

PIER Snapshot: FY2024 Balance of Payment

20 February 2025

The 2024 Balance of Payment surplus grew due to a managed Current Account Deficit and higher Financial Account Surplus

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Balance of Payment Review

- **The Balance of Payments (BoP) registered a surplus of USD7.82 billion in 4Q24, primarily driven by the financial account. Overall, the BoP surplus in 2024 expanded compared to the previous year.**

In 4Q24, the BoP surplus increased to USD7.87 billion from USD5.87 billion in the preceding quarter, driven by a higher financial account surplus (FAS) and a narrower current account deficit (CAD). For the full year 2024, Indonesia's BoP recorded a surplus of USD7.21 billion, up from USD6.30 billion in 2023, primarily supported by stronger financial account performance. Foreign reserves at the end of 2024 rose to USD155.7 billion from USD146.4 billion in the previous year, sufficient to cover 6.5 months of imports and government external debt payments, well above the international adequacy standard of approximately 3 months of imports.

- **The widening CAD in 2024 was driven by a shrinking goods surplus, reflecting weaker demand from key trading partners.**

In 4Q24, the CAD narrowed to USD1.15 billion (-0.32% of GDP) from USD2.01 billion (-0.56% of GDP) in the previous quarter. This improvement was primarily driven by a higher goods surplus, supported by rising non-oil and gas exports amid increasing prices of key export commodities, particularly agricultural products. Meanwhile, imports also grew in 4Q24 due to a recovery in domestic demand, although they remained below exports, contributing to the widening goods surplus. Conversely, the services balance experienced a deeper contraction, largely due to a higher deficit in the transportation services balance. The primary income deficit also widened, reflecting higher returns on direct and portfolio investments in line with sustained domestic economic activity.

For the full year 2024, the CAD stood at USD8.86 billion (-0.63% of GDP), widening from a USD2.04 billion deficit (-0.15% of GDP) in 2023. This increase was largely attributed to the performance of the goods trade balance. While exports of goods increased slightly by USD 4.1 billion (1.6%) compared to 2023, imports rose more significantly by USD 10.5 billion (4.95%). The modest rise in exports was primarily driven by higher prices of certain commodities, including agricultural and manufactured products, while export volumes continued to decline, reflecting weaker global demand in 2024. Meanwhile, resilient domestic demand contributed to the recovery of imports. Apart from trade balance dynamics, changes in other current account components remained limited throughout the year.

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- **The FAS improved in 2024, supported by Bank Indonesia's monetary instruments and a consistently positive economic outlook.**

The FAS increased from USD7.47 billion in 3Q24 to USD8.47 billion in 4Q24, driven by sustained direct investment inflows amid investor optimism regarding the domestic economic outlook. Other investments also recorded a surplus, supported by external borrowing from both the government and the private sector. However, portfolio investments experienced capital outflows, primarily due to persistent uncertainty in global financial markets, influenced by inward-looking policies and the 'high-for-longer' policy rate environment in the US. According to Bank Indonesia's data, foreign investors registered net sales across all major financial market instruments, including SRBI, stocks, and government bonds.

For the full year 2024, the FAS reached USD16.36 billion, rising from USD9.85 billion in 2023, supported by capital inflows into direct and portfolio investments, particularly SRBI. SRBI inflows increased by USD6.1 billion in 2024, while inflows into government bonds grew by USD1.6 billion. However, equity investment saw a net outflow of USD1.03 billion in 2024, reversing from an inflow of USD 0.27 billion in the previous year. The direct investment surplus remained stable at USD14.5 billion in 2024, slightly up from USD14.4 billion in 2023, supported by investor confidence in the stability of the new government, particularly after the general election concluded in a single round. Historically, foreign direct investment (FDI) tends to contract during election years, especially in periods of regime change, making this stability noteworthy.

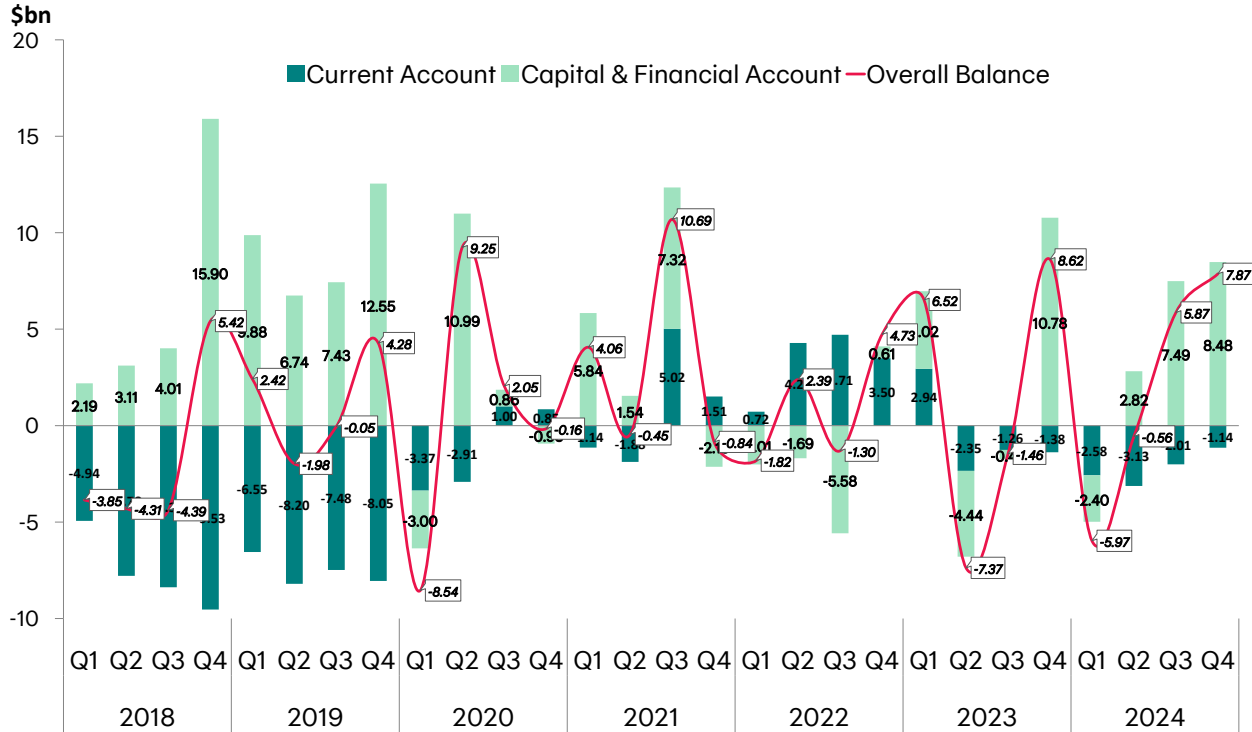
Our PIERspective

- We project the CAD to widen to -1.18% of GDP in 2025, driven by strong domestic demand and a pro-growth policy agenda that is expected to boost imports, while exports face challenges amid escalating global trade tensions, 'Trade War 2.0'. Nevertheless, the deficit remains manageable relative to pre-pandemic levels.
- The FAS is anticipated to continue in 2025, supported by direct and other investments, though portfolio investments may register a deficit amid heightened global uncertainty. Other investments will benefit from the implementation of the new Foreign Exchange Export Proceed from Natural Resource Exported Goods (DHE SDA) policy and the government's foreign loan withdrawals.
- Overall, the BoP is expected to record a slight deficit in 2025, leading to a moderate decline in foreign reserves by year-end. The BoP deficit could constrain Bank Indonesia's ability to implement rate cuts in 2025, particularly as global uncertainty dampens capital inflows. This underscores the critical role of monetary policy in maintaining Rupiah stability and mitigating imported inflationary pressures.
- *We maintain our forecasts for 2025: BI rate at 5.75%, foreign reserves in the range of USD152 – 156 billion, and the Rupiah at IDR 16,200–16,600 per US Dollar by year-end.*

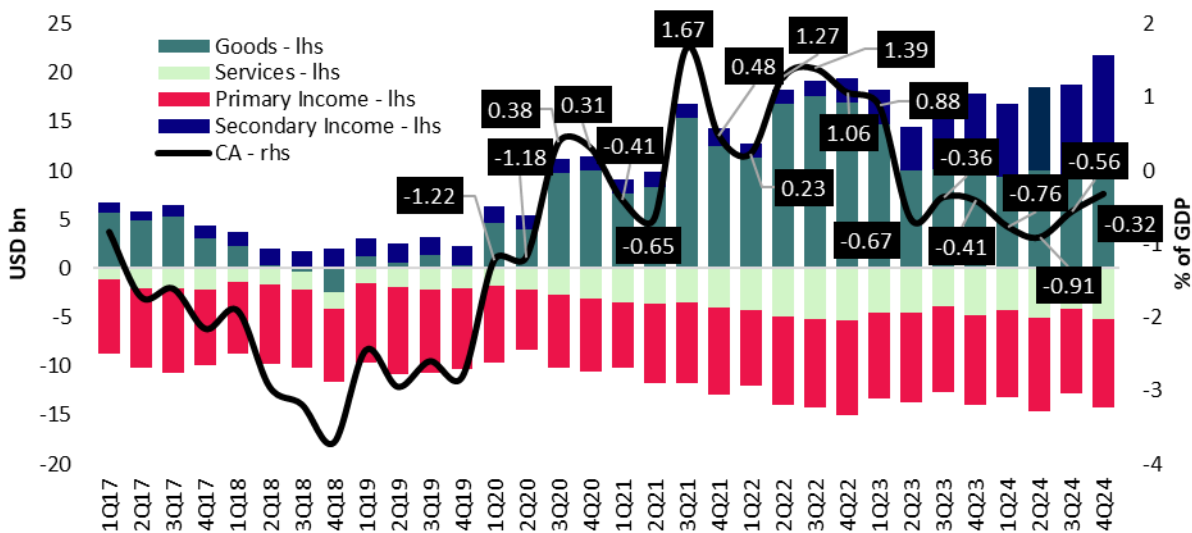
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Trend of Current Account and Balance of Payment



Source: BI and PIER



Source: BI and PIER

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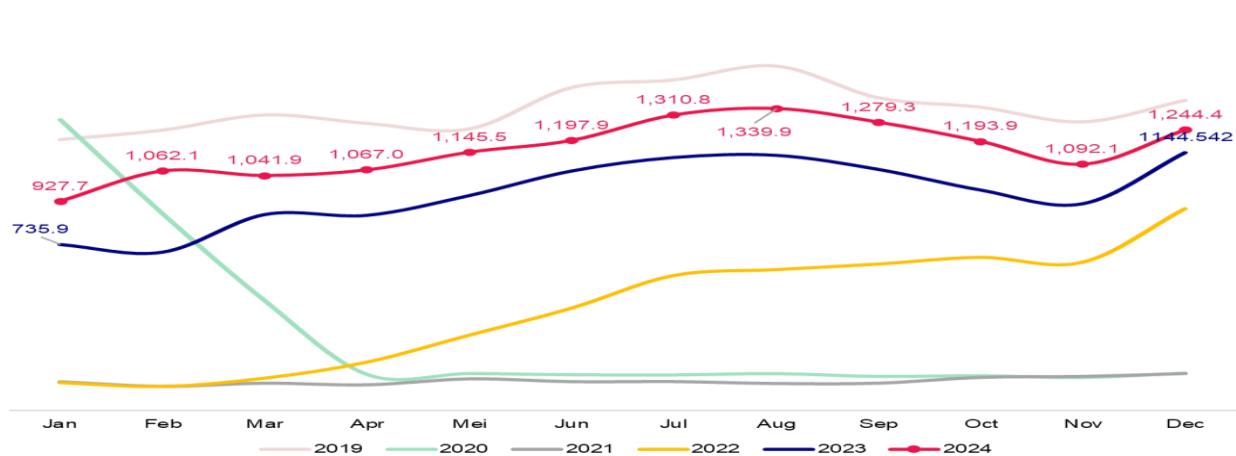
Indonesia's Trade Surplus Expanded as Imports Declined.

(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
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
FY2023	258,774	242,853	15,922	221,886	186,056	35,830	36,888	56,797	-19,909
Jan-24	20,493	19,096	1,398	18,495	15,796	2,698	1,999	3,299	-1,301
Feb-24	19,273	18,056	1,217	18,440	15,461	2,980	833	2,595	-1,763
Mar-24	22,538	21,253	1,285	17,961	14,635	3,327	4,577	6,618	-2,041
Apr-24	19,615	18,265	1,350	16,896	13,911	2,984	2,719	4,354	-1,634
May-24	22,326	20,906	1,419	19,400	16,651	2,748	2,926	4,255	-1,329
Jun-24	20,845	19,614	1,231	18,450	15,180	3,271	2,395	4,434	-2,039
Jul-24	22,237	20,814	1,423	21,736	18,179	3,558	501	2,636	-2,135
Aug-24	23,440	22,237	1,204	20,665	18,017	2,648	2,775	4,220	-1,445
Sep-24	22,056	20,905	1,151	18,825	16,296	2,529	3,231	4,609	-1,378
Oct-24	24,422	23,076	1,345	21,938	18,272	3,666	2,483	4,804	-2,321
Nov-24	23,998	22,684	1,314	19,632	17,061	2,570	4,367	5,623	-1,256
Dec-24	23,461	21,922	1,539	21,221	17,925	3,297	2,240	3,996	-1,757
FY2024	264,703	248,826	15,877	233,659	197,384	36,275	31,044	51,442	-20,398
Jan-25	21,452	20,395	1,057	18,000	15,520	2,480	3,452	4,875	-1,423
Jan-25 Growth	4.7	6.8	-24.4	-2.7	-1.7	-8.1			
FY2024	2.3	2.5	-0.3	5.3	6.1	1.2			

Source: Statistics of Indonesia and PIER

Tourist Arrival Trend

Foreign Tourist Arrival (Th)

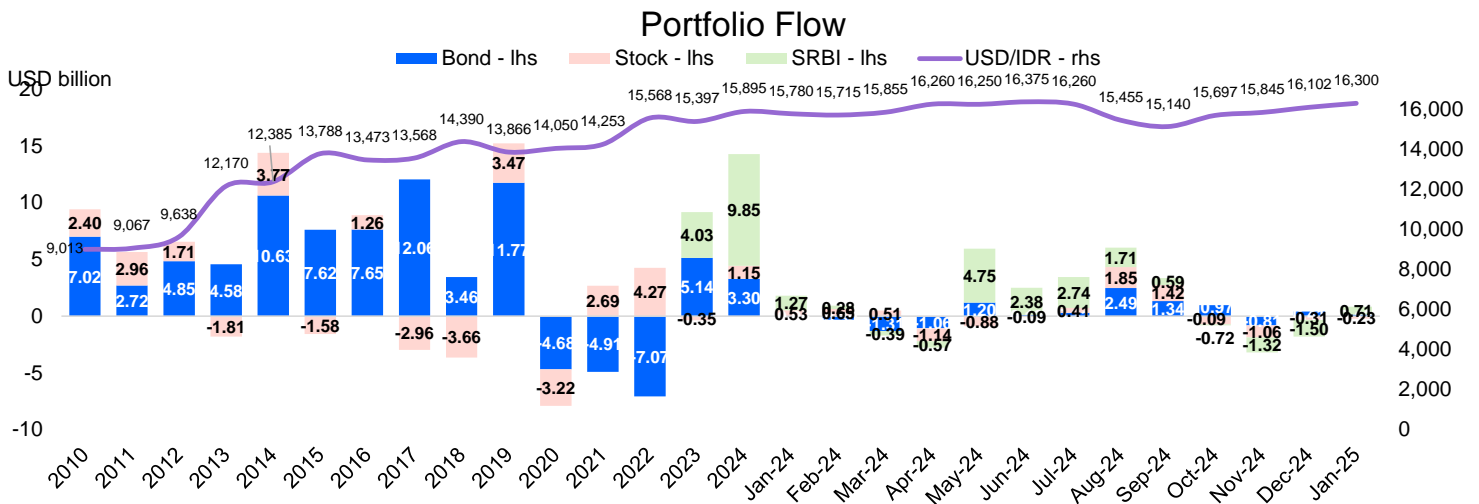


Source: Statistics Indonesia & PIER

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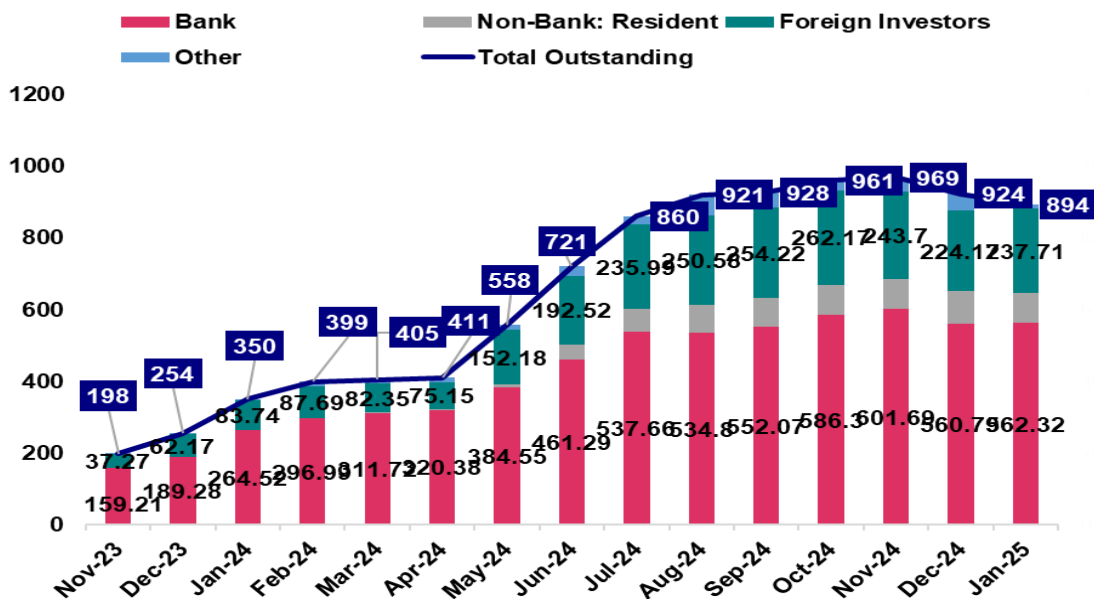
Foreign Flows in Indonesia's Capital Market (USD bn)



Source: Bloomberg, BI, & PIER

SRBI, SVBI, and SUVBI

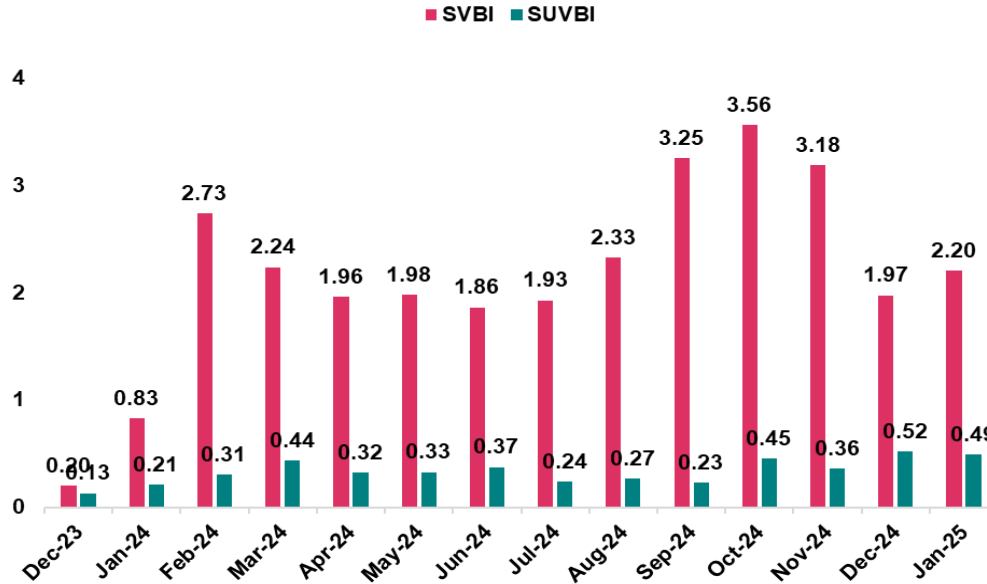
Ownership of SRBI (IDR tn)



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Outstanding of SVBI and SUVBI (USD bn)



Source: Bank Indonesia and PIER

Balance of Payment Outlook

(in USD bn)	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25F	2Q25F	3Q25F	4Q25F	2025F	2026F	2027F
Current Account	13.22	(2.04)	(2.58)	(3.13)	(2.01)	(1.14)	(8.86)	(3.15)	(5.05)	(4.56)	(4.13)	(16.90)	(26.34)	(36.56)
Goods	62.67	46.27	9.29	10.01	9.28	11.34	39.93	8.47	8.35	7.95	8.43	33.21	25.53	18.24
Export	292.54	257.68	61.70	62.06	67.16	70.90	261.81	60.10	58.50	63.00	66.40	248.00	250.90	273.07
Import	(229.87)	(211.41)	(52.41)	(52.04)	(57.88)	(59.57)	(221.89)	(51.63)	(50.14)	(55.05)	(57.97)	(214.79)	(225.36)	(254.83)
Non-Oil and Gas	89.77	67.81	15.09	15.20	14.76	17.82	62.87	13.56	13.28	13.45	14.22	54.51	48.54	45.00
Export	274.47	241.99	58.01	57.86	63.24	66.64	245.75	55.89	54.40	58.59	61.75	230.64	233.33	253.96
Import	(184.70)	(174.18)	(42.92)	(42.65)	(48.48)	(48.82)	(182.88)	(42.33)	(41.12)	(45.14)	(47.54)	(176.13)	(184.80)	(208.96)
Services	(19.96)	(17.68)	(4.22)	(5.08)	(4.17)	(5.19)	(18.67)	(3.90)	(4.34)	(4.62)	(4.49)	(17.35)	(17.99)	(18.42)
Primary Income	(35.30)	(36.01)	(8.95)	(9.49)	(8.64)	(9.01)	(36.09)	(9.26)	(10.73)	(9.58)	(9.73)	(39.29)	(40.72)	(43.36)
Secondary Income	5.80	5.38	1.30	1.43	1.52	1.72	5.98	1.53	1.67	1.69	1.65	6.54	6.84	6.98
Capital Account	0.48	0.03	0.00	0.01	0.01	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Account	(9.16)	9.85	(2.41)	2.81	7.48	8.47	16.36	1.53	2.64	5.66	5.45	15.28	25.64	35.36
Direct Investment	18.07	14.42	4.71	2.05	4.93	2.82	14.51	3.16	4.08	4.11	4.04	15.39	15.89	17.98
Portfolio Investment	(11.63)	2.21	(2.09)	3.19	9.67	(2.55)	8.22	(1.81)	(1.70)	1.23	1.17	(1.11)	8.36	15.59
Financial Derivatives	0.05	0.17	(0.42)	0.39	0.33	(0.01)	0.29	0.00	0.00	0.00	0.00	0.00	0.14	0.66
Other Investment	(15.64)	(6.95)	(4.60)	(2.82)	(7.45)	8.21	(6.67)	0.18	0.26	0.32	0.24	1.00	1.25	1.14
Overall Balance	4.00	6.30	(5.97)	(0.56)	5.87	7.87	7.21	(1.62)	(2.41)	1.10	1.32	(1.62)	(0.70)	(1.20)
Reserve Assets Position	137.23	146.38	140.39	140.18	149.92	155.72	155.72	154.10	151.68	152.78	154.10	154.10	153.40	152.20
Current Account (% of GDP)	1.00	(0.15)	(0.76)	(0.91)	(0.56)	(0.32)	(0.63)	(0.91)	(1.41)	(1.26)	(1.13)	(1.18)	(1.68)	(2.11)

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PIER's Economic & Market Forecast (as of 20-Feb-25)

	2019	2020	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25F	2Q25F	3Q25F	4Q25F	2025F	2026F	2027F
National Account																	
Real GDP (% yoy)	5.02	-2.07	3.70	5.31	5.05	5.11	5.05	4.95	5.02	5.03	5.12	5.10	5.11	5.10	5.11	5.21	5.28
Real Consumption: Private (% yoy)	5.04	-2.63	2.02	4.93	4.82	4.91	4.93	4.91	4.98	4.94	5.02	5.00	5.02	5.00	5.01	5.12	5.17
Real Consumption: Government (% yoy)	3.27	2.12	4.24	-4.51	3.02	20.44	2.03	4.62	4.17	6.61	3.97	5.25	5.78	6.02	5.37	6.08	6.16
Real Gross Fixed Capital Formation (% yoy)	4.45	-4.96	3.80	3.87	3.76	3.78	4.42	5.16	5.03	4.61	4.85	5.03	5.18	5.34	5.11	5.73	6.27
Real Export (% yoy)	-0.48	-8.42	17.95	16.28	1.34	1.48	8.13	8.79	7.63	6.51	6.44	-4.99	-10.86	-6.86	-4.30	-1.67	7.93
Real Import (% yoy)	-7.13	-17.60	24.87	14.75	-1.60	1.50	7.79	11.92	10.36	7.95	8.47	-2.99	-8.97	-6.88	-2.93	0.03	10.05
Nominal GDP (IDR tn) - nominal	15,832.66	15,443.35	16,976.75	19,588.09	20,892.35	5,288.58	5,536.59	5,638.87	5,674.93	22,138.96	5,654.02	5,924.79	6,051.04	6,095.21	23,725.06	25,494.22	27,461.81
Nominal GDP (USD bn) - nominal	1,119.10	1,059.93	1,186.29	1,318.68	1,371.47	337.72	342.38	356.92	359.35	1,396.36	347.40	357.28	361.60	366.11	1,432.39	1,569.76	1,736.41
Inflation & Unemployment																	
Headline Inflation Rate (2022=100, % yoy, avg)	2.82	2.04	1.56	4.14	3.73	2.79	2.78	2.03	1.61	2.30	1.79	1.91	2.20	2.31	2.05	2.25	2.44
Headline Inflation Rate (2022=100, % yoy, eop)	2.59	1.68	1.87	5.41	2.81	3.05	2.51	1.84	1.57	1.57	2.13	1.99	2.26	2.33	2.33	2.44	2.71
Unemployment Rate (%)	5.18	7.07	6.49	5.86	5.32	4.82	4.82	4.91	4.91	4.91	5.03	5.03	5.03	5.03	5.03	4.98	4.93
Fiscal Condition																	
Fiscal Balance (% of GDP)	-2.20	-6.14	-4.57	-2.35	-1.65	0.04	-0.34	-1.08	-2.29	-2.29	-0.39	-0.74	-1.56	-2.64	-2.64	-2.70	-2.77
IDR 10-year Bond Yield (%)	7.06	5.89	6.38	6.94	6.48	6.69	7.07	6.45	7.00	7.00	7.22	7.35	7.37	7.26	7.26	7.07	6.67
External Sector																	
Trade Balance (USD bn)	-3.59	21.62	35.42	54.46	36.90	7.41	8.04	6.51	9.09	31.04	6.44	6.32	5.92	6.40	25.08	17.40	16.11
Goods Balance (USD bn)	3.51	28.30	43.81	62.67	46.27	9.29	10.01	9.28	11.34	39.93	8.47	8.35	7.95	8.43	33.21	25.53	18.24
Current Account (USD bn)	-30.28	-4.43	3.51	13.22	-2.04	-2.58	-3.13	-2.01	-1.14	-8.86	-3.15	-5.05	-4.56	-4.13	-16.90	-26.34	-36.56
Current Account (% of GDP)	-2.71	-0.42	0.30	1.00	-0.15	-0.76	-0.91	-0.56	-0.32	-0.63	-0.91	-1.41	-1.26	-1.13	-1.18	-1.68	-2.11
Foreign Reserves (USD bn)	129.18	135.90	144.91	137.23	146.38	140.39	140.18	149.92	155.72	155.72	154.10	151.69	152.79	154.11	154.11	153.41	152.21
USD/IDR (avg)	14,141	14,529	14,297	14,874	15,248	15,783	16,295	15,618	15,881	15,895	16,275	16,583	16,734	16,649	16,587	16,247	15,818
USD/IDR (eop)	13,866	14,050	14,253	15,568	15,397	15,855	16,375	15,140	16,102	16,102	16,435	16,727	16,822	16,540	16,540	16,011	15,691
Commodity Price																	
Coal Price (USD/MT)	66.2	83.0	169.7	379.2	141.8	131.5	135.1	145.8	129.8	129.8	112.1	107.2	105.3	101.0	101.0	99.4	96.6
CPO Price (USD/MT)	763.7	1,016.4	1,270.3	940.4	797.8	942.9	873.7	932.6	1,189.7	1,189.7	952.5	923.6	895.2	880.3	880.3	870.1	820.1
Oil Price (USD/BBL)	65.85	49.87	74.31	80.90	77.9	85.5	82.6	80.9	73.8	73.8	78.2	79.8	80.2	74.4	74.4	82.9	82.4
Interest Rate																	
Fed Funds Rate (%)	1.75	0.25	0.25	4.50	5.50	5.50	5.50	5.00	4.50	4.50	4.50	4.25	4.25	4.00	4.00	3.75	3.50
BI-Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	6.25	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Average Lending Rate (%)	10.52	9.67	9.16	9.16	9.27	9.27	9.27	9.25	9.23	9.23	9.16	9.18	9.20	9.22	9.22	9.29	9.36
Banking Sector																	
Loan (% yoy)	6.08	-2.40	5.24	11.35	10.38	12.40	12.36	10.85	10.39	10.39	9.98	10.30	10.69	10.78	10.78	11.47	12.17
TPF (% yoy)	6.54	11.11	12.21	9.01	3.73	7.44	8.45	7.04	4.48	4.48	2.93	4.50	6.60	10.25	10.25	10.22	11.86
LDR (%)	94.75	83.23	77.82	79.69	83.80	84.23	85.75	86.90	88.57	88.57	90.00	90.50	90.25	89.00	89.00	89.50	89.75
Real Sector																	
Car Sales (Unit)	1,030,126	532,027	887,202	1,048,040	1,005,802	215,250	194,768	223,197	232,508	865,723	178,851	226,285	225,816	231,587	862,539	883,893	912,456
Car Sales (% yoy)	-10.5	-48.4	66.8	18.1	-4.0	-23.8	-13.0	-10.5	-7.0	-13.9	-16.9	16.2	1.2	-0.4	-0.4	2.5	3.2
Motorcycles Sales (Unit)	6,487,460	3,660,616	5,057,516	5,221,470	6,236,992	1,735,090	1,435,904	1,701,502	1,460,814	6,333,310	1,480,153	1,610,707	1,621,798	1,501,844	6,214,502	6,254,257	6,554,351
Motorcycles Sales (% yoy)	1.6	-43.6	38.2	3.2	19.4	-4.9	4.2	12.0	-3.6	1.5	-14.7	12.2	-4.7	2.8	-1.9	0.6	4.8

Note:
 : quarterly realization

Source: Permata Institute for Economic Research (PIER)

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Scan here for more information:



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