

# PIER Snapshot: Nov-23 Trade Balance

15 December 2023

## Trade Surplus Narrowed as Oil & Gas Import Surged

Authors: Josua Pardede – Chief Economist – [josua.pardede@permatbank.co.id](mailto:josua.pardede@permatbank.co.id) – 021-5237788 (8029650)

Faisal Rachman – Head of Macro. & Fin. Market Research – [faisal.rachman1@permatbank.co.id](mailto:faisal.rachman1@permatbank.co.id) – 021-5237788 (8044866)

Adjie Harisandi – Head of Industry & Reg. Research – [adjie.harisandi@permatbank.co.id](mailto:adjie.harisandi@permatbank.co.id) – 021-5237788 (8041640)

Golbie Ardie – Economist – [golbie.ardie@permatbank.co.id](mailto:golbie.ardie@permatbank.co.id) – 021 5237788 (8038871)

### Trade Review

- **The trade balance maintained a surplus, albeit at a level below that of the preceding month.**

The trade surplus significantly decreased to USD2.41 billion in Nov-23, down from the Oct-23 figure of USD3.47 billion. Export contraction and import growth were reported during this period. The cumulative trade balance for Jan – Nov-23 showed a surplus of USD33.63 billion, a substantial decline from the USD50.54 billion surplus recorded in the corresponding period the previous year.

- **Export declined because of the poor performance in nickel export.**

There was a 0.67% mom decrease or an 8.56% yoy contraction in export in Nov-23, primarily influenced by a decline in nickel export performance amid lower price, related to relatively weaker demand of China. Within the commodity groups based on Harmonized System (HS), the main contributors to export contraction were iron and steel, decreasing by USD167.1 million (-6.82% mom), nickel articles and thereof, declining by USD112.7 million (-17.16% mom), and dregs and food waste, falling by USD72.6 million (-27.80% mom). The decline in nickel prices by -6.85% mom observed in Nov-23 was attributed to uncertainties surrounding the global economic outlook, particularly concerning China's economy. China was the largest importer of Indonesia's nickel products. Indonesia's export to China, in total, experienced a notable drop of USD372.4 million (-6.44% mom), emerging as the primary source of Indonesia's export contraction in Nov-23. Cumulatively, export from Jan – Nov-23 contracted by -11.83% yoy.

- **Import recorded growth, primarily fueled by a notable increase in oil import.**

Import rose in Nov-23, driven by a surge in oil & gas imports. Overall, import increased by 4.89% mom or 3.29% yoy, with oil & gas imports registering an 8.79% mom growth and a substantial 24.41% yoy increase. This growth was primarily attributed to refined oil, which saw a USD202.0 million increase, marking a 10.77% mom growth and a 28.38% yoy rise. The heightened oil import activity may be linked to increased demand in Indonesia, particularly during the Christmas and New Year holidays, as well as preparations for the 2024 general election. Notably, oil prices experienced a weakening trend throughout Nov-23. Non-oil & gas import also witnessed a monthly increase of 4.08% mom, although it remained lower than oil & gas import growth. On an annual basis, non-oil & gas import showed a slight contraction of -0.37% yoy. The growth in non-oil & gas import was driven by increased import for iron and steel, up by USD138.7 million (16.34% mom) which was related to infrastructure projects (National Strategic Projects). Additionally, import for dregs and food waste increased by USD88.2 million (31.98% mom), and fertilizer import rose by USD87.2 million (76.58% mom). Cumulatively, import from Jan – Nov-23 declined by -6.80% yoy.

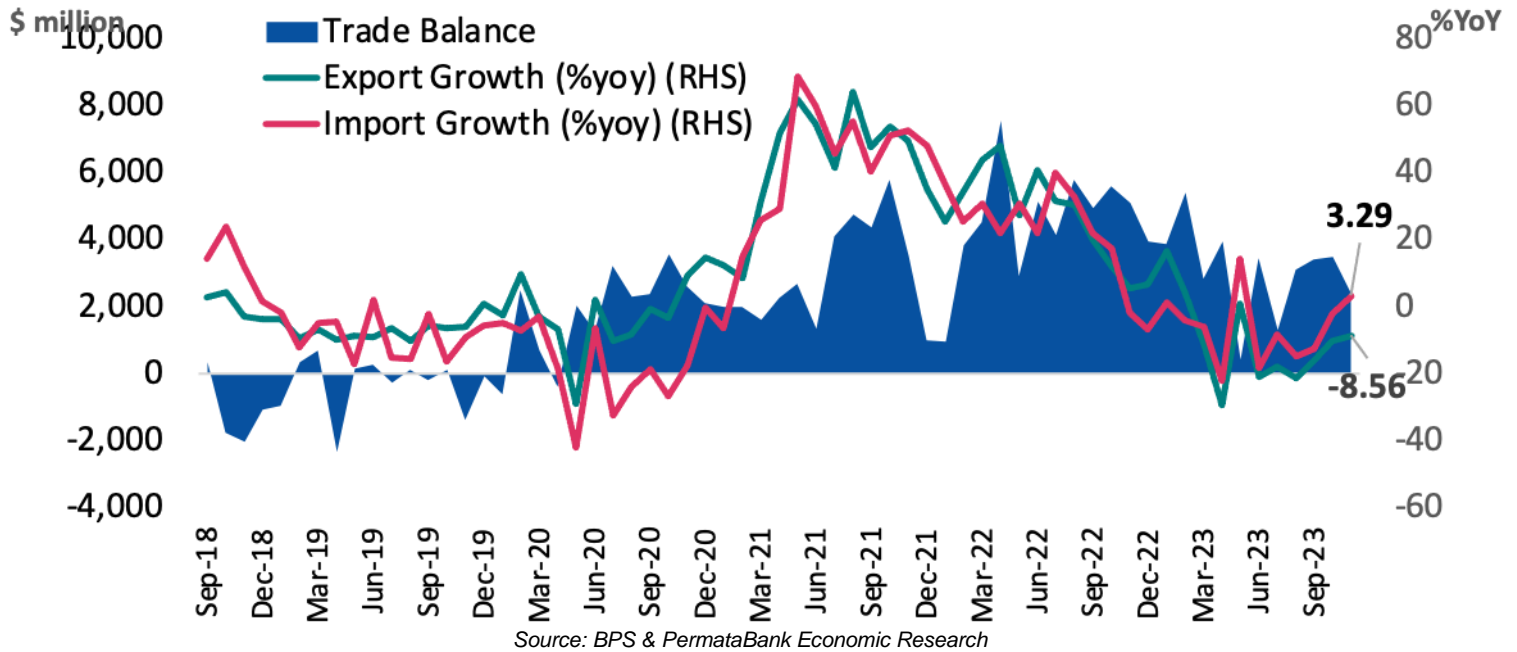
- **Economic implication.**

The waning strength of export, influenced by declining commodity prices due to weakened global demand, is expected to be counterbalanced by a relatively robust import performance. This resilience is attributed to the enduring strength of the domestic economy, driven by controlled inflation, robust demand, and the continuation of National Strategic Projects. *Considering the ongoing trend of a narrowing trade surplus, we anticipate the CA to record a minor deficit of -0.28% to -0.00% of GDP in 2023 (vs. a surplus of 0.96% of GDP in 2022).*

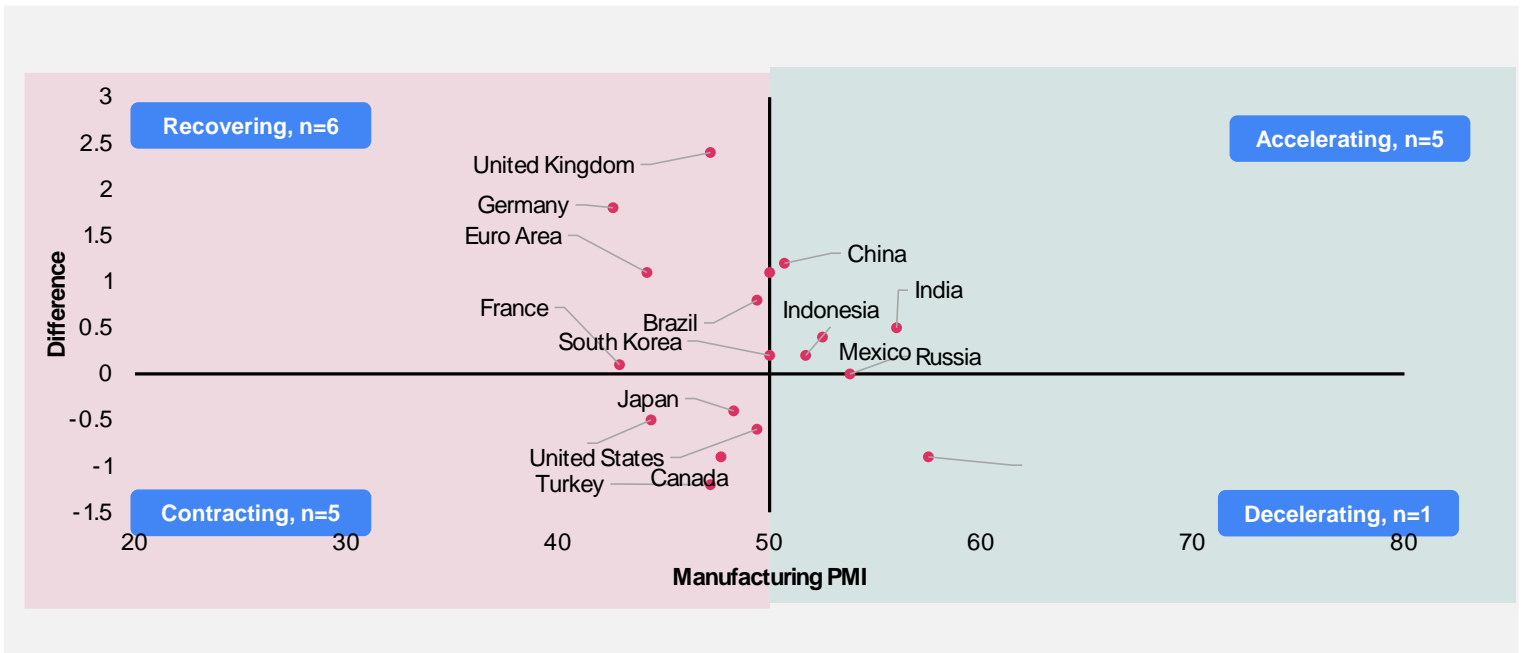
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## Indonesia's Trade Performance



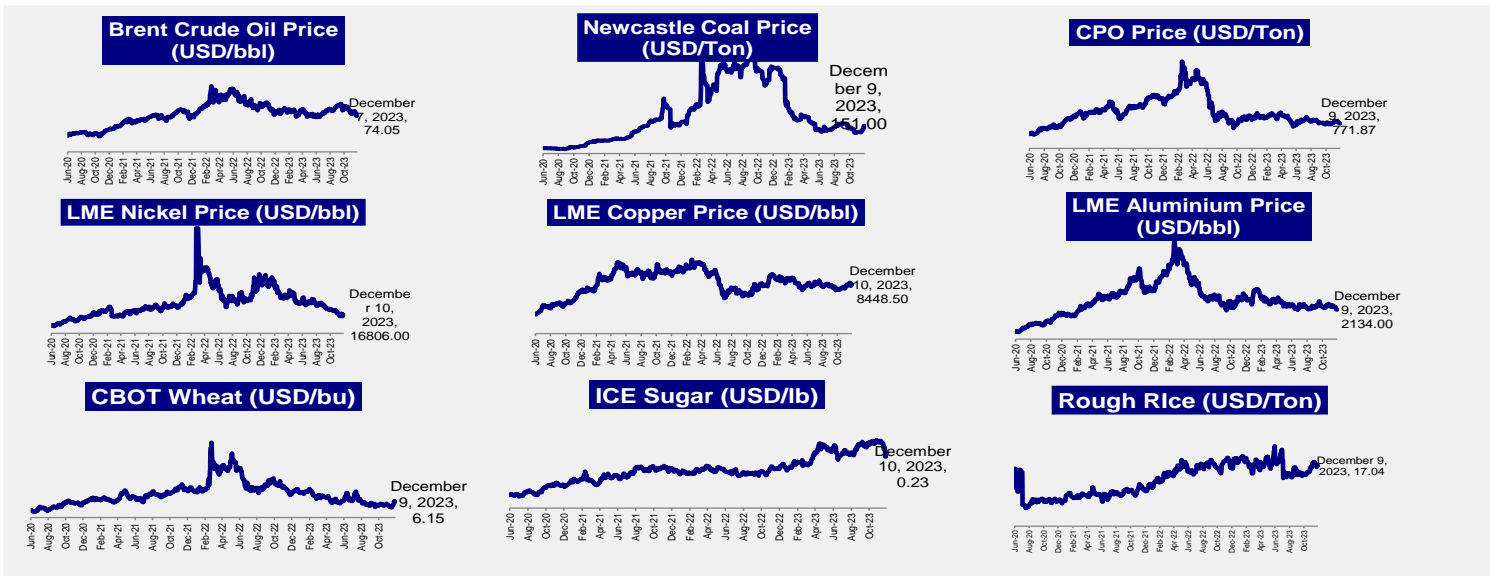
## Global Manufacturing Activities



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### Prices of Commodities in 2023



### Historical Exports-Imports in 2018-2023

(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	219,349	12,252	196,190	170,661	25,529	35,420	48,688	-13,277
FY2021	231,609	219,349	12,252	196,190	170,661	25,529	35,420	48,688	-13,277
FY2022	291,897	276,045	15,853	237,447	197,031	40,416	54,450	79,014	-24,564
Jan-23	22,324	20,836	1,488	18,443	15,537	2,906	3,881	5,299	-1,418
Feb-23	21,321	20,195	1,187	15,919	13,513	2,407	5,402	6,682	-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	19,342	1,405	17,342	14,013	3,329	3,405	5,329	-1,924
Oct-23	22,147	20,776	1,370	18,673	15,466	3,207	3,474	5,310	-1,836
Nov-23	21,999	20,716	1,283	19,586	16,098	3,489	2,412	4,618	-2,206
Jan-Nov'22	268,069	253,689	14,380	217,584	180,369	37,215	50,485	73,321	-22,836
Jan-Nov'23	236,405	222,022	14,444	202,779	170,321	32,458	33,626	51,701	-18,014
Growth	-11.8	-12.5	0.4	-6.8	-5.6	-12.8			

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### Macro Economic Indicator

Indicators	2018	2019	2020	2021	2022	2023F	2024F
Inflation (%YoY)	3.1	2.7	1.7	1.9	5.51	2.89	3.17
Exchange Rate Eop (Rp/US\$)	14,390	13,866	14,050	14,253	15,568	15,300	15,124
Current Account (% GDP)	-3.0	-2.7	-0.4	0.28	1.00	-0.28	-1.75
Fiscal Balance (% GDP)	-1.8	-2.2	-6.1	-4.7	-2.4	-2.3	-2.3
BI 7RR	6.00	5.00	3.75	3.50	5.50	6.00	5.50
Credit Growth (%)	11.8	6.1	-2.1	5.2	11.4	8.6	8.7
Deposit Growth (%)	6.4	6.5	11.1	12.2	9.0	5.7	5.9
Car Sales (1000 Units)	1,150	1,030	532	887	1,048	1,062	1,084
Car Sales Growth (%)	6.50	-10.61	-48.35	66.73	18.16	1.32	2.10
Motorcycle Sales (1000 Units)	6,383	6,487	3,663	5,057	5,221	5,997	6,169
Motorcycle Sales Growth (%)	8.45	1.63	-43.54	38.06	3.25	14.84	2.87
Unemployment Rate (%)	5.40	5.16	7.07	6.49	5.86	5.32	5.40
International Reserve (US\$ bn)	120.7	129.2	135.9	144.9	137.2	137.0	148.6
Fed Rate	2.50	1.75	0.25	0.25	4.50	5.50	4.75
GDP Growth (%)	5.17	5.02	-2.07	3.69	5.31	5.07	5.09

## PermataBank Economic Research

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

Chief Economist  
 +62215237788  
 ext. 8029650

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

Head, Macro. & Fin.Market Research  
 +62215237788  
 ext. 8044866

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

Head of Industry & Reg.Research  
 +62215237788  
 ext. 8041640

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

Economist  
 +62215237788  
 ext. 8038871

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

Industry Analyst  
 +62215237788  
 ext. 8044741

### 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

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