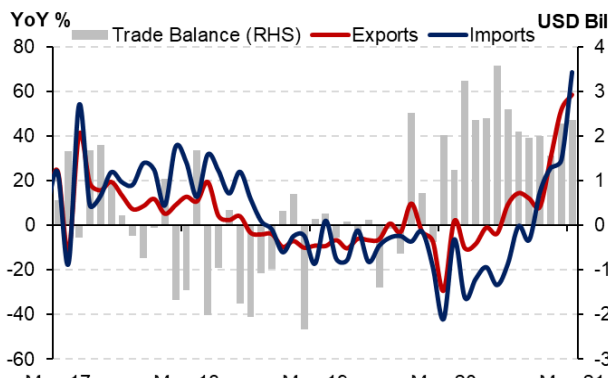


Indonesia External Trade

Exports surged to highest since January 2010 in May due to base effect

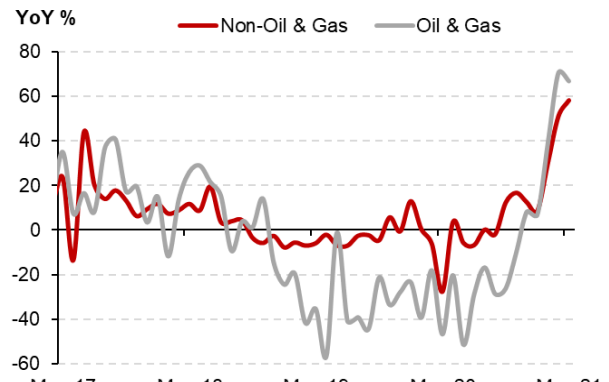
- **Exports' YoY growth spiked to a 136-month high in May (58.8%; consensus: 57.5%; Apr: 52.0%) above market expectations**
 - MoM: fell sharply by 10.3% (Apr: 0.7%) to USD16.6b.
- **The higher export growth was mainly associated with the low base effect**
 - Non-O&G (58.3%; Apr: 51.1%): mainly attributable to sharp expansion in mining (98.0%; Apr: 47.0%), and manufacturing (54.0%; Apr: 52.6%) products. By destination, exports of non-O&G to top trading partners moderated but partially supported by base effect, led by China (56.4%; Apr: 78.0%), followed by the US (55.9%; Apr: 56.7%) and Japan (32.6%; Apr: 26.9%).
 - O&G (67.0%; Apr: 70.7%): growth moderated and partly due to the base effect led by O&G mining (79.1%; Apr: 86.8%) products and a growth rebound in O&G manufacturing (12.8%; Apr: -10.2%) products.
- **Imports rose to a record high (68.7%; consensus: 65.0%; Apr: 29.3%) on low base effect and a growth spike up in O&G (213.6%; Apr: 136.8%)**
 - By segment, the growth was attributable to higher import of raw materials (79.1%; Apr: 32.3%), followed by consumer goods (50.3%; Apr: 34.1%) and capital goods (35.3%; Apr: 11.8).
 - MoM: fell sharply (-12.2%; Apr: -3.5%) to USD14.2b.
- **Trade surplus widened to USD2.4b (Apr: USD2.3b), a six-month high and a tad higher than market expectations (consensus: USD2.3b). Meanwhile, total trade accelerated to a record high (63.2% YoY; Apr: 40.5%) due to the base effect.**
- **2021 export growth forecast remained at 15.1% (2020: -2.6%), but downside risks to persist**
 - We reiterate our view that the base effect, higher commodity prices and sustain external demand from major trading partners are expected to support Indonesia's exports growth in the near term. Nonetheless, downside risks remain due to COVID-19 resurgence as Indonesia recorded the biggest daily infections since February on last Sunday.

Graph 1: External Trade Growth Trend



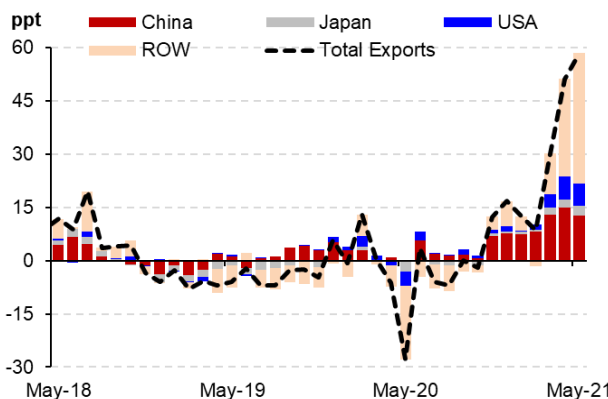
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



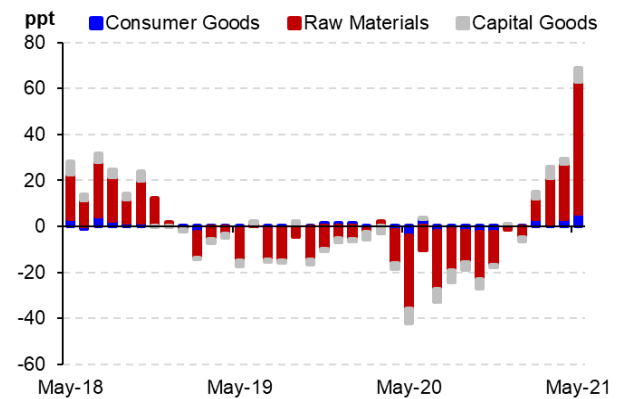
Source: BPS Indonesia, CEIC, Kenanga Research

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 June 2021

Table 1: Indonesia External Trade Growth Trend

		2019	2020	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
				-20	-20	-20	-20	-20	-20	-20	-20	-21	-21	-21	-21	-21
Total Trade	YoY %	-8.1	-10.1	-35.7	-2.1	-21.4	-16.2	-9.9	-15.2	-4.6	7.1	2.6	11.4	28.2	40.5	63.2
Trade Balance	USD bn	-3.6	21.7	2.0	1.2	3.2	2.4	2.4	3.6	2.6	2.1	2.0	1.99	1.57	2.3	2.4
Exports	YoY %	-6.8	-2.6	-29.1	2.1	-10.1	-8.2	-0.8	-3.5	9.4	14.6	12.2	8.5	30.5	52.0	58.8
Non-Oil & Gas	YoY %	-4.2	-0.6	-27.8	3.5	-5.9	-6.9	0.1	-1.9	12.3	16.7	12.4	8.6	30.1	51.1	58.3
	Share	93.0	94.9	94.6	95.3	95.0	95.4	95.2	95.7	95.0	93.8	94.2	94.4	95.1	94.8	94.4
Oil & Gas	YoY %	-31.6	-29.5	-46.8	-20.3	-51.5	-29.0	-16.8	-28.7	-26.3	-10.1	8.3	6.9	39.0	70.7	67.0
	Share	7.0	5.1	5.4	4.7	5.0	4.6	4.8	4.3	5.0	6.2	5.8	5.6	4.9	5.2	5.6
Imports	YoY %	-9.2	-17.3	-42.2	-6.4	-32.6	-24.2	-18.9	-26.9	-17.4	-0.5	-6.6	14.9	25.7	29.3	68.7
Non-Oil & Gas	YoY %	-6.0	-14.8	-37.4	3.1	-31.0	-21.9	-17.9	-25.4	-12.3	4.7	-4.1	22.0	23.5	21.4	56.4
	Share	87.2	89.9	92.2	93.7	90.8	91.2	89.9	90.0	91.4	89.7	88.4	90.2	86.4	87.5	85.5
Oil & Gas	YoY %	-26.7	-34.9	-69.9	-60.5	-45.2	-41.7	-26.3	-38.5	-49.2	-30.5	-21.9	-25.4	41.9	136.8	213.6
	Share	12.8	10.1	7.8	6.3	9.2	8.8	10.1	10.0	8.6	10.3	11.6	9.8	13.6	12.5	14.5

Source: BPS Indonesia, CEIC, Kenanga Research

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