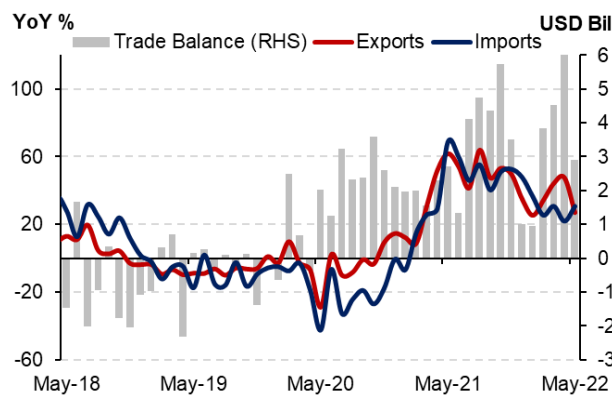


Indonesia External Trade

Exports slowed in May; trade surplus narrowed on palm oil export ban

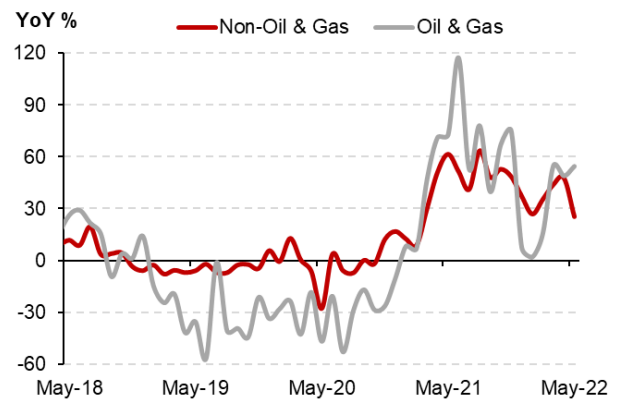
- Export growth moderated sharply in May (27.0% YoY; Apr: 47.8%), lower than market expectations (consensus: 38.7%)**
 - MoM: growth fell sharply (-21.3%; Apr: 3.1%) to USD21.5b.
- Growth slowed due to weak shipment of non-O&G products and to major trading partners but was partially capped by the base effect**
 - Non-O&G (25.3%; Apr: 47.7%): moderated to a 15-month low, due to a sharp slowdown in export of mining (114.2%; Apr: 182.5%) and manufacturing (7.8%; Apr: 27.9%), but was partially mitigated by higher agriculture (21.4%; Apr: 16.5%) products. By destination, export of non-O&G to major trading partners was relatively weak, led by Japan (46.8%; Apr: 69.4%), followed by China (30.9%; Apr: 39.8%) and the US (16.6%; Apr: 20.9%), but growth was supported largely by the base effect.
 - O&G (54.5%; Apr: 48.9%): growth expanded due to a rebound in the shipment of mining (18.7%; Apr: -6.3%) but was partially weighed by lower exports of manufacturing (307.5%; Apr: 625.3%) products.
- Imports expanded in May (30.7%; Apr: 21.9%), but lower than market expectations (consensus: 32.8%). Higher growth was mainly due to expansion in import of non-O&G (25.3%; Apr: 12.4%) products and base effect**
 - In terms of category, it was a broad-based expansion, led by raw materials (33.9%; Apr: 25.5%), followed by capital goods (29.2%; Apr: 15.2%) and consumer goods (7.8%; Apr: 4.2%).
 - MoM: fell for the second straight month (-5.8%; Apr: -10.0%) to USD18.6b, a three-month low in value term.
- Trade surplus narrowed sharply (USD2.9b; Apr: USD7.6b), a four-month low and lower than market expectations (consensus: USD3.8b).** Similarly, total trade slowed (28.7% YoY; Apr: 35.7%) with MoM growth fell sharply (-14.8%; Apr: -2.8%).
- Exports forecast retained at 28.6% (2021: 41.9%) amid higher commodity prices**
 - The forecast is backed by the sustained expansion, base effect and further supported by elevated commodity prices. Nonetheless, growth may continue moderating in the 2H22 as the base effect dissipates and the impact of ongoing China's zero-Covid policy on the global supply chain and demand.

Graph 1: External Trade Growth Trend



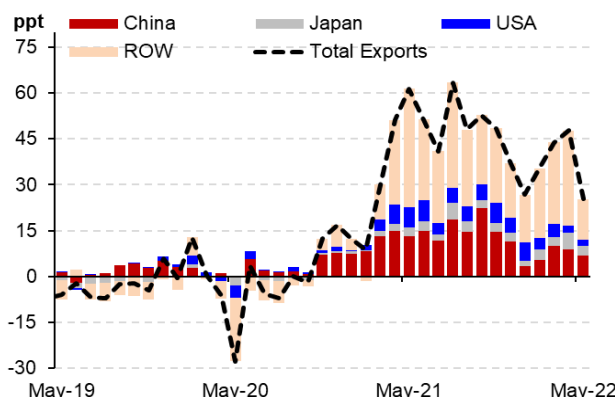
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



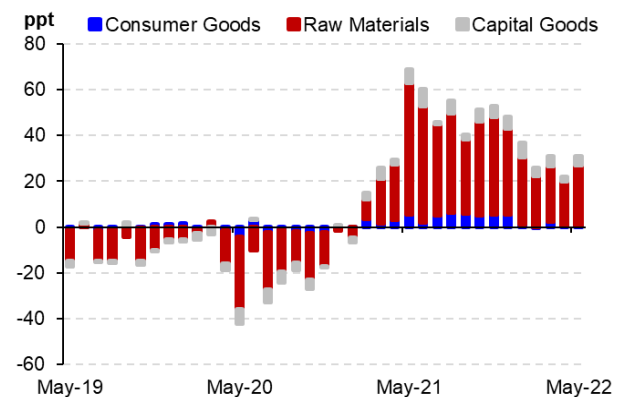
Source: BPS Indonesia, CEIC, Kenanga Research

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 2022

Table 1: Indonesia External Trade Growth Trend

		2020	2021	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
				-21	-21	-21	-21	-21	-21	-21	-21	-22	-22	-22	-22	-22
Total Trade	YoY %	-10.1	40.4	65.0	57.1	43.4	60.1	44.3	52.4	51.0	41.1	30.6	30.1	37.9	35.7	28.7
Trade Balance	USD bn	21.6	35.3	2.7	1.3	4.1	4.7	4.4	5.7	3.5	1.0	1.0	3.8	4.5	7.6	2.9
Exports	YoY %	-2.7	41.9	62.0	54.4	41.6	64.1	47.6	53.4	49.7	35.2	25.4	34.2	44.4	47.8	27.0
Non-Oil & Gas	YoY %	-0.6	41.5	61.4	51.3	41.0	63.5	48.0	52.8	48.4	37.0	26.8	35.3	43.8	47.7	25.3
	Share	94.9	94.7	94.3	93.4	94.8	95.0	95.5	95.3	94.2	95.1	95.3	95.1	94.7	94.8	93.0
Oil & Gas	YoY %	-30.0	48.8	72.7	117.2	52.8	77.9	39.8	66.8	74.8	7.3	2.0	15.6	54.8	48.9	54.5
	Share	5.1	5.3	5.7	6.6	5.2	5.0	4.5	4.7	5.8	4.9	4.7	4.9	5.3	5.2	7.0
Imports	YoY %	-17.3	38.6	68.7	60.0	45.9	55.3	40.3	51.1	52.6	47.9	36.6	25.4	30.8	21.9	30.7
Non-Oil & Gas	YoY %	-14.8	34.1	56.4	48.0	41.7	49.4	38.2	48.3	40.8	38.7	35.7	14.8	27.3	12.4	25.3
	Share	89.9	87.0	85.5	86.7	88.2	87.7	88.5	88.3	84.3	84.2	87.8	82.6	84.1	80.7	82.0
Oil & Gas	YoY %	-34.9	79.1	213.6	239.4	87.2	115.8	59.1	75.9	178.8	128.0	43.7	122.5	53.2	88.5	62.7
	Share	10.1	13.0	14.5	13.3	11.8	12.3	11.5	11.6	15.7	15.8	12.2	17.4	15.9	19.3	18.0

Source: BPS Indonesia, CEIC, Kenanga Research

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