

Trade Balance Affected by Trump Tariffs

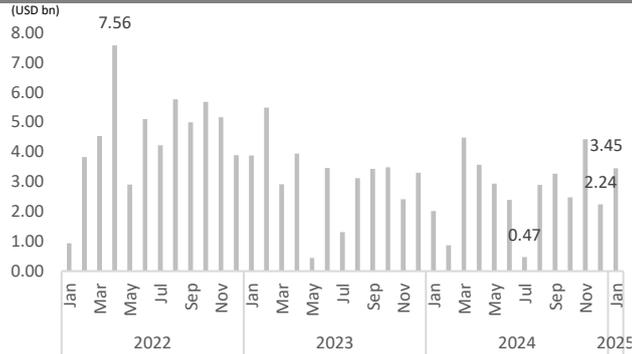
Indonesia's trade surplus continued for the 57th consecutive month since Apr '20, expanding further in Jan '25 to USD3.45 bn (Cons: USD1.91 bn, KBVS: USD1.47 bn, Prev: USD2.24 bn). This was driven by a decline in imports, which contracted by -15.18% MoM or -2.67% YoY (Cons: 9.95% YoY; Prev: 11.07% YoY). Based on the Classification of Goods by Usage, imports declined across all categories, with Consumer Goods down -28.65% MoM, Capital Goods -15.19% MoM, and Raw Materials/Intermediate Goods -13.11% MoM.

The drop in imports was mainly attributed to a sharp decline in Oil & Gas imports, which fell by -24.69% MoM (Prev: 8.10% MoM). This included a significant reversal in Crude Oil imports, which plunged by -38.84% MoM in Jan '25 (Prev: 82.70% MoM), alongside a decline in Refined Oil imports by -19.37% MoM (Prev: 15.34% MoM). This situation led to fuel shortages in the private sector in Jan '25, as supply chain disruptions arose due to the shutdown of a processing unit at a major private fuel supplier in Bukom Island, Singapore—Indonesia's largest source of both crude oil and refined petroleum imports. Meanwhile among Non-Oil & Gas imports, the steepest declines were recorded in Cereals (HS10), down -56.36% MoM; Optical, Photographic, Cinematographic, and Medical Instruments (HS90), down -39.97% MoM; Iron & Steel (HS72), down -23.39% MoM; and Machinery/Mechanical Equipment & Parts (HS84), which contracted by -15.04% MoM.

On the export side, the contraction was more limited at -8.56% MoM, while on a yearly basis, exports still grew by 4.68% YoY (Cons: 6.99% YoY; Prev: 4.78% YoY). A weaker performance in the Oil & Gas sector was also observed in exports, with Crude Oil exports dropping by -69.33% MoM (Prev: 27.98% MoM), Refined Oil exports down -14.92% MoM (Previous: 2.52% MoM), and Natural Gas exports declining by -30.06% MoM (Previous: 24.08% MoM). Among Non-Oil & Gas exports, the largest decline was seen in Mineral Fuels (HS27), which fell by -22.01% MoM, particularly Coal exports, which dropped by -19.33% MoM due to lower export volumes—especially to China—and a price decline of -11.38% MoM in Jan '25. Another significant decrease came from Animal/Vegetable Fats & Oils (HS15), which fell by -18.73% MoM, in line with a -24.01% MoM decline in Crude Palm Oil (CPO) exports. This was driven by lower export volumes to India, Pakistan, China, the U.S, and Bangladesh, coupled with an average monthly price drop of -9.66% in Jan 2025 compared to Dec '24. A similar trend was observed in Iron & Steel (HS72) exports, which fell by -10.41% MoM, as concerns over Trump's tariff policies targeting steel and aluminum exports to the U.S. weighed on trade. This was accompanied by a slight price decline of -0.49% MoM in the same month.

The improvement in the Jan '25 trade surplus is expected to support Rupiah stability, especially with the implementation of the new mandatory Foreign Exchange Proceeds (DHE) regulation, which requires 100% of export proceeds exceeding IDR4.05 bn to be kept domestically for one year, effective Mar 1, '25. However, concerns over the implementation of Trump's tariffs, possible retaliatory measures, and reciprocal trade actions remain key risks that need to be anticipated. These developments could lead to shifts in global supply chains, along with secondary and tertiary effects, including potential changes in production factors, industry relocations, and technology transfers. If strategically leveraged, these shifts could benefit Indonesia by boosting employment absorption and further driving economic growth.

Fig 1. Trade Balance



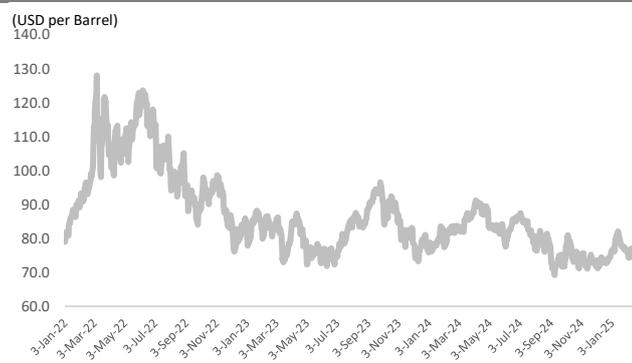
Sources: BPS, KBVS Research - treated (2025)

Fig 2. Export and Import Growth



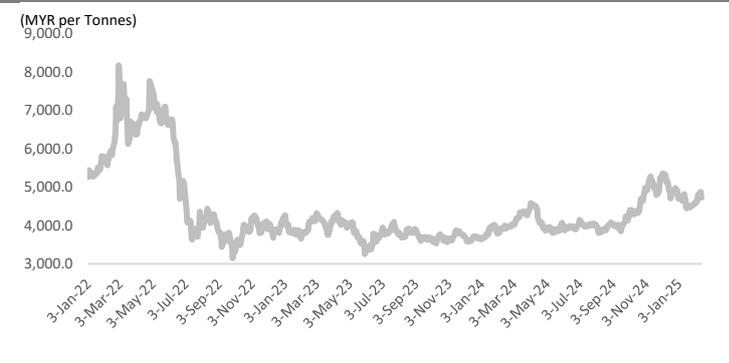
Sources: BPS, KBVS Research - treated (2025)

Fig 3. Brent Oil Futures Price



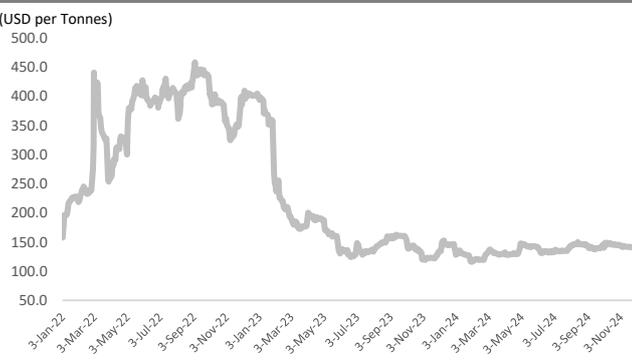
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 4. Palm Oil Futures



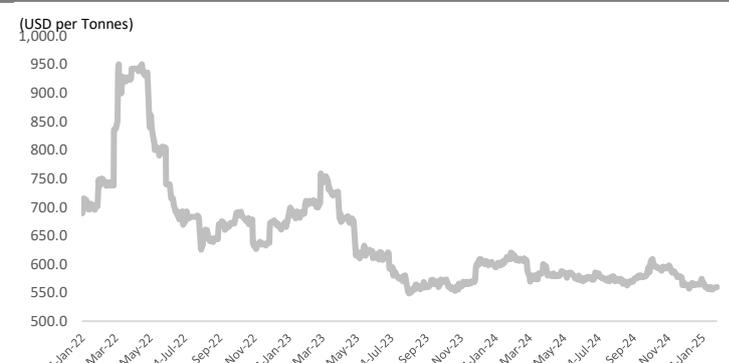
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 5. Newcastle Coal Futures Price



Sources: Bloomberg, KBVS Research - treated (2025)

Fig 6. Steel Rebar Futures Price



Sources: Bloomberg, KBVS Research - treated (2025)

Fig 7. Indonesia's FX Reserves



Sources: Bank Indonesia, KBVS Research - treated (2025)

Fig 8. Rupiah Middle Rates Against USD



Sources: Bloomberg, KBVS Research - treated (2025)

Table 1. Indonesia's Trade Balance				
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	21.45	23.46	-8.56	4.68
Oil and Gas	1.06	1.54	-31.35	-24.38
- Crude Oil	0.07	0.23	-69.33	-54.93
- Processed Oil	0.39	0.47	-14.92	-3.24
- Gas	0.59	0.84	-30.06	-29.09
Non-Oil and Gas	20.39	21.92	-6.96	6.81
- Agriculture, Forestry, and Fisheries	0.55	0.58	-6.35	45.46
- Manufacturing	17.13	17.61	-2.72	14.02
- Mining & Others	2.71	3.73	-27.09	-26.45
Total Import (CIF)	18.00	21.22	-15.18	-2.67
Oil and Gas	2.48	3.30	-24.69	-7.99
- Crude Oil	0.55	0.90	-38.84	-24.47
- Processing Oil	1.93	2.40	-19.37	-1.89
- Gas	0.00	0.00	-	-
Non-Oil and Gas	15.52	17.93	-13.43	-1.76
Import Based on the Goods Usage Classification				
Consumption Goods	1.64	2.31	-28.65	-7.16
Raw/Auxiliary Materials	13.04	15.01	-13.11	-3.15
Capital Goods	3.32	3.91	-15.19	1.74
Trade Balance	3.45	2.24		
Oil and Gas Trade Balance	-1.43	-1.76		
Non-Oil and Gas Trade Balance	4.88	3.99		

Sources: BPS, KBVS Research - treated (2025).

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Jan '25			
Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Latest PMI Manufacturing
China	22.40	40.86	50.1 (Jan '25)
Japan	5.79	7.42	48.7 (Jan '25)
U.S	11.48	4.92	51.2 (Jan '25)
India	6.02	2.93	57.7 (Jan '25)
Thailand	4.06	4.71	49.6 (Jan '25)
South Korea	4.16	4.48	50.3 (Jan '25)
Singapore	2.86	3.35	50.9 (Jan '25)
Malaysia	4.64	3.29	48.7 (Jan '25)
Australia	1.34	2.95	50.2 (Jan '25)
Taiwan	2.31	2.22	51.1 (Jan '25)
Germany	0.92	1.59	45.0 (Jan '25)
Netherlands	1.73	0.44	48.6 (Jan '25)
Italy	0.96	0.98	46.3 (Jan '25)
Total 13 Countries	68.67	80.14	
Others	31.33	19.86	
Total	100.00	100.00	

Sources: BPS, KBVS Research - treated (2025).

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