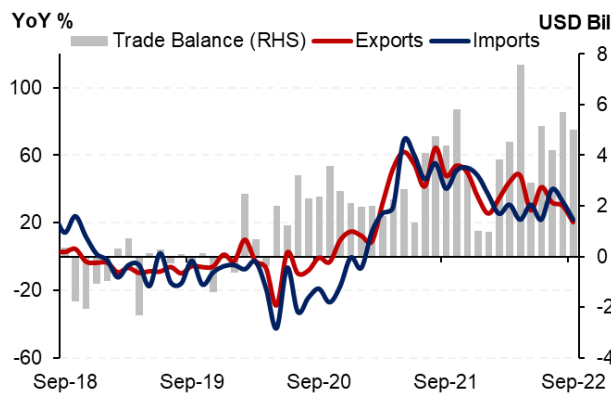


Indonesia External Trade

Exports hit 19-month low in September; trade surplus narrowed

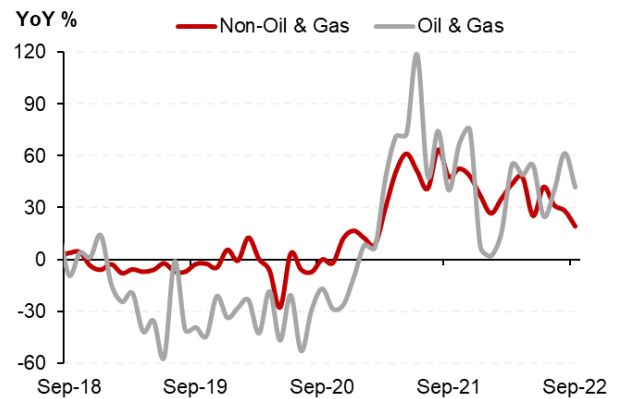
- Export growth moderated for the third straight month in September (20.3% YoY; Aug: 29.9%), its lowest growth since February 2021 and below the consensus forecast (27.9%)**
 - MoM: fell sharply (-11.0%; Aug: 9.0%), the lowest growth in four months due to subdued external demand.
- Moderate growth due to softer export of non-O&G and O&G products**
 - Non-O&G (19.3%; Aug: 28.3%): growth slowed sharply to a 19-month low since February 2021 due to weak export of manufacturing (9.2%; Aug: 12.3%) and agriculture (3.8%; Aug: 24.5%) products, but partially supported by expansion in mining (61.8%; Aug: 45.1%) products. By destination, the moderation in the export of non-O&G to major trading partners was attributable to subdued demand from the US (-9.7%; Aug: 14.8%) but partially supported by higher shipment to Japan (36.3%; Aug: 30.7%) and China (35.5%; Aug: 28.9%).
 - O&G (41.8%; Aug: 61.4%): moderated due to a sharp slowdown in the shipment of manufacturing (8.9%; Aug: 122.6%) but partially mitigated by higher shipment of mining (55.4%; Aug: 46.3%) products.
- Imports slowed in September (22.0%; Aug: 32.8%) and below market expectations (consensus: 31.5%) due to lower import of non-O&G (14.0%; Aug: 26.1%) products**
 - By category, growth was weighed down by weak consumer goods (-11.2%; Aug: -2.0%) and a slowdown in the import of raw materials (23.2%; Aug: 35.4%) as well as capital goods (41.1%; Aug: 46.7%).
 - MoM: plunged to an eight-month low (-10.6%; Aug: 3.8%).
- Trade surplus narrowed (USD5.0b; Aug: USD5.7b), but beat market expectations (consensus: USD4.8b). Meanwhile, total trade slowed sharply (21.0% YoY; Aug: 31.2%), a 19-month low.**
- Export growth forecast for 2022 retained at 28.6% (2021: 41.9%)**
 - Year-to-date, exports grew by 33.5% YoY amid robust external demand, higher commodity prices, and a weaker local currency. Growth is expected to moderate in the coming months as the base effect dissipates, considering the prospect of a global economic slowdown and prolonged China's zero-COVID policy.

Graph 1: External Trade Growth Trend



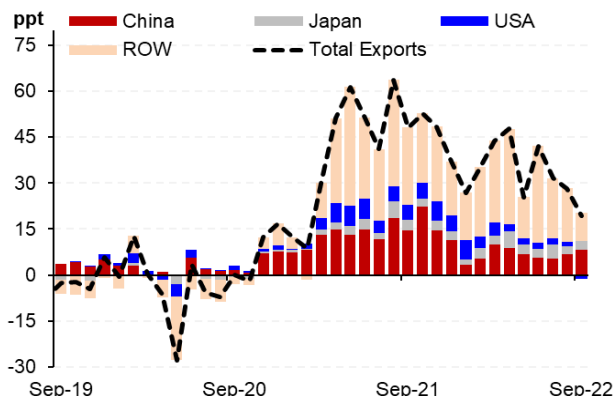
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



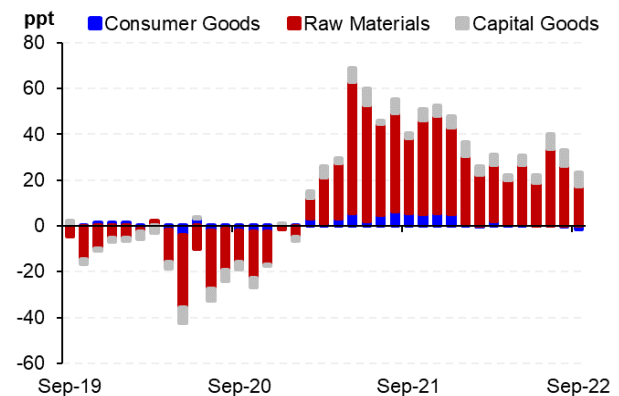
Source: BPS Indonesia, CEIC, Kenanga Research

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

18 October 2022

Table 1: Indonesia External Trade Growth Trend

		2020	2021	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
				-21	-21	-21	-21	-22	-22	-22	-22	-22	-22	-22	-22	-22
Total Trade	YoY %	-10.1	40.4	44.4	52.6	51.0	41.1	30.6	30.1	37.7	35.8	28.8	31.8	35.4	31.2	21.0
Trade Balance	USD bn	21.6	35.4	4.4	5.8	3.5	1.0	1.0	3.8	4.5	7.6	2.9	5.1	4.2	5.7	5.0
Exports	YoY %	-2.7	41.9	47.7	53.8	49.7	35.2	25.3	34.2	44.0	47.9	27.2	41.0	32.0	29.9	20.3
Non-Oil & Gas	YoY %	-0.6	41.5	48.1	52.8	48.4	37.0	26.8	35.3	43.8	47.7	25.4	42.1	31.6	28.3	19.3
	Share	94.9	94.7	95.5	95.1	94.2	95.1	95.3	95.1	94.7	94.8	93.0	94.1	94.6	93.9	94.7
Oil & Gas	YoY %	-30.0	48.2	40.1	66.8	74.8	7.3	2.0	15.6	54.8	48.9	54.5	25.0	39.8	61.4	41.8
	Share	5.1	5.3	4.5	4.6	5.8	4.9	4.7	4.9	5.3	5.2	7.0	5.9	5.4	6.1	5.3
Imports	YoY %	-17.3	38.6	40.3	51.1	52.6	47.9	36.6	25.4	30.8	21.9	30.7	22.0	39.8	32.8	22.0
Non-Oil & Gas	YoY %	-14.8	34.0	38.2	48.3	40.8	38.7	35.7	14.8	27.3	12.4	25.3	16.2	25.4	26.1	14.0
	Share	89.9	87.0	88.5	88.3	84.3	84.2	87.8	82.6	84.1	80.7	82.0	82.5	79.1	83.3	82.7
Oil & Gas	YoY %	-34.9	79.1	59.1	75.9	178.8	128.0	43.7	122.5	53.2	88.5	62.7	59.8	148.4	80.6	83.5
	Share	10.1	13.0	11.5	11.6	15.7	15.8	12.2	17.4	15.9	19.3	18.0	17.5	20.9	16.7	17.3

Source: BPS Indonesia, CEIC, Kenanga Research

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