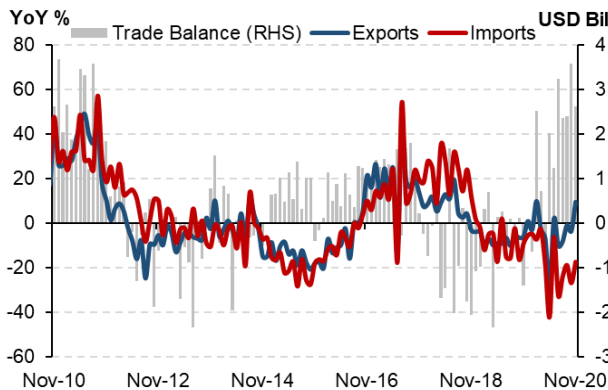


Indonesia External Trade

Exports rebounded to a nine-month high in November

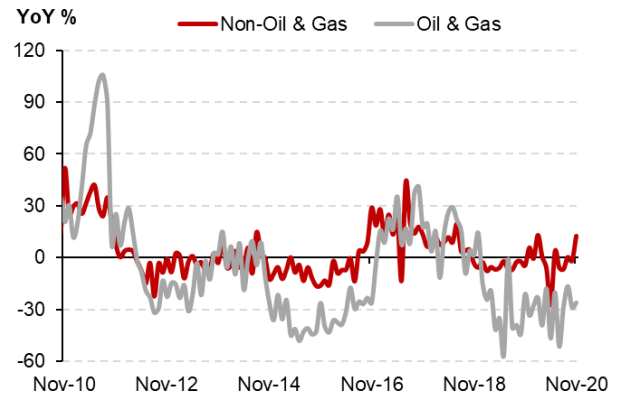
- **Exports growth rebounded sharply to a nine-month high (9.5%; consensus: 2.7%; Oct: -3.5%) beating market expectation**
 - MoM: edged up (6.4%; Oct: 2.9%) to USD15.3b, a 25-month high.
- **Higher exports growth mainly attributable to a sharp rebound in non-oil & gas based products as a result of higher shipment to major trading partners**
 - Non-O&G (12.4%; Oct: -1.9%): growth rebounded sharply on higher manufacturing (-14.3%; Oct: 3.7%) and agriculture (33.3%; Oct: 24.0%), as well as partially supported by lower growth contraction in mining (-1.9%; Oct: -33.3%) products. By destination, exports of non-O&G to top trading partners charted a positive expansion, led by higher shipment to China (37.3%; Oct: 3.3%) followed by the US (8.6%; Oct: 6.7%) and growth rebound to Japan (6.7%; Oct: -14.4%).
 - O&G (-26.3%; Oct: -28.7%): fell for the twenty third straight month due to weak mining (-20.2%; Oct: -27.4%) and a sharp drop in O&G manufacturing-based products (-58.6%; Oct: -33.7%).
- **Imports fell for the seventeenth consecutive month (-17.5%; consensus: -24.5%; Sep: -26.9%) mainly due to a steep decline in O&G (-49.2%; Oct: -38.5%) and a smaller drop of non-O&G product (-12.3%; Oct: -25.4%)**
 - By segment, it was due to a broad-based slowdown led by raw materials (-20.0%; Oct: -27.4%) followed by consumer goods (-22.0%; Oct: -27.8%) and capital goods (-2.8%; Oct: -24.2%).
 - MoM: rebounded sharply (17.4%; Oct: 3.1%) to USD12.7b.
- **Trade surplus narrowed slightly to USD2.6b** (consensus: USD2.7b; Oct: USD3.6b). Meanwhile, total trade fell for the ninth straight month (-4.6% YoY; Oct: -15.2%) albeit at a slower pace.
- **2020 export forecast retained at -7.0% to -4.0% (2019: -6.8%)**
 - Year-to-date, exports fell by 4.2%, reflecting the impact of the COVID-19 pandemic on external demand. Nonetheless, we expect growth to remain weak in the near term but would be supported by higher shipment to its top three major trading partners.

Graph 1: External Trade Growth Trend



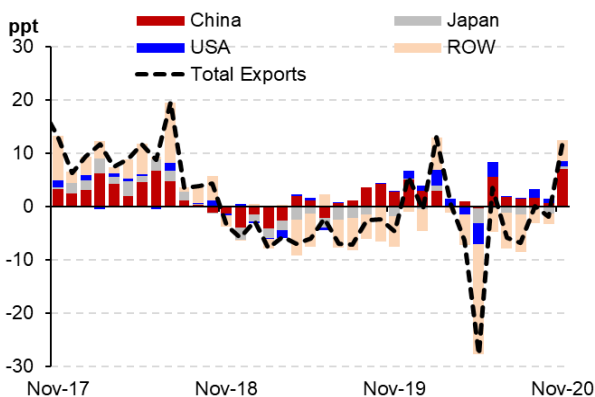
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



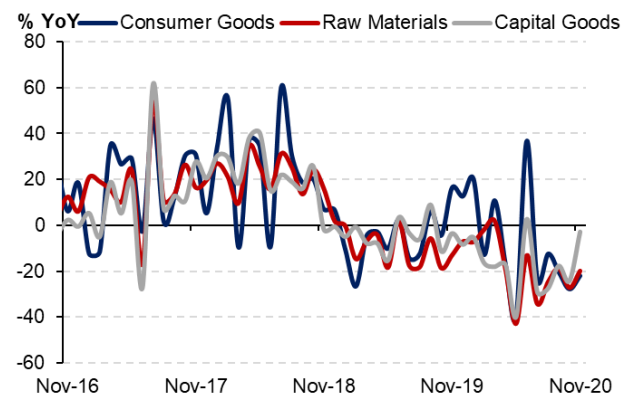
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 3: Non-Oil & Gas Exports by Destination (Top-3)



Source: BPS Indonesia, CEIC, Kenanga Research

Graph 4: Imports by Categories



Source: BPS Indonesia, CEIC, Kenanga Research

16 December 2020

Table 1: Indonesia External Trade Growth Trend

| | | 2018 | 2019 | Nov -19 | Dec -19 | Jan -20 | Feb -20 | Mar -20 | Apr -20 | May -20 | Jun -20 | Jul -20 | Aug -20 | Sep -20 | Oct -20 | Nov -20 |
|----------------------|---------------|------|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Trade | YoY % | 13.2 | -8.1 | -7.8 | -2.4 | -3.9 | 1.4 | -2.7 | -13.2 | -35.6 | -2.1 | -21.4 | -16.2 | -9.9 | -15.2 | -4.6 |
| Trade Balance | USD bn | -8.7 | -3.6 | -1.4 | -0.1 | -0.6 | 2.5 | 0.7 | -0.4 | 2.0 | 1.2 | 3.2 | 2.4 | 2.4 | 3.6 | 2.6 |
| Exports | YoY % | 6.6 | -6.8 | -6.1 | 1.0 | -2.8 | 9.9 | -2.6 | -6.9 | -29.1 | 2.1 | -10.1 | -8.2 | -0.8 | -3.5 | 9.5 |
| Non-Oil & Gas | YoY % | 6.3 | -4.2 | -4.6 | 5.7 | -0.6 | 12.9 | 0.3 | -6.3 | -27.8 | 3.5 | -5.9 | -6.9 | 0.1 | -1.9 | 12.4 |
| | Share | 90.4 | 93.0 | 92.6 | 92.1 | 94.0 | 94.3 | 95.4 | 95.4 | 94.6 | 95.3 | 95.0 | 95.4 | 95.2 | 95.7 | 95.0 |
| Oil & Gas | YoY % | 9.5 | -31.6 | -21.3 | -33.6 | -27.9 | -23.4 | -39.4 | -18.0 | -46.8 | -20.3 | -51.5 | -29.0 | -16.8 | -28.7 | -26.3 |
| | Share | 9.6 | 7.0 | 7.4 | 7.9 | 6.0 | 5.7 | 4.6 | 4.6 | 5.4 | 4.7 | 5.0 | 4.6 | 4.8 | 4.3 | 5.0 |
| Imports | YoY % | 20.2 | -9.2 | -9.2 | -5.6 | -4.9 | -7.4 | -2.9 | -18.6 | -42.2 | -6.4 | -32.6 | -24.2 | -18.9 | -26.9 | -17.5 |
| Non-Oil & Gas | YoY % | 19.7 | -6.0 | -5.9 | -7.2 | -8.0 | -9.9 | -3.9 | -11.3 | -37.4 | 3.1 | -31.0 | -21.9 | -17.9 | -25.4 | -12.3 |
| | Share | 84.2 | 87.2 | 86.1 | 85.3 | 86.1 | 84.9 | 88.0 | 93.2 | 92.2 | 93.7 | 90.8 | 91.2 | 89.9 | 90.0 | 91.4 |
| Oil & Gas | YoY % | 22.8 | -26.7 | -25.5 | 5.3 | 20.0 | 10.3 | 5.6 | -61.8 | -69.9 | -60.5 | -45.2 | -41.7 | -26.3 | -38.5 | -49.2 |
| | Share | 15.8 | 12.8 | 13.9 | 14.7 | 13.9 | 15.1 | 12.0 | 6.8 | 7.8 | 6.3 | 9.2 | 8.8 | 10.1 | 10.0 | 8.6 |

Source: BPS Indonesia, CEIC, Kenanga Research

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