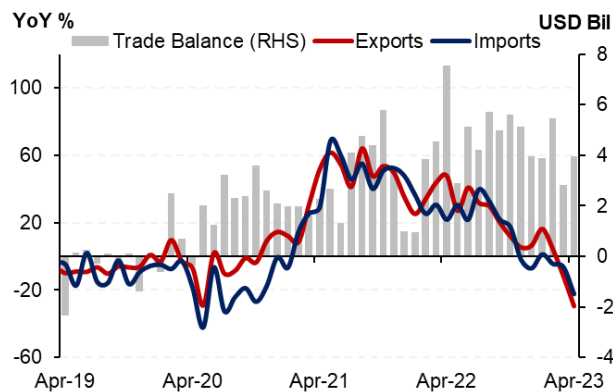


# Indonesia External Trade

Exports plunged further in April on weak external demand

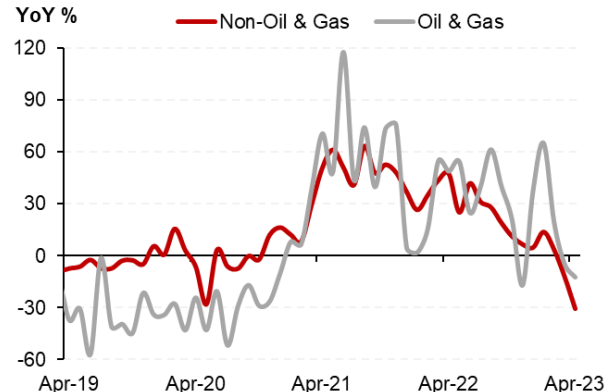
- Exports plunged in April (-29.4% YoY; Mar: -11.6%) lower than the consensus forecast (-19.3%) amid the high base effect recorded last year and weak external demand**
  - MoM: fell sharply (-17.6%; Mar: 9.5%) to a 11-month low, indicating a weak demand momentum.
- A broad-based slowdown was recorded across O&G and non-O&G products as well as key trading partners**
  - Non-O&G (-30.3%; Mar: -12.0%): steepest decline on record led by a sharp decline in manufacturing (-32.7%; Mar: -13.8%), followed by agriculture (-26.0%; Mar: -12.0%) and mining (-25.8%; Mar: -4.6%) products. By destination, subdued demand across major trading partners, led by Japan (-37.7%; Mar: -3.5%), followed by the US (-35.9%; Mar: -30.5%) and China (-15.9%; Mar: 3.4%).
  - O&G (-12.2%; Mar: -4.8%): contracted sharply, led by weaker shipment of manufacturing (-17.7%; Mar: -14.6%) and mining (-8.1%; Mar: 0.01%) products.
- Imports declined sharply (-22.3%; Mar: -6.3%), but slightly higher than consensus (-6.0%) due to weak import of both O&G (-22.5%; Mar: -13.7%) and non-O&G (-22.3%; Mar: -4.9%) products**
  - By category, it was a broad-based slowdown led by weak demand for capital goods (-6.9%; Mar: 18.5%), followed by raw materials (-25.3%; Mar: -11.2%) and consumer goods (-17.7%; Mar: -2.9%).
  - MoM: growth plunged (-25.5%; Mar: 29.3%), the lowest since May 2020.
- Trade surplus expanded (USD3.9b; Mar: USD2.8b) above consensus (USD3.3b) as imports fell more than exports on a MoM basis. Similarly, total trade plunged (-26.4% YoY; Mar: -9.2%), the weakest growth since May 2020.**
- 2023 export growth forecast retained at 2.5% (2022: 26.1%) with heightened downside bias**
  - Year-to-date, exports fell sharply by 7.6% YoY, largely due to weak external demand as reflected by relatively lower commodity prices brought by the impact of the global economic slowdown. This is also partly due to the waning lower base effect amid ample supply. While we believe external demand could recover, backed by the prospect of China's reopening, we maintain our cautious outlook for now.

Graph 1: External Trade Growth Trend



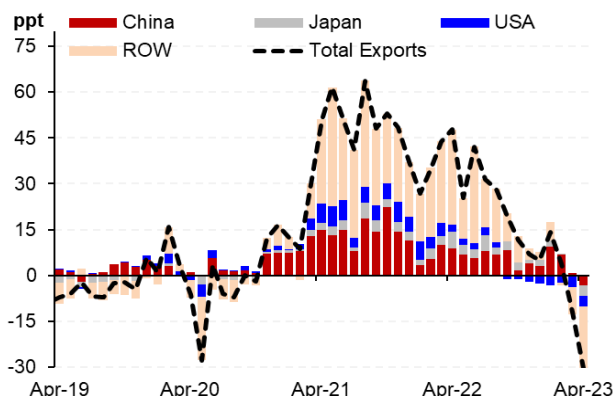
Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 2: Exports Growth by Group



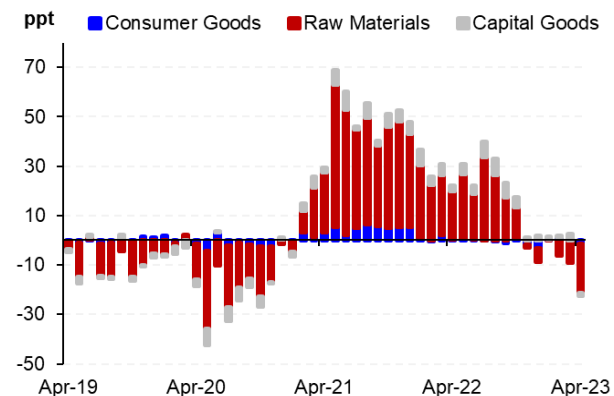
Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 3: Non-Oil & Gas Exports by Destination (Top-3)



Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 4: Imports by Categories



Source: BPS Indonesia, Macrobond, Kenanga Research

16 May 2023

**Table 1: Indonesia External Trade Growth Trend**

		2021	2022	Apr -22	May -22	Jun -22	Jul -22	Aug -22	Sep -22	Oct -22	Nov -22	Dec -22	Jan -23	Feb -23	Mar -23	Apr -23
<b>Total Trade</b>	<b>YoY %</b>	40.4	23.8	35.8	28.8	31.8	35.4	31.2	21.0	14.3	2.1	0.0	9.0	0.5	-9.2	-26.4
<b>Trade Balance</b>	<b>USD bn</b>	35.4	54.5	7.6	2.9	5.1	4.2	5.7	5.0	5.6	5.1	4.0	3.9	5.5	2.8	3.9
<b>Exports</b>	<b>YoY %</b>	41.9	26.1	47.9	27.2	41.0	32.0	29.9	20.2	11.9	5.5	6.6	16.4	4.4	-11.6	-29.4
Non-Oil & Gas	YoY %	41.6	25.8	47.7	25.4	42.1	31.6	28.3	19.2	11.5	6.9	5.0	14.0	3.7	-12.0	-30.3
	Share	94.7	94.5	94.8	93.0	94.1	94.6	93.9	94.7	94.8	95.4	93.8	93.3	94.5	94.3	93.5
Oil & Gas	YoY %	48.5	30.7	48.9	54.5	25.0	39.8	61.4	40.2	21.0	-16.8	37.9	65.1	19.3	-4.8	-12.2
	Share	5.3	5.5	5.2	7.0	5.9	5.4	6.1	5.3	5.2	4.6	6.2	6.7	5.5	5.7	6.5
<b>Imports</b>	<b>YoY %</b>	38.6	21.0	21.9	30.7	22.0	39.8	32.8	22.0	17.4	-1.9	-7.0	1.3	-4.3	-6.3	-22.3
Non-Oil & Gas	YoY %	34.0	15.5	12.4	25.3	16.2	25.4	26.1	14.0	9.6	-0.9	-7.3	-2.8	-1.6	-4.9	-22.3
	Share	87.0	83.0	80.7	82.0	82.5	79.1	83.3	82.7	82.4	85.2	83.9	84.2	84.9	85.4	80.7
Oil & Gas	YoY %	79.1	58.3	88.5	62.7	59.8	148.4	80.6	83.5	77.2	-7.3	-5.2	30.4	-17.1	-13.7	-22.5
	Share	13.0	17.0	19.3	18.0	17.5	20.9	16.7	17.3	17.6	14.8	16.1	15.8	15.1	14.6	19.3

Source: BPS Indonesia, Macrobond, Kenanga Research

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