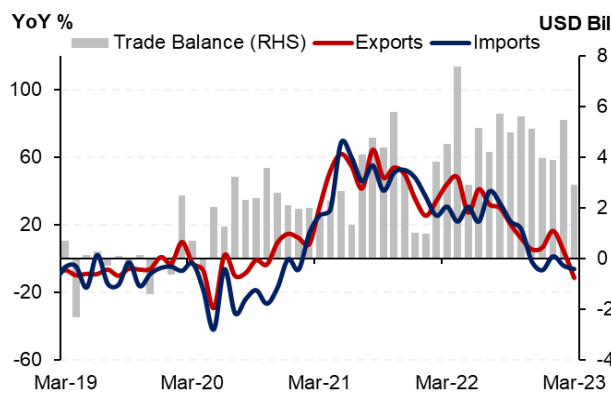


Indonesia External Trade

Exports plunged in March, the lowest since May 2020

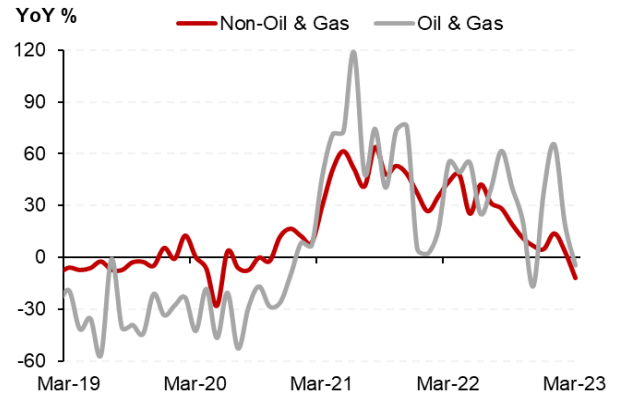
- Exports fell sharply in March (-11.3% YoY; Feb: 4.4%) but lower than the consensus forecast (-14.1%) due to the high base effect recorded last year**
 - MoM: rebounded (9.9%; Feb: -4.2%) to a nine-month high, following six consecutive months of contraction, reflecting a slight recovery during the month.
- Weaker export growth due to a decline in O&G and non-O&G products and partly due to a high base effect**
 - Non-O&G (-11.7%; Feb: 3.7%): fell sharply due to broad-based growth contraction led by manufacturing (-13.8%; Feb: -0.1%), followed by agriculture (-12.0%; Feb: -2.1%) and mining (-4.6%; Feb: 20.9%) products. By destination, subdued demand across major trading partners, led by China (3.5%; Feb: 35.1%), followed by the US (-30.5%; Feb: -20.1%) and Japan (-3.4%; Feb: 1.9%).
 - O&G (-4.8%; Feb: 19.3%): contracted due to the weaker shipment of manufacturing (-14.6%; Feb: -6.2%) and mining (0.01%; Feb: 31.8%) products.
- Imports plunged in February (-6.3%; Feb: -4.3%), but lower than consensus (-13.5%) amid the high-base effect last year and due to weak import of both O&G (-13.7%; Feb: -17.1%) and non-O&G (-4.9%; Feb: -1.6%) products**
 - By category, the weaker growth was due to weak demand for raw materials (-11.2%; Feb: -8.1%) and consumer (-2.9%; Feb: 13.4%) goods. Nonetheless, growth was supported by higher import of capital goods (18.5%; Feb: 6.1%).
 - MoM: rebounded sharply (29.3%; Feb: -13.7%) to a 12-month high.
- Trade surplus narrowed (USD2.9b; Feb: USD5.5b) below market expectation (consensus: USD4.3b) as exports fell more than imports. Similarly, total trade fell sharply (-9.0% YoY; Feb: 0.5%), the weakest growth since October 2020.**
- 2023 export growth forecast maintained at 2.5% (2022: 26.1%) in anticipation of a weak global trade outlook**
 - Year-to-date, exports slowed sharply by 1.6%, reflecting a subdued external demand in the 1Q23 as well as weaker commodity prices. We continue to expect exports to remain subdued due to the waning lower base effect and weaker commodity prices amid subdued external demand weighed by the prospect of a global economic slowdown.

Graph 1: External Trade Growth Trend



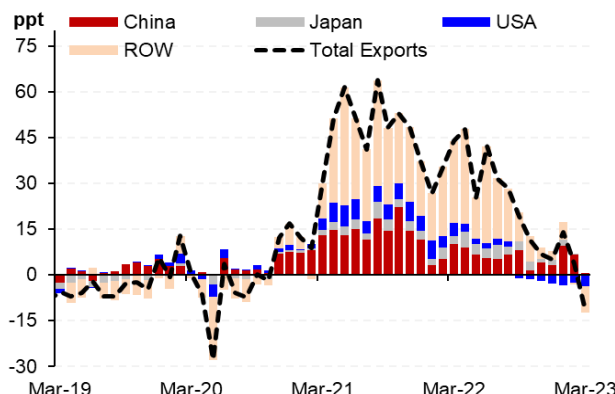
Source: BPS Indonesia, CEIC, Kenanga Research

Graph 2: Exports Growth by Group



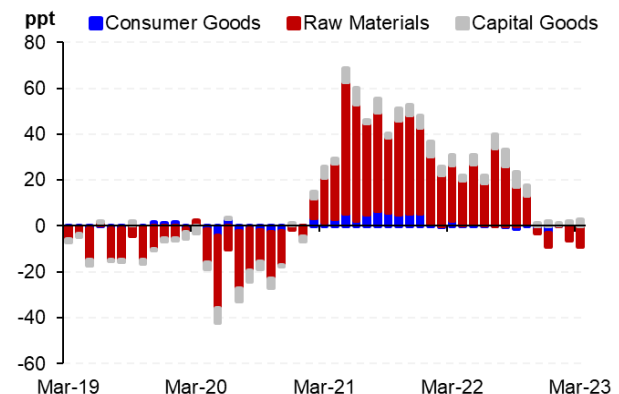
Source: BPS Indonesia, CEIC, Kenanga Research

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 April 2023

Table 1: Indonesia External Trade Growth Trend

		2021	2022	Mar -22	Apr -22	May -22	Jun -22	Jul -22	Aug -22	Sep -22	Oct -22	Nov -22	Dec -22	Jan -23	Feb -23	Mar -23
Total Trade	YoY %	40.4	23.8	37.7	35.8	28.8	31.8	35.4	31.2	21.0	14.3	2.1	0.0	9.0	0.5	-9.0
Trade Balance	USD bn	35.4	54.5	4.5	7.6	2.9	5.1	4.2	5.7	5.0	5.6	5.1	4.0	3.9	5.5	2.9
Exports	YoY %	41.9	26.1	44.0	47.9	27.2	41.0	32.0	29.9	20.2	11.9	5.5	6.6	16.4	4.4	-11.3
Non-Oil & Gas	YoY %	41.6	25.8	43.8	47.7	25.4	42.1	31.6	28.3	19.2	11.5	6.9	5.0	14.0	3.7	-11.7
	Share	94.7	94.5	94.7	94.8	93.0	94.1	94.6	93.9	94.7	94.8	95.4	93.8	93.3	94.5	94.3
Oil & Gas	YoY %	48.5	30.7	54.8	48.9	54.5	25.0	39.8	61.4	40.2	21.0	-16.8	37.9	65.1	19.3	-4.8
	Share	5.3	5.5	5.3	5.2	7.0	5.9	5.4	6.1	5.3	5.2	4.6	6.2	6.7	5.5	5.7
Imports	YoY %	38.6	21.0	30.8	21.9	30.7	22.0	39.8	32.8	22.0	17.4	-1.9	-7.0	1.3	-4.3	-6.3
Non-Oil & Gas	YoY %	34.0	15.5	27.3	12.4	25.3	16.2	25.4	26.1	14.0	9.6	-0.9	-7.3	-2.8	-1.6	-4.9
	Share	87.0	83.0	84.1	80.7	82.0	82.5	79.1	83.3	82.7	82.4	85.2	83.9	84.2	84.9	85.4
Oil & Gas	YoY %	79.1	58.3	53.2	88.5	62.7	59.8	148.4	80.6	83.5	77.2	-7.3	-5.2	30.4	-17.1	-13.7
	Share	13.0	17.0	15.9	19.3	18.0	17.5	20.9	16.7	17.3	17.6	14.8	16.1	15.8	15.1	14.6

Source: BPS Indonesia, CEIC, Kenanga Research

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