

Resilient Trade Surplus Amid Weak Transmission to FX Reserves and Domestic Liquidity

Indonesia extended its trade surplus streak to 68 consecutive months in Dec '25, recording a surplus of USD2.52 bn (Cons: USD2.53 bn; KBVS: USD3.36 bn; Prev: USD2.66 bn). With the additional surplus in December, full-year 2025 trade surplus reached USD41.05 bn, representing a 31.04% increase YoY from USD31.33 bn in 2024. This improvement was driven by stronger export growth, which rose 6.15% YoY to USD282.91 bn (2024: USD266.53 bn), while imports increased at a more moderate pace of 2.83% YoY to USD241.86 bn (2024: USD235.19 bn).

By commodity group (HS 2-digit), the largest export contributor in 2025 was Animal/Vegetable Fats and Oils (HS15), which surged 27.94% YoY to USD34.36 bn, supported by a sharp 71.75% MoM increase in Dec '25 to USD3.79 bn. Exports of Electrical Machinery and Equipment (HS85) also posted robust growth, rising 26.56% YoY to USD19.19 bn (2024: USD15.17 bn). Although December exports edged down 1.94% MoM, they still grew 11.08% YoY compared with Dec '24. Meanwhile, Nickel and Related Products (HS75) recorded a 21.69% YoY increase throughout 2025. In December alone, exports surged 29.87% MoM and 59.92% YoY, supported by rising global nickel prices. Nickel futures price reached USD16,775.63 per ton, the highest level since Oct '24.

On the import side, the largest annual increase came from Miscellaneous Chemical Products (HS38), which rose 38.17% YoY to USD5.19 bn (2024: USD3.76 bn). On a monthly basis, refined oil product imports recorded the sharpest rise, increasing 25.54% MoM to USD2.49 bn (Prev: USD1.99 bn). However, this represented a relatively modest 4.04% YoY increase compared with Dec '24.

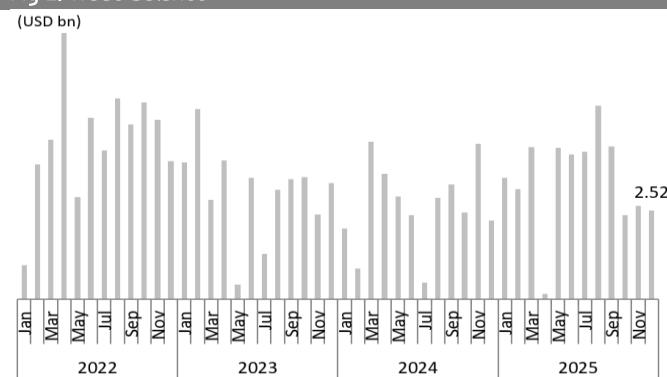
External Balance and Liquidity Conditions

Despite the stronger trade surplus performance, foreign exchange reserves remained relatively stable, rising marginally from USD155.72 bn at end-2024 to USD156.47 bn at end-2025. This indicates that the FX from Export Proceeds (DHE) repatriation policy has yet to be fully effective in encouraging onshore FX placement. This is also reflected in the Net Foreign Asset (NFA) position, which increased by only IDR129.76 tn (approximately USD0.7 bn) over the same period. Meanwhile, reserve data as of Dec '25 showed a significant decline in net claims on the government, falling by IDR247.03 tn, from IDR417.47 tn to IDR170.44 tn. This likely reflects the transfer of government fiscal balances (SILPA) to commercial banks, which also contributed to the increase in base money through higher currency circulation and BI giro balances. Excluding government fund transfers, base money growth remained subdued, rising only IDR24.29 tn (1.25% YoY), highlighting the low domestic money velocity throughout 2025.

Outlook

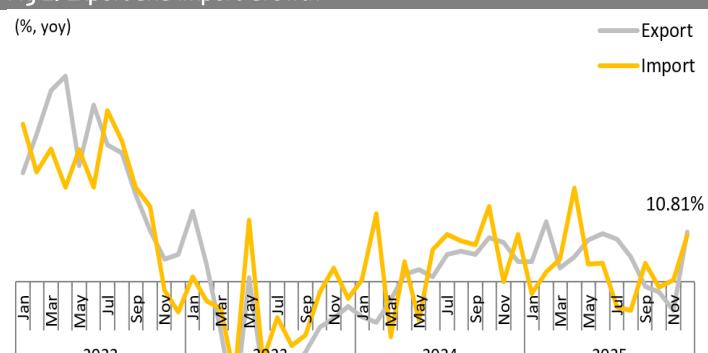
Looking ahead, we expect Indonesia's trade surplus to remain intact, supported by the continued improvement in manufacturing activity. The Manufacturing PMI rose further to 52.6 (Prev: 51.2) in Jan '26, indicating sustained global competitiveness of Indonesian products, **which should help support rupiah stability.** Additionally, the government's food self-sufficiency program is expected to gradually reduce food imports. **However, seasonal demand related to Lunar New Year, Ramadan, and Eid may drive higher imports of refined oil products and consumer goods in the near term.** Furthermore, export restrictions on selected mineral commodities could pose downside risks to export performance in January–February 2026.

Fig 1. Trade Balance



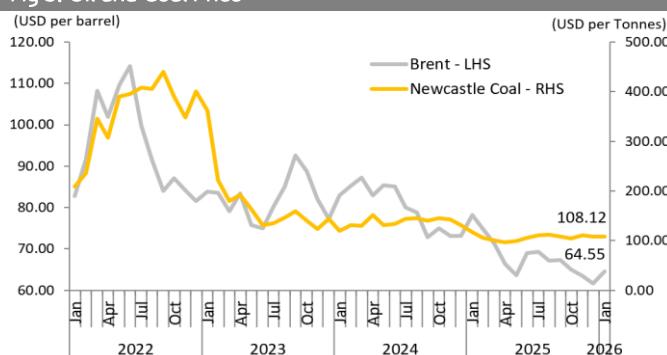
Sources: BPS, KBVS Research - treated (2026)

Fig 2. Export and Import Growth



Sources: BPS, KBVS Research - treated (2026)

Fig 3. Oil and Coal Price



Sources: Bloomberg, KBVS Research - treated (2026)

Fig 4. Monthly Non-Resident Capital Flows

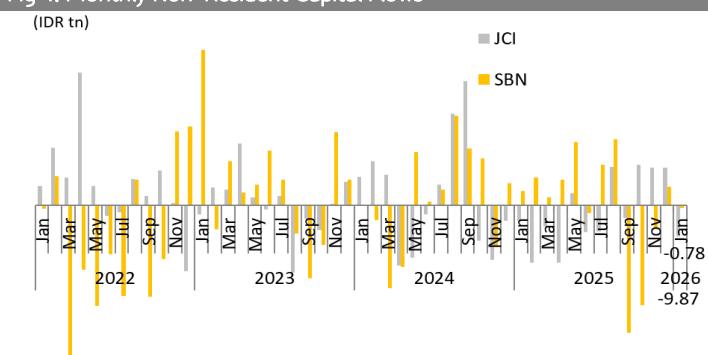
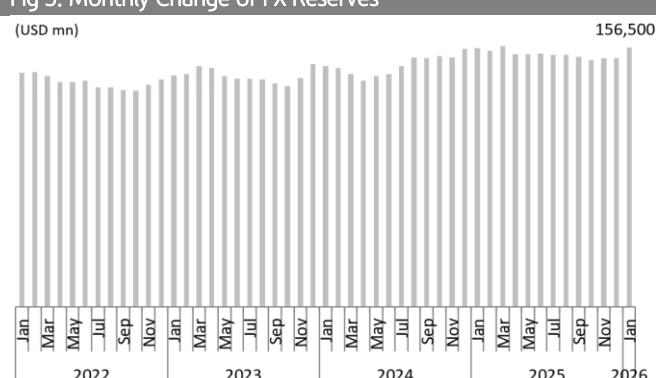
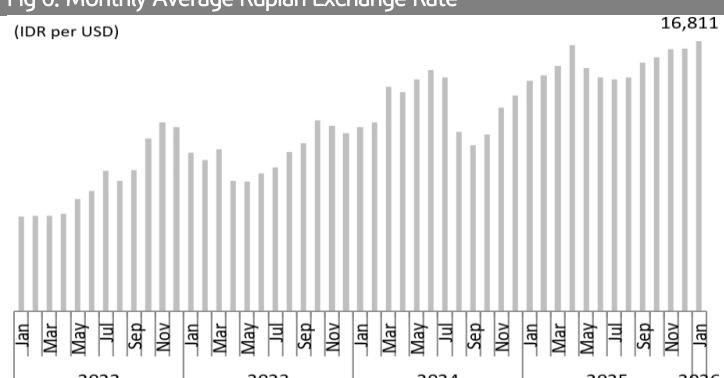


Fig 5. Monthly Change of FX Reserves



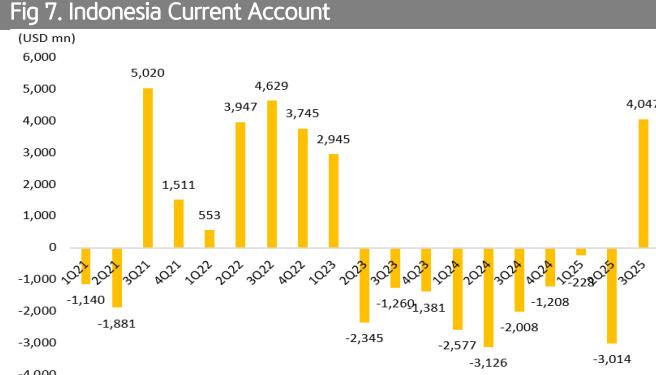
Sources: Bloomberg, KBVS Research - treated (2026)

Fig 6. Monthly Average Rupiah Exchange Rate



Sources: Bloomberg, KBVS Research - treated (2026)

Fig 7. Indonesia Current Account



Sources: Bank Indonesia, KBVS Research - treated (2026)

Fig 8. CPO Price

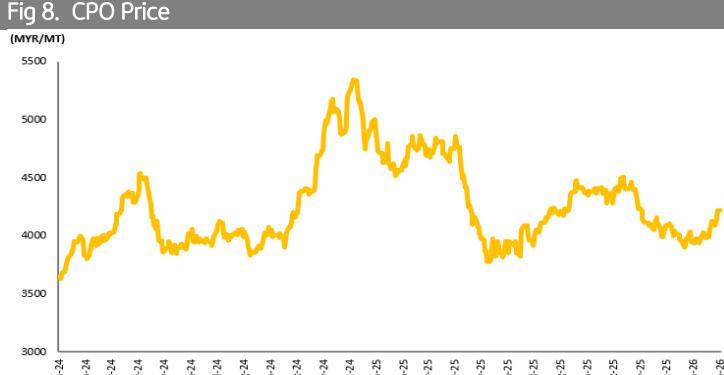


Table 1. Indonesia's Trade Balance

Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	26.35	22.52	16.99	11.64
Oil and Gas	1.26	0.88	42.84	-18.14
– Crude Oil	0.14	0.15	-11.47	-41.17
– Processed Oil	0.38	0.22	71.57	-18.07
– Gas	0.74	0.51	46.61	-11.85
Non-Oil and Gas	25.09	21.64	15.93	13.72
– Agriculture, Forestry, and Fisheries	0.52	0.54	-5.06	-10.91
– Manufacturing	21.17	18.11	16.90	19.25
– Mining & Others	3.40	2.99	13.90	-8.78
Total Import (CIF)	23.83	19.86	20.02	10.81
Oil and Gas	3.35	2.86	17.31	1.71
– Crude Oil	0.86	0.87	-1.41	-4.52
– Processing Oil	2.49	1.99	25.54	4.05
– Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	20.48	17.00	20.47	12.46
Import Based on the Goods Usage Classification				
Consumption Goods	2.41	1.99	21.19	4.56
Raw/Auxiliary Materials	16.10	13.60	18.42	5.58
Capital Goods	5.32	4.27	24.58	34.66
Trade Balance	2.51	2.66	-5.62%	12.17%
Oil and Gas Trade Balance	-2.09	-1.98	5.92%	18.94%
Non-Oil and Gas Trade Balance	4.61	4.64	-0.70%	15.15%

Sources: BPS, KBVS Research - treated (2026).

Table 2. Indonesia's Non-Oil and Gas Main Trading Partner in Dec '25

Countries	Share Export From Indonesia (%)	Share Import To Indonesia (%)	Trade Balance of Non-Oil & Gas with Indonesia	Latest PMI Manufacturing
China	24.02	41.60	-2,892.50	50.3
Japan	5.75	6.90	294.20	51.5
U.S	11.47	4.70	1,915.40	51.9
India	6.79	2.25	1,452.00	56.8
Thailand	1.37	4.10	-545.50	52.3
South Korea	3.32	3.64	311.00	51.2
Singapore	1.99	2.06	44.30	51.7
Malaysia	3.66	4.52	-89.60	50.3
Australia	4.34	2.78	476.40	50.2
Taiwan	2.74	4.22	-172.00	52.7
Germany	0.93	1.72	-135.80	48.7
Netherlands	2.06	0.42	414.40	51.1
Italy	1.05	0.84	-27.50	47.9
Total 13 Countries	69.49	79.75	1,044.80	
Others	30.51	20.25	3,561.30	
Total	100.00	100.00	4,606.10	

Sources: BPS, KBVS Research - treated (2026).

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