

# PIER Snapshot: Feb-24 Trade Balance

## 15 March 2024

### The Trade Balance Registered Its Smallest Surplus since May-23

Authors: Josua Pardede – Chief Economist – [josua.pardede@permatatabank.co.id](mailto:josua.pardede@permatatabank.co.id) – 021-5237788 (8029650)  
 Faisal Rachman – Head of Macro. & Fin. Market Research – [faisal.rachman1@permatatabank.co.id](mailto:faisal.rachman1@permatatabank.co.id) – 021-5237788 (8044866)  
 Adjie Harisandi – Head of Industry & Reg. Research – [adjie.harisandi@permatatabank.co.id](mailto:adjie.harisandi@permatatabank.co.id) – 021-5237788 (8041640)  
 Golbie Ardie – Economist – [golbie.ardie@permatatabank.co.id](mailto:golbie.ardie@permatatabank.co.id) – 021 5237788 (8038871)

## Trade Review

- **The trade surplus fell short of expectations amid a solid figure of imports.**

In Feb-24, the trade surplus decreased to USD0.87 billion from USD2.00 billion in the previous period, primarily due to a larger monthly contraction in exports compared to imports. On an annual basis, export performance declined while imports notably increased. Cumulatively, the trade surplus amounted to USD2.87 billion in Jan – Feb-24, significantly lower than the surplus recorded in the same period in 2023, which stood at USD9.28 billion.

- **Exports decreased because of reduced demand from China during the Lunar New Year holiday.**

Monthly exports in Feb-24 experienced a 5.79% mom decrease compared to the previous month, while on an annual basis, exports plunged by 9.45% yoy. This decline in exports was primarily attributed to diminished demand from China during their long holiday period. Specifically, exports to China contracted by USD489.5 million, marking the most significant decline among Indonesia's main export destinations. The main product affected by China's long holiday was iron and steel, which experienced a decrease in exports amounting to USD622.5 million. The long holiday impacted manufacturing activities, leading to lower demand for iron and steel products. Furthermore, despite the global rise in crude palm oil (CPO) prices in Feb-24, CPO-related product exports also contracted. This contraction was driven by decreased global demand for CPO due to lower prices of vegetable oil substitutes. Importing countries shifted their demand towards cheaper vegetable oil alternatives as CPO prices remained relatively higher compared to other vegetable oils.

- **Annual imports increased due to higher imports of oil/gas and consumer goods.**

Annual import growth surged to 15.84% yoy in Feb-24, a significant increase from the 0.28% yoy growth recorded in the previous month, while monthly imports experienced a slight contraction of 0.29% mom. The annual import growth was primarily driven by increased imports of oil/gas and consumer goods. Monthly oil/gas imports grew by 10.42% mom, equivalent to a 23.82% yoy increase. This upward trend in oil/gas imports was attributed to Pertamina's preparations ahead of Ramadan and Eid al-Fitr holidays, during which domestic demand for oil is significantly high, prompting Pertamina to bolster domestic stockpiles. Among non-oil/gas products, consumer goods imports recorded robust growth, expanding by 36.49% yoy, the highest growth rate among other types of goods. One of the main contributors to the increase in consumer goods imports was rice-related products, driven by rising domestic demand during the El-Nino season and in anticipation of Ramadan and Eid al-Fitr holidays.

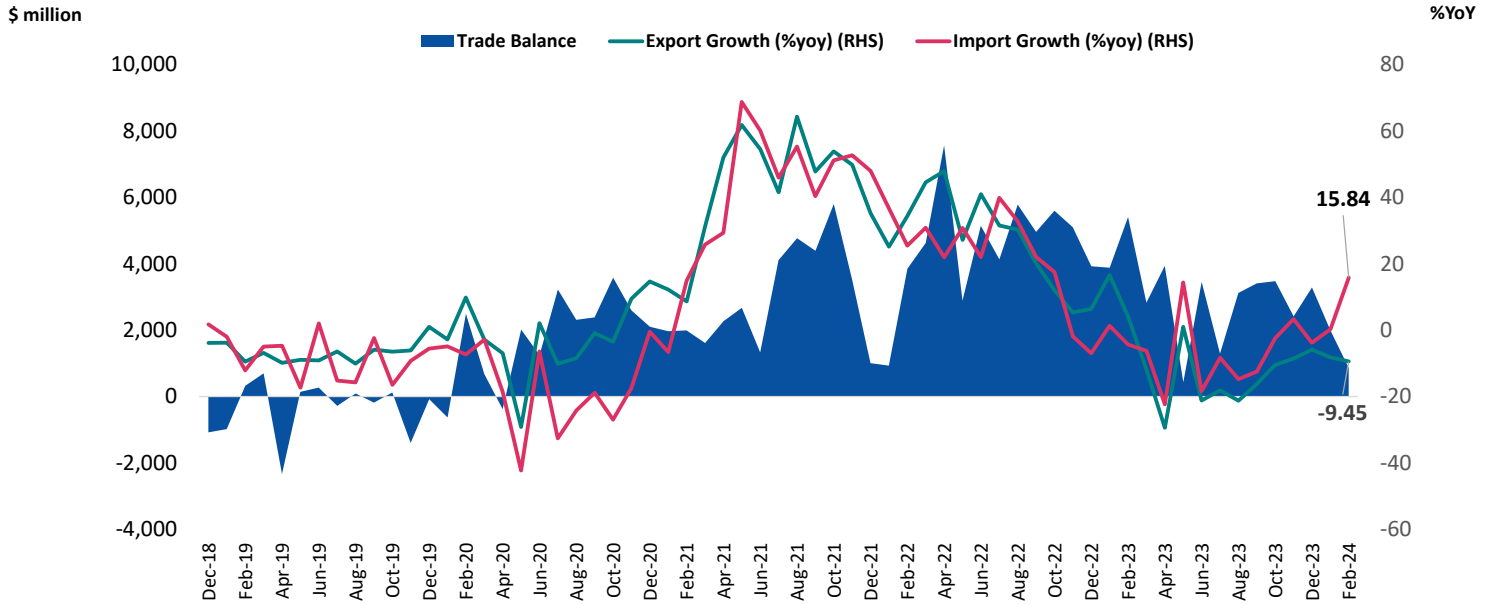
- **Economic implication.**

The narrowing trend of trade surplus, which is seen to continue going forward, increases the likelihood of widening current account deficit. We anticipate that the current account deficit in 1Q24 will widen to 0.38% of GDP, with a full-year 2024 deficit of 0.70% of GDP. The widening of the current account deficit may exert pressure on the stability of the Rupiah, especially in 1H24. However, in 2H24, the impact of the widening current account deficit is expected to lessen due to the potential for global policy rate cuts. As investors become less cautious about the 2024 general election and the possibility of global policy rate cuts arises in 2H24, we anticipate a boost in risk-on sentiment in emerging markets, including Indonesia, leading to increased capital inflows in both direct and portfolio investments. Consequently, we predict a trend of Rupiah appreciation in 2H24, transitioning from Rp15,397 per USD at the end of 2023 to approximately Rp15,000 – 15,300 per USD by the end of 2024.

# PIER Snapshot: Feb-24 Trade Balance

15 March 2024

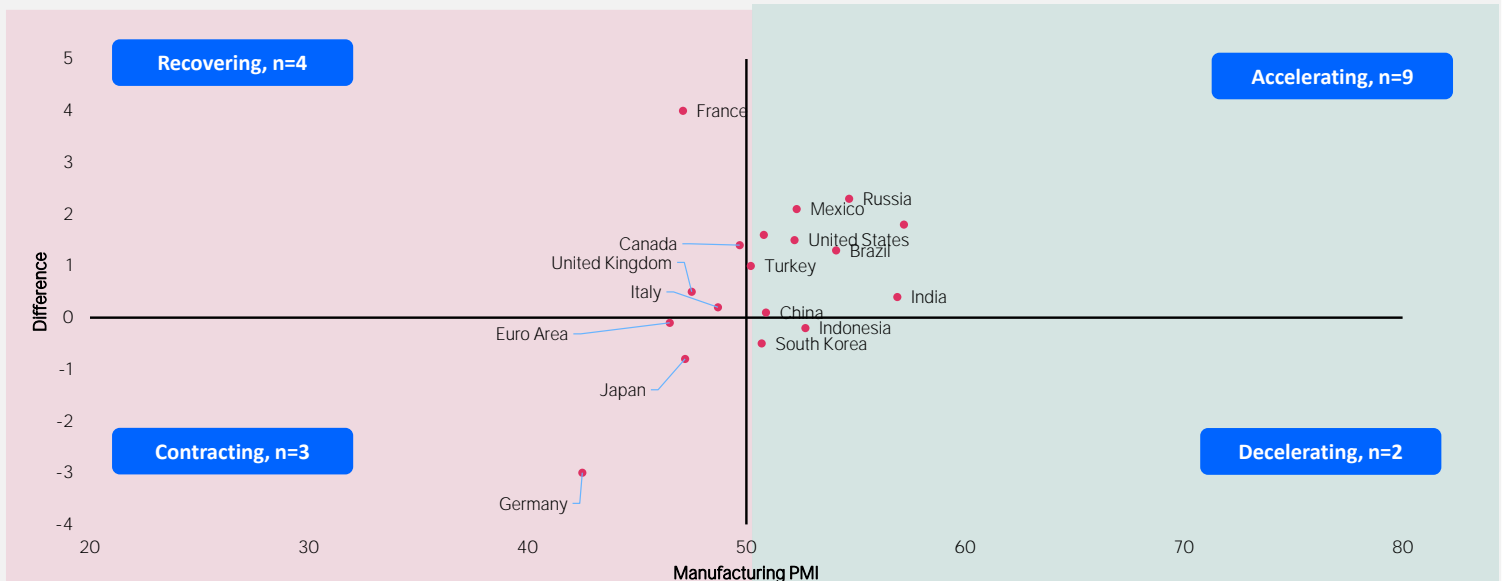
## Indonesia's Trade Performance



Source: BPS & PermataBank Economic Research

## Global Manufacturing Activities

### Purchasing Manager Index (PMI) in G20 Countries (Feb-24)

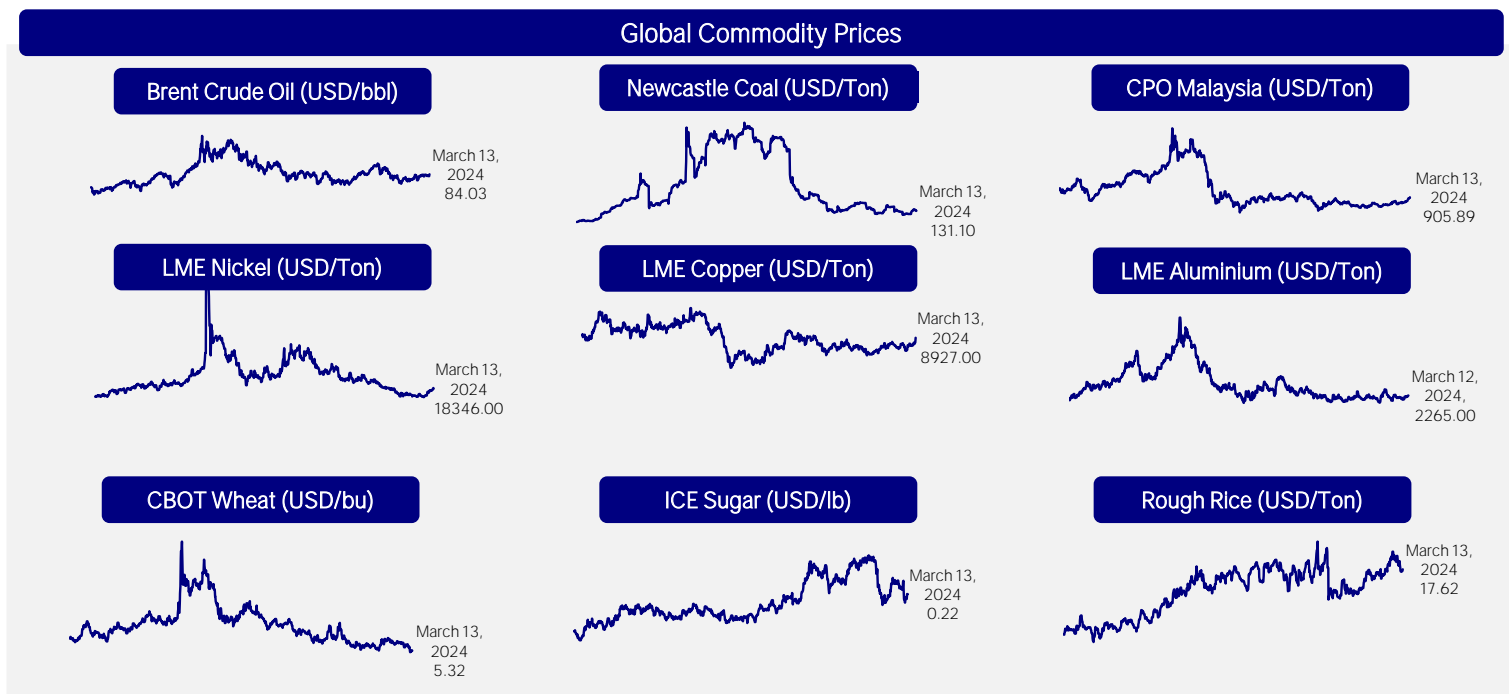


Source: Bloomberg & PermataBank Economic Research

# PIER Snapshot: Feb-24 Trade Balance

## 15 March 2024

### The Trend of Commodity Prices in Feb-24



### Historical Exports and Imports in 2018 – 2024

(in \$mn)	Exports			Imports			Trade Balance		
	TOTAL	Non Oil&Gas Export	Oil&Gas Export	TOTAL	Non Oil&Gas Import	Oil&Gas Import	TOTAL	Non Oil&Gas Balance	Oil&Gas Balance
FY2018	180,013	162,841	17,172	188,711	158,842	29,869	-8,699	3,999	-12,697
FY2019	167,683	155,894	11,789	171,276	149,390	21,885	-3,593	6,503	-10,096
FY2020	163,192	154,941	8,251	141,569	127,312	14,257	21,623	27,629	-6,006
FY2021	231,609	219,362	12,248	196,190	170,661	25,529	35,420	48,701	-13,282
FY2021	231,609	219,362	12,248	196,190	170,661	25,529	35,420	48,701	-13,282
FY2022	291,904	275,906	15,998	237,447	197,031	40,416	54,457	78,875	-24,418
Jan-23	22,324	20,836	1,488	18,443	15,537	2,906	3,881	5,299	-1,418
Feb-23	21,321	20,135	1,187	15,919	13,513	2,407	5,402	6,622	-1,220
Mar-23	23,416	22,078	1,338	20,588	17,573	3,015	2,828	4,505	-1,677
Apr-23	19,284	18,025	1,259	15,348	12,393	2,955	3,936	5,633	-1,696
May-23	21,707	20,398	1,309	21,280	18,145	3,135	427	2,254	-1,827
Jun-23	20,601	19,342	1,260	17,150	14,928	2,222	3,451	4,413	-963
Jul-23	20,862	19,635	1,227	19,570	16,438	3,132	1,292	3,197	-1,905
Aug-23	21,998	20,679	1,319	18,880	16,218	2,662	3,118	4,461	-1,343
Sep-23	20,747	19,341	1,405	17,342	14,013	3,329	3,405	5,328	-1,924
Oct-23	22,147	20,776	1,370	18,673	15,466	3,207	3,474	5,310	-1,836
Nov-23	21,998	20,715	1,283	19,587	16,098	3,489	2,412	4,618	-2,206
Dec-23	22,392	20,913	1,479	19,107	15,735	3,372	3,285	5,179	-1,894
FY2023	258,797	242,875	15,923	221,886	186,056	35,830	36,911	56,819	-19,908
Jan-24	20,494	19,097	1,398	18,495	15,796	2,698	2,000	3,300	-1,301
Feb-24	19,307	18,090	1,217	18,440	15,461	2,980	867	2,630	-1,763
Jan-Feb-23	43,645	40,971	2,674	34,362	29,050	5,313			
Jan-Feb-24	39,801	37,187	2,615	36,935	31,257	5,678			
Growth	-8.8	-9.2	-2.2	7.5	7.6	6.9			

# PIER Snapshot: Feb-24 Trade Balance

## 15 March 2024

### PIER's Economic & Market Forecast

	2019	2020	2021	2022	2023	1Q24F	2Q24F	3Q24F	4Q24F	2024F	2025F	2026F
<b>National Account</b>												
Real GDP (% yoy)	5.02	-2.07	3.70	5.31	5.05	5.10	5.11	5.05	5.00	5.07	5.15	5.26
Real Consumption: Private (% yoy)	5.04	-2.63	2.02	4.93	4.82	5.18	5.20	5.15	5.05	5.14	5.10	5.12
Real Consumption: Government (% yoy)	3.27	2.12	4.24	-4.51	2.95	5.05	4.79	4.81	5.05	4.93	5.52	6.09
Real Gross Fixed Capital Formation (% yoy)	4.45	-4.96	3.80	3.87	4.40	4.58	4.23	5.13	5.11	4.78	5.83	6.62
Real Export (% yoy)	-0.48	-8.42	17.95	16.28	1.32	-5.23	-2.39	1.27	4.95	-0.29	9.62	10.41
Real Import (% yoy)	-7.13	-17.60	24.87	14.75	-1.65	-4.63	-2.95	2.88	6.36	0.57	11.82	12.65
Nominal GDP (IDR tn) - nominal	15,832.66	15,443.35	16,976.75	19,588.09	20,892.38	5,485.18	5,656.44	5,727.52	5,731.41	22,600.55	24,479.95	26,548.14
Nominal GDP (USD bn) - nominal	1,119.10	1,059.93	1,186.29	1,318.68	1,371.47	355.01	366.11	374.25	378.60	1,473.98	1,641.11	1,807.17
<b>Inflation &amp; Unemployment</b>												
Headline Inflation Rate (2022=100, % yoy, avg)	2.82	2.04	1.56	4.14	3.73	2.97	3.10	3.15	3.07	3.07	3.15	3.18
Headline Inflation Rate (2022=100, % yoy, eop)	2.59	1.68	1.87	5.41	2.81	3.05	3.18	3.12	3.08	3.08	3.25	3.15
Unemployment Rate (%)	5.18	7.07	6.49	5.86	5.32	5.14	5.14	5.28	5.28	5.28	5.14	4.91
<b>Fiscal Condition</b>												
Fiscal Balance (% of GDP)	-2.20	-6.14	-4.57	-2.35	-1.65	0.25	0.05	-0.75	-2.14	-2.14	-2.00	-2.04
IDR 10-year Bond Yield (%)	7.06	5.89	6.38	6.94	6.48	6.62	6.65	6.33	6.26	6.26	6.04	5.63
<b>External Sector</b>												
Trade Balance (USD bn)	-3.59	21.62	35.42	54.46	36.91	7.56	6.11	5.44	6.52	25.63	23.41	17.22
Goods Balance (USD bn)	3.51	28.30	43.81	62.67	46.35	9.57	8.13	7.44	8.54	33.68	31.44	25.24
Current Account (USD bn)	-30.28	-4.43	3.51	13.22	-1.57	-1.35	-3.37	-3.31	-2.36	-10.38	-18.67	-26.63
Current Account (% of GDP)	-2.71	-0.42	0.30	1.00	-0.11	-0.38	-0.92	-0.88	-0.60	-0.70	-1.13	-1.46
Foreign Reserves (USD bn)	129.18	135.90	144.91	137.23	146.38	151.84	143.24	143.87	152.18	152.18	156.04	157.88
USD/IDR (avg)	14,141	14,529	14,297	14,874	15,248	15,451	15,450	15,304	15,138	15,336	14,918	14,691
USD/IDR (eop)	13,866	14,052	14,253	15,568	15,397	15,468	15,444	15,241	15,093	15,093	14,783	14,565
<b>Commodity Price</b>												
Coal Price (USD/MT)	66.2	83.0	169.7	379.2	141.8	133.1	124.4	121.0	117.5	117.5	103.8	90.3
CPO Price (USD/MT)	763.7	1,016.4	1,270.3	940.4	797.8	805.8	813.7	821.7	829.6	829.6	818.0	808.3
Oil Price (USD/BBL)	65.85	49.87	74.31	80.90	77.9	77.8	77.7	79.0	80.3	80.3	84.1	85.4
<b>Interest Rate</b>												
Fed Funds Rate (%)	1.75	0.25	0.25	4.50	5.50	5.50	5.50	5.25	4.75	4.75	3.75	2.75
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	6.00	6.00	5.50	5.50	4.50	4.00
Average Lending Rate (%)	10.52	9.67	9.16	9.16	9.27	9.28	9.23	9.21	9.15	9.15	8.55	8.00
<b>Banking Sector</b>												
Loan (% yoy)	6.08	-2.40	5.24	11.35	10.38	10.48	10.58	10.69	10.79	10.79	11.34	11.78
TPF (% yoy)	6.54	11.11	12.21	9.01	3.73	4.84	6.28	8.15	10.57	10.57	9.39	9.22
LDR (%)	94.8	83.2	77.8	79.7	83.8	84.8	86.1	85.9	84.0	84.0	85.5	87.5
<b>Real Sector</b>												
Car Sales (Unit)	1,030,126	532,027	887,202	1,048,040	1,005,802	313,529	202,128	252,240	279,733	1,047,630	1,071,763	1,144,675
Car Sales (% yoy)	-10.5	-48.4	66.8	18.1	-4.0	-1.0	-9.7	1.2	25.4	4.2	2.3	6.8
Motorcycles Sales (Unit)	6,487,460	3,660,616	5,057,516	5,221,470	6,236,992	2,144,597	1,026,925	1,604,918	1,502,065	6,278,505	6,300,894	6,436,790
Motorcycles Sales (% yoy)	1.6	-43.6	38.2	3.2	19.4	17.6	-25.5	5.6	-0.9	0.7	0.4	2.2

Source: Permata Institute for Economic Research (PIER)

# PIER Snapshot: Feb-24 Trade Balance

## 15 March 2024

To get our latest analysis and research, please visit:



### Permata Institute for Economic Research (PIER)

**Josua Pardede**  
[josua.pardede@permatabank.co.id](mailto:josua.pardede@permatabank.co.id)

Chief Economist

**Faisal Rachman**  
[faisal.rachman1@permatabank.co.id](mailto:faisal.rachman1@permatabank.co.id)

Head of Macroeconomic & Financial Market Research

**Adjie Harisandi**  
[adjie.harisandi@permatabank.co.id](mailto:adjie.harisandi@permatabank.co.id)

Head of Industry & Regional Research

**Qolbie Ardie**  
[qolbie.ardie@permatabank.co.id](mailto:qolbie.ardie@permatabank.co.id)

Economist

**Ani Utami**  
[ani.utami@permatabank.co.id](mailto:ani.utami@permatabank.co.id)

Industry Analyst

#### **PT. Bank Permata,Tbk.**

WTC II, 30th Floor  
 Jl. Jend Sudirman Kav.29-31  
 Jakarta 12920, Indonesia  
 Telephone: +62 21 523 7788  
 Fax: + 62 21 523 7253

This document is issued by Economic Research Division PT Bank Permata Tbk. (PermataBank) for information and private circulation purpose only. It does not constitute any offer, proposal, recommendation, or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movement in rates or prices or any representation that any such future movement will not exceed those shown in any illustration. All reasonable care has been taken in preparing this document, no responsibility or liability is accepted for error, omissions, negligence, and/or inaccuracy of fact or for any opinion expressed herein. Opinion, projection, and estimates are subject to change without notice. PermataBank and/or its members of Board of Director and Commissioners, employees, affiliates, agents and/or its advisors disclaims any and all responsibility or liability relating to or resulting from the use of this document whatsoever which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this document. You are advised to make your own independent judgment with respect to any matter contained herein, by fully aware of any consequences obtained on said judgment.