

## Indonesia's Trade Surplus Shrinks as Export Slump Meets Import Rebound in Oct '25

**Indonesia's external trade position weakened in Oct '25 as exports contracted for the first time in 19 months.** Exports fell -1.79% MoM and -2.31% YoY (Cons: 3.38% YoY; KBVS: -4.34% YoY; Prev: 11.41% YoY), bringing the total export value to USD24.24 bn (Prev: USD24.68 bn). The decline was driven by broad-based weakness across oil and gas commodities—Crude Oil (-54.08% MoM), Refined Petroleum (-2.83% MoM), and Natural Gas (-2.13% MoM). Non-oil and gas shipments also deteriorated, including Iron And Steel (HS72) (-5.51% MoM) and Precious Metals And Jewelry (HS71) (-68.04% MoM). Geographically, export contractions were notable across several key traditional trading partners, including Singapore (-25.67% MoM), Germany (-20.08%), the Netherlands (-14.23%), India (-9.27%), and South Korea (-4.01%), reflecting weakening external demand.

**In contrast, imports rebounded strongly after two consecutive months of contraction, rising 7.42% MoM, although they still recorded a -1.15% YoY decline** (Cons: -1.64% YoY; KBVS: -11.46% YoY; Prev: 7.17% YoY), bringing total imports to USD21.84 bn (Prev: USD20.34 bn). Import growth was led by oil and gas products—crude oil (+6.58% MoM) and refined petroleum (+7.60% MoM). Significant increases also appeared in Iron And Steel (HS72) (+12.69% MoM), Precious Metals And Jewelry (HS71) (+431.87% MoM), and broader categories such as Cereals (HS10) (+52.06% MoM), Miscellaneous Chemical Products (HS38) (+23.94% MoM), and Electrical Machinery (HS85) (+9.34% MoM).

### Outlook and Implications

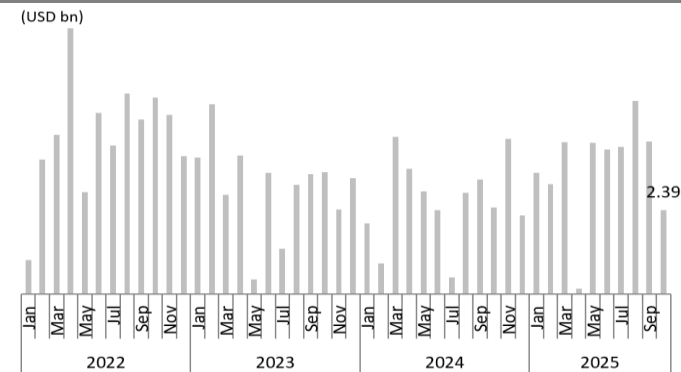
**The sharp reversal between exports and imports narrowed Indonesia's Oct '25 trade surplus to USD2.39 bn** (Cons: USD3.71 bn; KBVS: USD3.93 bn; Prev: USD4.40 bn)—the lowest level since Apr '25. **This smaller surplus is likely to introduce near-term depreciation pressure on the rupiah**, especially ahead of the expected Fed rate cut later this month and amid Bank Indonesia's recent guidance signaling room for further BI rate reductions.

**Looking ahead, downward risks to export performance remain elevated.** China, as the Indonesia's largest export market, reported a decline in its Nov '25 Manufacturing PMI to 49.9 (Cons: 50.5; Prev: 50.6), the weakest since Jul '25. This indicates stagnant output and new orders amid renewed job cuts and subdued purchasing activity, which could weigh on demand for Indonesian exports. In addition, the December crude palm oil (CPO) reference price set at USD 926.14 per tonne, down from USD 963.75 per tonne previously, by the Indonesia's authorities may further dampen the value of Indonesia's CPO exports, particularly to China and India.

**On the import side, rising gold prices**, which climbed through November and opened early December at around USD4,240 per ounce—the highest level in six weeks—pose upside risks to jewelry imports. At the same time, **renewed geopolitical risks**, following the escalation of U.S. rhetoric toward Venezuela and **OPEC+'s decision to maintain its production freeze in 1Q26, may continue to fuel import cost pressures in the coming months.** Although, crude oil prices remain capped by expectations of a potential Russia-Ukraine peace agreement, which could ease sanctions and increase global supply. These pressures are further amplified by seasonally stronger demand for imported consumer goods ahead of Christmas and year-end festivities in Indonesia.

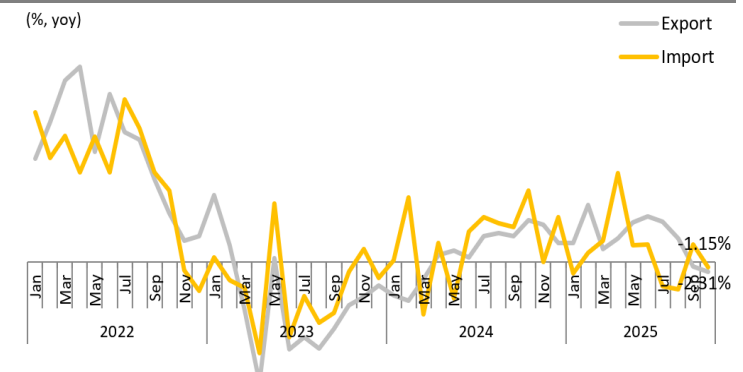
**Given these dynamics, we expect the Rupiah to remain under considerable pressure in the near term. Nevertheless, expectations of a Fed rate cut could emerge as a key mitigating factor, acting as a catalyst for Rupiah appreciation ahead of Bank Indonesia's projected policy rate cut approximately two weeks after the Fed's decision.**

Fig 1. Trade Balance



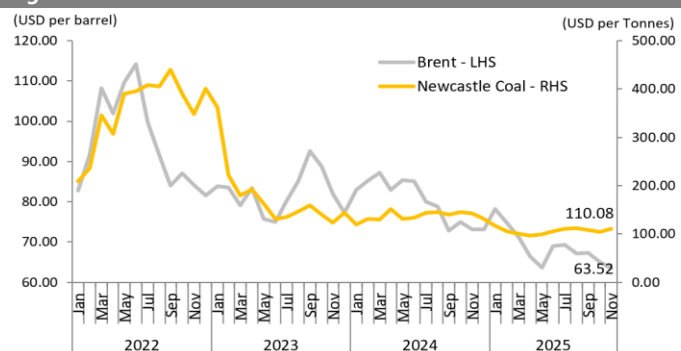
Sources: BPS, KBVS Research – treated (2025)

Fig 2. Export and Import Growth



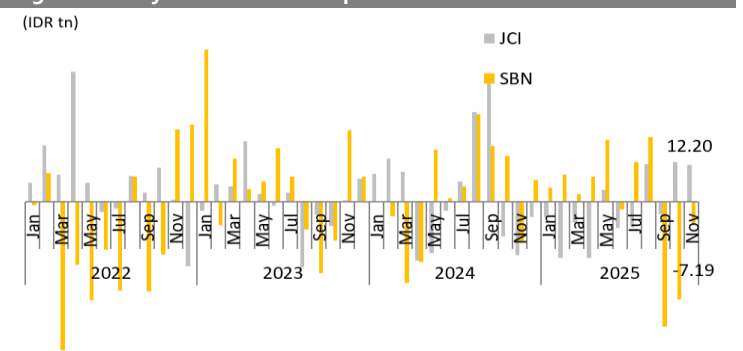
Sources: BPS, KBVS Research – treated (2025)

Fig 3. Oil and Coal Price



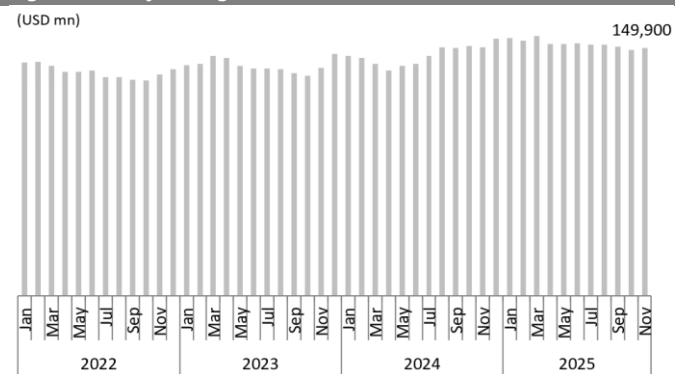
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 4. Monthly Non-Resident Capital Flows



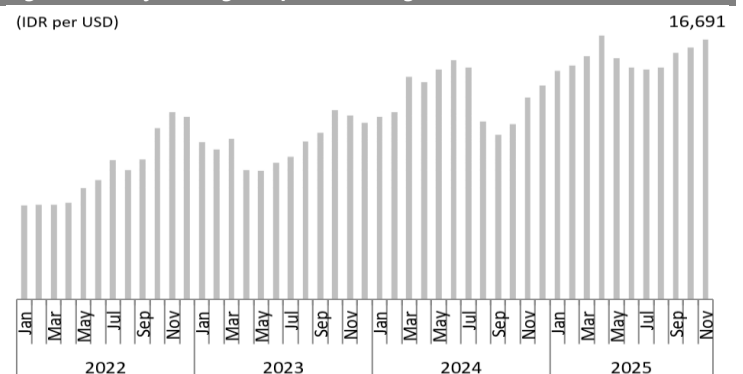
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 5. Monthly Change of FX Reserves



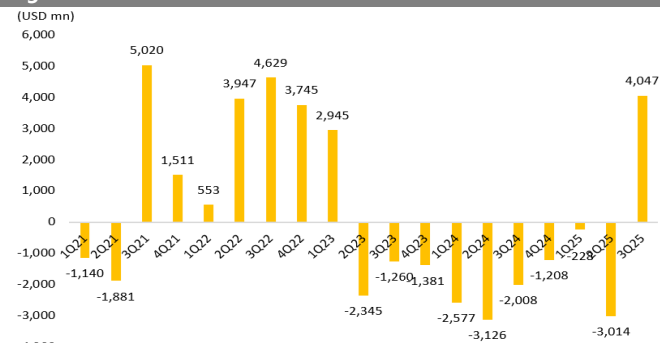
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 6. Monthly Average Rupiah Exchange Rate



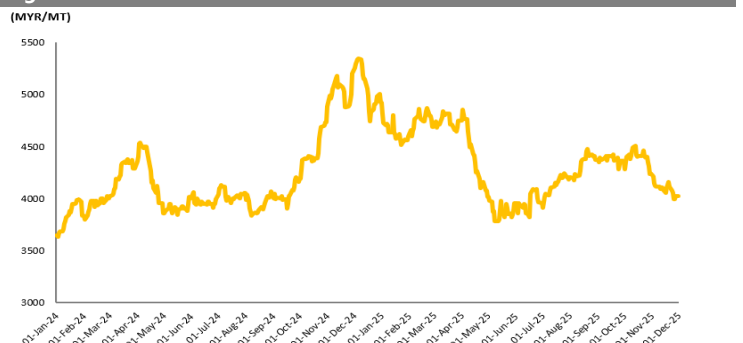
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 7. Indonesia Current Account



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

Fig 8. CPO Price



Sources: Bloomberg, KBVS Research – treated (2025)

Table 1. Indonesia's Trade Balance				
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
<b>Total Export (FOB)</b>	<b>24.24</b>	<b>24.68</b>	<b>-1.79</b>	<b>-2.31</b>
<b>Oil and Gas</b>	<b>0.89</b>	<b>0.99</b>	<b>-10.14</b>	<b>-33.60</b>
- Crude Oil	0.07	0.15	-54.10	-54.86
- Processed Oil	0.24	0.25	-2.79	-40.11
- Gas	0.58	0.60	-2.13	-26.20
<b>Non-Oil and Gas</b>	<b>23.34</b>	<b>23.68</b>	<b>-1.44</b>	<b>-0.51</b>
- Agriculture, Forestry, and Fisheries	0.63	0.63	0.77	-5.05
- Manufacturing	19.97	19.90	0.33	6.06
- Mining & Others	2.74	3.16	-13.08	-30.92
<b>Total Import (CIF)</b>	<b>21.84</b>	<b>20.34</b>	<b>7.41</b>	<b>-1.15</b>
<b>Oil and Gas</b>	<b>2.81</b>	<b>2.64</b>	<b>6.58</b>	<b>-23.32</b>
- Crude Oil	0.82	0.78	4.16	-32.79
- Processing Oil	2.00	1.85	7.60	-18.63
- Gas	0.00	0.00	0.00	0.00
<b>Non-Oil and Gas</b>	<b>19.03</b>	<b>17.70</b>	<b>7.54</b>	<b>3.26</b>
<b>Import Based on the Goods Usage Classification</b>				
Consumption Goods	2.00	1.93	3.67	-1.93
Raw/Auxiliary Materials	15.20	13.83	9.89	-5.18
Capital Goods	4.65	4.58	1.50	15.24
<b>Trade Balance</b>	<b>2.39</b>	<b>4.34</b>	<b>-44.91%</b>	<b>-3.50%</b>
<b>Oil and Gas Trade Balance</b>	<b>-1.92</b>	<b>-1.64</b>	<b>16.69%</b>	<b>-17.35%</b>
<b>Non-Oil and Gas Trade Balance</b>	<b>4.31</b>	<b>5.99</b>	<b>-28.00%</b>	<b>-10.19%</b>

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

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Oct '25				
Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	23.51	40.90	-2,136.70	50.6
Japan	5.73	7.09	230.80	48.3
U.S	11.46	4.76	1,697.60	52.2
India	6.87	2.30	850.80	59.2
Thailand	1.39	4.09	-527.50	49.7
South Korea	3.24	3.74	128.70	49.4
Singapore	2.04	2.13	91.10	47.7
Malaysia	3.66	4.45	-66.70	50.1
Australia	4.43	2.82	531.30	49.5
Taiwan	2.74	4.41	-171.50	56.6
Germany	0.98	1.76	-196.50	49.6
Netherlands	2.09	0.41	409.00	51.8
Italy	1.12	0.84	648.00	49.9
Total 13 Countries	69.26	79.70	1,488.40	
Others	30.74	20.30	2,822.30	
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>4,310.70</b>	

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

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