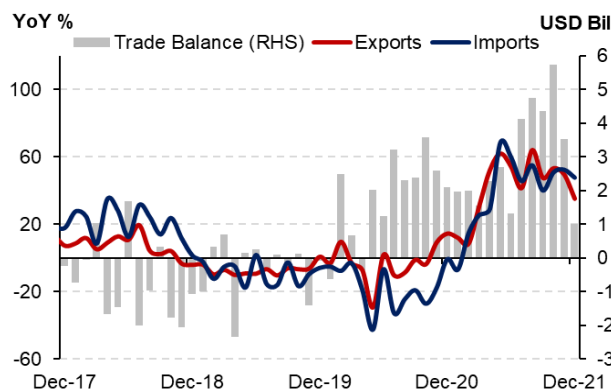


# Indonesia External Trade

Trade moderated in December; surplus narrowed sharply

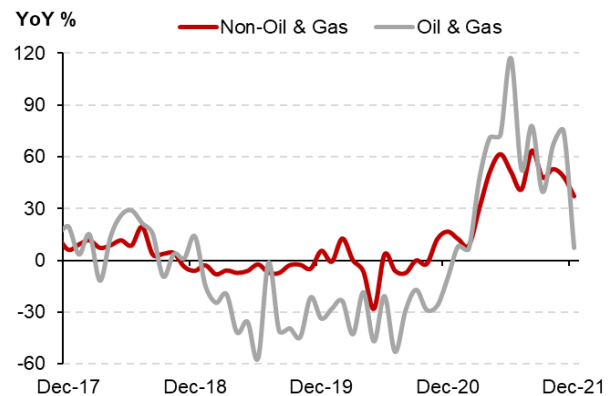
- **Exports' YoY growth slowed in December (35.3%; Nov: 49.7%) lower than market expectations (consensus: 40.4%) and bringing the whole 2021 growth at 41.9% (2020: -2.7%) above our estimate of 38.6%**
  - MoM: fell by 2.0% (Nov: 3.7%) to USD22.4b.
- **Growth moderated but remained supported by non-O&G products and shipment to the key trading partners**
  - Non-O&G (37.1%; Nov: 48.4%): broad-based slowdown led by mining (75.8%; Nov: 145.6%), followed by manufacturing products (32.9%; Nov: 33.7%) and persistent weakness in agriculture (-7.2; Nov: -4.0%).
  - By destination, export of non-O&G to major trading partners registered a broad-based moderation led by China (53.7%; Nov: 63.1%), and the US (41.2%; Nov: 58.2%).
  - O&G (7.3%; Nov: 74.8%): slowed sharply, on lower receipts of manufacturing (59.9%; Nov: 273.2%) and mining products (0.6%; Nov: 55.7%).
- **Imports slowed (47.9%; Nov: 52.6%), but beating market expectations (consensus: 39.4%). It was supported by continued expansion in O&G (128.0%; Nov: 178.8%) and non-O&G (38.8%; Nov: 40.8%) albeit at a slower rate**
  - By segment, import growth was supported by an expansion in capital goods (28.8%; Nov: 23.1%) but partially capped by the moderation of consumer goods (45.3%; Nov: 53.9%) and raw materials (53.3%; Nov: 60.5%).
  - MoM: slowed (10.5%; Nov: 18.6%) but reaching USD21.4b level a record high.
- **Trade surplus narrowed sharply (USD1.0b; Nov: USD3.5b) to a 20-month low, lower than market expectations (consensus: USD3.1). Meanwhile, total trade moderated for the second straight month (41.2% YoY; Nov: 51.0%) but reached a record high of USD43.7b in absolute terms.**
- **Export growth is expected to moderate sharply to 1.7% in 2022 (2021: 41.9%)**
  - Growth is expected to moderate sharply in 2022, mainly on base effect and normalisation in global trade activities. Nonetheless, the elevated commodity prices and the gradual easing of COVID-19 related restrictions among the trading partners are expected to continue to support Indonesia's trade activities. Likewise, we retain our cautiously optimistic outlook as downside risk to growth persists with the emergence of the new COVID-19 strain.

Graph 1: External Trade Growth Trend



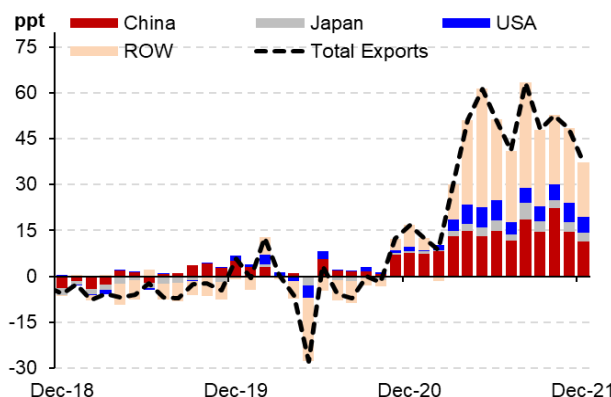
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



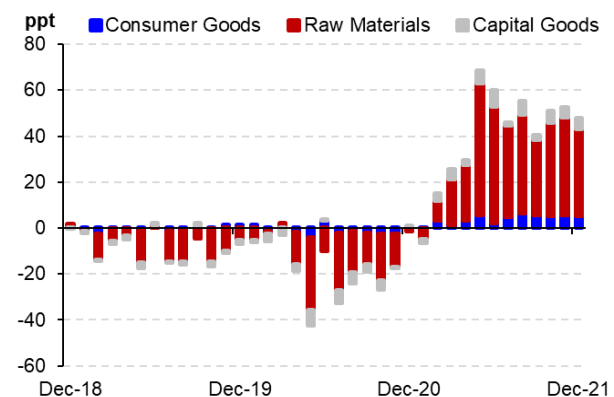
Source: BPS Indonesia, CEIC, Kenanga Research

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

19 January 2022

Table 1: Indonesia External Trade Growth Trend

		2020	2021	Dec -20	Jan -21	Feb -21	Mar -21	Apr -21	May -21	Jun -21	Jul -21	Aug -21	Sep -21	Oct -21	Nov -21	Dec -21
Total Trade	YoY %	-10.1	40.4	7.1	2.6	11.5	28.3	40.5	65.0	57.1	43.4	60.1	44.3	52.4	51.0	41.2
<b>Trade Balance</b>	<b>USD bn</b>	<b>21.6</b>	<b>35.3</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>1.6</b>	<b>2.3</b>	<b>2.7</b>	<b>1.3</b>	<b>4.1</b>	<b>4.7</b>	<b>4.4</b>	<b>5.7</b>	<b>3.5</b>	<b>1.0</b>
<b>Exports</b>	<b>YoY %</b>	<b>-2.7</b>	<b>41.9</b>	<b>14.6</b>	<b>12.2</b>	<b>8.6</b>	<b>30.8</b>	<b>52.1</b>	<b>62.0</b>	<b>54.4</b>	<b>41.6</b>	<b>64.1</b>	<b>47.6</b>	<b>53.4</b>	<b>49.7</b>	<b>35.3</b>
Non-Oil & Gas	YoY %	-0.6	41.5	16.7	12.4	8.8	30.1	51.1	61.4	51.3	41.0	63.5	48.0	52.8	48.4	37.1
	Share	94.9	94.7	93.8	94.2	94.4	95.1	94.8	94.3	93.4	94.8	95.0	95.5	95.3	94.2	95.1
Oil & Gas	YoY %	-30.0	48.8	-10.1	8.4	6.9	47.1	71.2	72.7	117.2	52.8	77.9	39.8	66.8	74.8	7.3
	Share	5.1	5.3	6.2	5.8	5.6	4.9	5.2	5.7	6.6	5.2	5.0	4.5	4.7	5.8	4.9
<b>Imports</b>	<b>YoY %</b>	<b>-17.3</b>	<b>38.6</b>	<b>-0.5</b>	<b>-6.6</b>	<b>14.9</b>	<b>25.7</b>	<b>29.3</b>	<b>68.7</b>	<b>60.0</b>	<b>45.9</b>	<b>55.3</b>	<b>40.3</b>	<b>51.1</b>	<b>52.6</b>	<b>47.9</b>
Non-Oil & Gas	YoY %	-14.8	34.1	4.7	-4.1	22.0	23.5	21.4	56.4	48.0	41.7	49.4	38.2	48.3	40.8	38.8
	Share	89.9	87.0	89.7	88.4	90.2	86.4	87.5	85.5	86.7	88.2	87.7	88.5	88.3	84.3	84.2
Oil & Gas	YoY %	-34.9	79.1	-30.5	-21.9	-25.4	41.9	136.8	213.6	239.4	87.2	115.8	59.1	75.9	178.8	128.0
	Share	10.1	13.0	10.3	11.6	9.8	13.6	12.5	14.5	13.3	11.8	12.3	11.5	11.6	15.7	15.8

Source: BPS Indonesia, CEIC, Kenanga Research

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