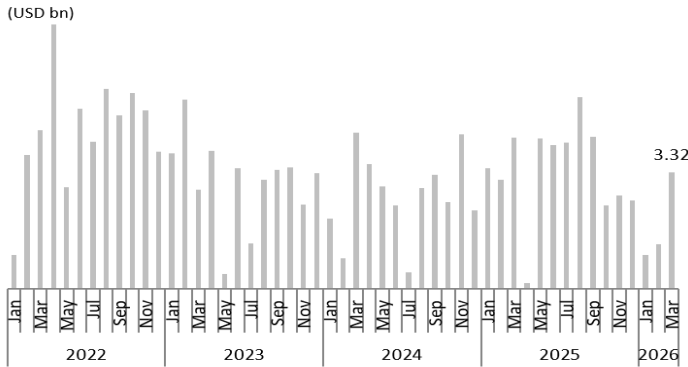


Fig 2. Export and Import Growth

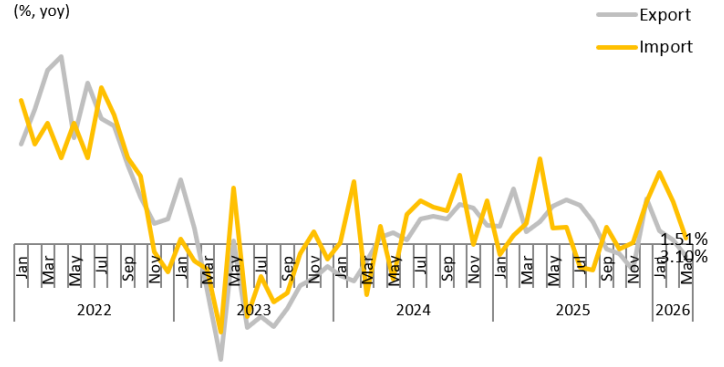


Fig 3. Oil and Coal Price

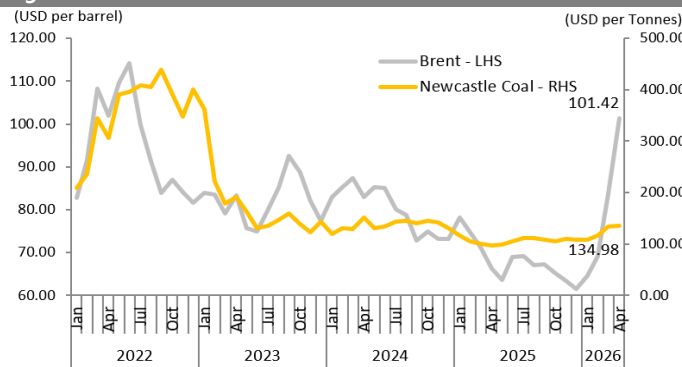


Fig 4. Monthly Non-Resident Capital Flows

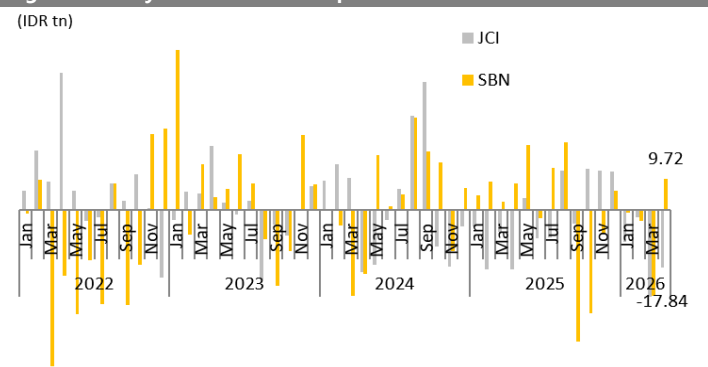


Fig 5. Monthly Change of FX Reserves

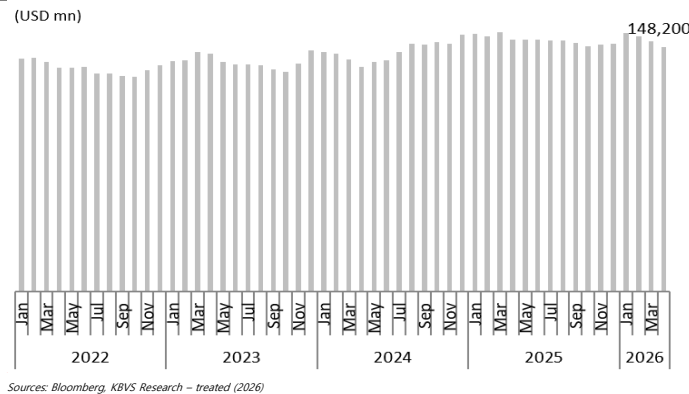


Fig 6. Monthly Average Rupiah Exchange Rate

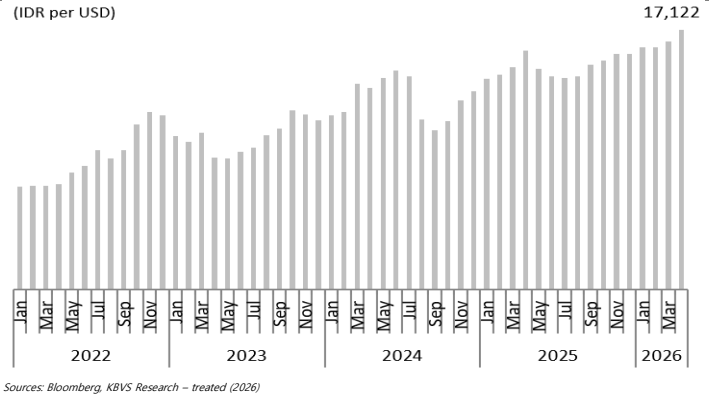


Fig 7. Indonesia Current Account

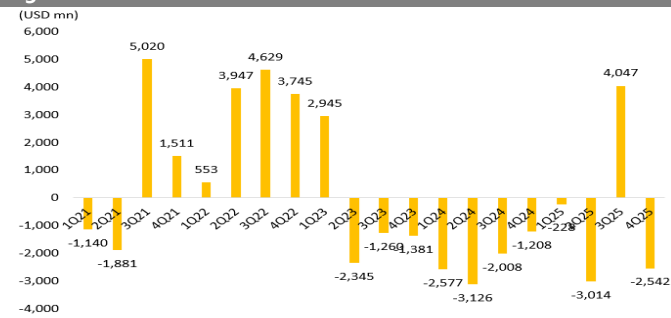


Fig 8. CPO Price



Table 1. Indonesia's Trade Balance				
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	22.53	22.17	1.64	1.01
Oil and Gas	1.28	1.08	18.52	-4.25
- Crude Oil	0.13	0.13	-100.00	-34.24
- Processed Oil	0.48	0.39	24.32	18.05
- Gas	0.66	0.57	16.14	-6.81
Non-Oil and Gas	21.25	21.09	0.77	1.30
- Agriculture, Forestry, and Fisheries	0.32	0.39	-17.29	-31.45
- Manufacturing	17.92	18.55	-3.42	5.24
- Mining & Others	3.00	2.15	39.82	-18.16
Total Import (CIF)	19.21	20.89	-8.06	10.85
Oil and Gas	3.20	2.00	60.26	-30.36
- Crude Oil	0.85	0.28	200.99	-65.7
- Processing Oil	2.32	1.71	35.33	-16.13
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	16.04	18.90	-15.12	18.24
Import Based on the Goods Usage Classification				
Consumption Goods	1.55	1.76	-11.83	19.84
Raw/Auxiliary Materials	13.77	14.52	-5.19	4.25
Capital Goods	3.90	4.61	-15.43	33.68
Trade Balance	3.32	1.27	160.74%	6.41%
Oil and Gas Trade Balance	-1.89	-0.92	106.02%	9.80%
Non-Oil and Gas Trade Balance	5.21	2.19	137.90%	7.64%

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

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Mar '26				
Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	24.64	42.46	-2,608.60	52.2
Japan	5.75	5.41	215.10	55.1
U.S	11.81	3.99	1,715.30	54.5
India	7.35	2.12	1,228.40	54.7
Thailand	1.17	5.60	-730.90	51.3
South Korea	3.26	3.50	95.40	53.6
Singapore	1.74	1.83	83.10	55.3
Malaysia	2.83	5.41	-805.90	50.7
Australia	4.24	2.65	442.50	51.6
Taiwan	3.59	3.90	-153.70	54.1
Germany	0.78	1.43	-96.90	51.4
Netherlands	2.09	0.36	367.50	54.4
Italy	1.02	0.73	76.10	52.1
Total 13 Countries	70.27	79.39	-172.60	
Others	29.73	20.61	5,382.20	
Total	100.00	100.00	5,209.60	

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

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