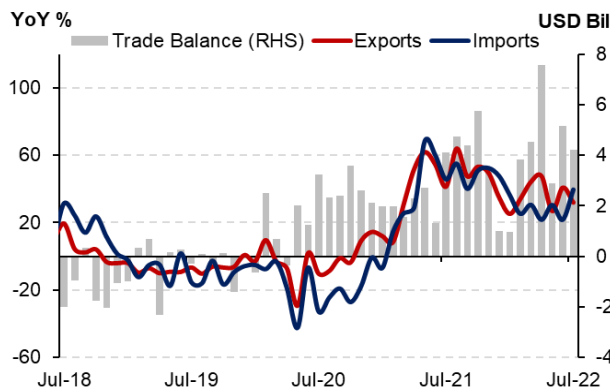


Indonesia External Trade

Imports' YoY growth hit seven-month high in July; trade surplus narrowed

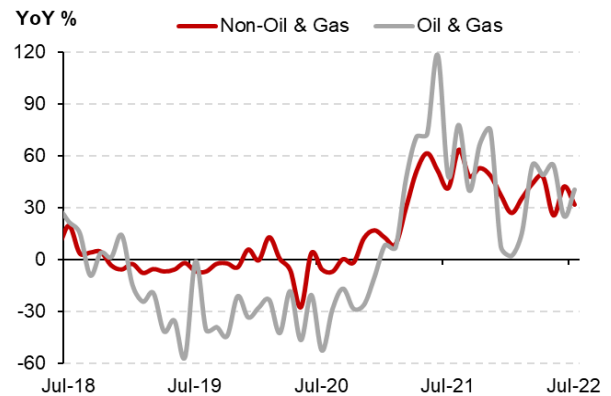
- Export growth moderated in July (32.0% YoY; Jun: 41.0%) but above consensus' forecast (29.7%)**
 - MoM: growth plunged (-2.2%; Jun: 21.6%) after a sharp rebound in the previous month.
- Moderate growth due to softer export of non-O&G, but partially mitigated by higher O&G products**
 - Non-O&G (31.6%; Jun: 42.1%): slower growth due to a slowdown in the export of manufacturing products (28.7%; Jun: 29.7%), but growth was supported by expansion in mining (124.1%; Jun: 103.6%) and agriculture (34.7%; Jun: 12.4%) products. By destination, export of non-O&G to major trading partners recorded a sustained expansion, led by Japan (64.0%; Jun: 38.5%), followed by China (24.2%; Jun: 23.3%) and the US (17.8%; Jun: 15.4%).
 - O&G (40.5%; Jun: 25.0%): expanded, thanks to higher shipment of manufacturing (160.9%; Jun: 125.3%) and mining (13.8%; Jun: 6.2%) products.
- Imports surged (39.9%; Jun: 22.0%) and higher than market expectations (consensus: 37.3%). Growth was attributable to a sharp expansion in import of O&G (148.4%; Jun: 59.8%) and non-O&G (25.4%; Jun: 16.2%) products**
 - In terms of category, higher growth is mainly contributed by the higher import of raw materials (44.5%; Jun: 24.6%) and capital goods (44.3%; Jun: 20.9%), which partially offset a moderation in consumer goods (1.3%; Jun: 3.3%).
 - MoM: slowed sharply (1.6%; Jun: 12.9%).
- Trade surplus narrowed (USD4.2b; Jun: USD5.1b), but beating market expectations (consensus: USD3.9b). Bucking the trend, total trade expanded (35.5% YoY; Jun: 31.8%) for the second straight month.**
- Exports forecast retained at 28.6% (2021: 41.9%) despite rising downside risk**
 - We expect export growth to remain above 20.0% primarily due to the lower base last year and further bolstered by relatively higher commodity prices. This will be supported by robust external demand from key trading partners. Nonetheless, our growth projection remains susceptible to downside risk attributable to global growth slowdown and the impact of accelerating in global monetary policy tightening.

Graph 1: External Trade Growth Trend



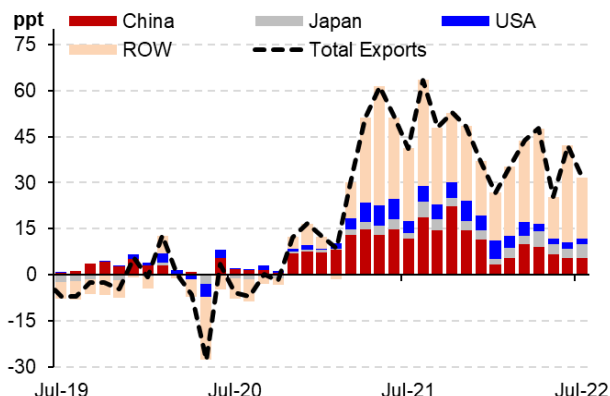
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



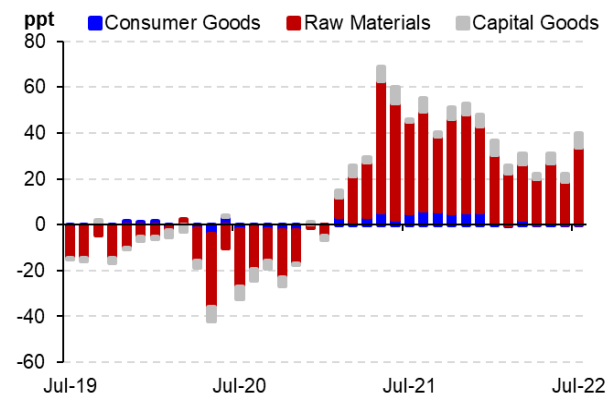
Source: BPS Indonesia, CEIC, Kenanga Research

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 August 2022

Table 1: Indonesia External Trade Growth Trend

		2020	2021	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
				-21	-21	-21	-21	-21	-21	-22	-22	-22	-22	-22	-22	-22
Total Trade	YoY %	-10.1	40.4	43.4	60.1	44.3	52.4	51.0	41.1	30.6	30.1	37.9	35.7	28.7	31.8	35.5
Trade Balance	USD bn	21.6	35.3	4.1	4.7	4.4	5.7	3.5	1.0	1.0	3.8	4.5	7.6	2.9	5.1	4.2
Exports	YoY %	-2.7	41.9	41.5	64.1	47.6	53.4	49.7	35.2	25.4	34.2	44.4	47.8	27.0	41.0	32.0
Non-Oil & Gas	YoY %	-0.6	41.5	41.1	63.5	48.0	52.8	48.4	37.0	26.8	35.3	43.8	47.7	25.4	42.1	31.6
	Share	94.9	94.7	94.9	95.0	95.5	95.3	94.2	95.1	95.3	95.1	94.7	94.8	93.0	94.1	94.6
Oil & Gas	YoY %	-30.0	48.8	48.2	77.9	39.8	66.8	74.8	7.3	2.0	15.6	54.8	48.9	54.5	25.0	40.5
	Share	5.1	5.3	5.1	5.0	4.5	4.7	5.8	4.9	4.7	4.9	5.3	5.2	7.0	5.9	5.4
Imports	YoY %	-17.3	38.6	45.9	55.3	40.3	51.1	52.6	47.9	36.6	25.4	30.8	21.9	30.7	22.0	39.9
Non-Oil & Gas	YoY %	-14.8	34.1	41.7	49.4	38.2	48.3	40.8	38.7	35.7	14.8	27.3	12.4	25.3	16.2	25.4
	Share	89.9	87.0	88.2	87.7	88.5	88.3	84.3	84.2	87.8	82.6	84.1	80.7	82.0	82.5	79.1
Oil & Gas	YoY %	-34.9	79.1	87.2	115.8	59.1	75.9	178.8	128.0	43.7	122.5	53.2	88.5	62.7	59.8	148.4
	Share	10.1	13.0	11.8	12.3	11.5	11.6	15.7	15.8	12.2	17.4	15.9	19.3	18.0	17.5	20.9

Source: BPS Indonesia, CEIC, Kenanga Research

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