

# Trade Surplus Widened in Sep'23 as Import Performance Dropped Deeper than Anticipated

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

## Trade Review

- **Trade balance posted a higher surplus compared to in the previous month, as import plummeted more than expected.**

Trade surplus increased to \$3.42bn in Sep'23 from \$3.12bn in the previous month, due to contracting import monthly performance, which was deeper than export monthly performance. On annual basis, both import and export performances also continue to contract in Sep'23. Cumulatively, trade balance in Jan-Sep'23 recorded surplus of \$27.75bn, notably lower than \$39.85bn surplus in Jan-Sep'22.

- **Exports contracted due to lower commodity good exports.**

Export performance contracted in Sep'23, driven by lower price of Indonesia's main commodity exports. Based on the components, the largest decrease in exports came from animal/vegetable oils (HS 15), which fell by \$601.1mn. The component fell after CPO price fell by 4.07%mtm in Sep'23. Lower export volume to India also led to lower export performance of CPO. Based on India data, palm oil import to India fell by 26% in Sep'23, due to weaker retail demand. Aside from animal/vegetable oil component, export contraction was also caused by normalization of copper ore export after surging in the previous month. Another commodity goods, which contracted in Sep'23 was coal, which fell by \$151.7mn, despite coal price tended to be higher. Based on destination country, India and the US became ones of main contributors for export contraction as exports to both countries fell by \$342mn and \$293mn, respectively. Export performance contracted by 5.63%mom or contracted by 16.17%yoy.

- **Weaker import performance was driven by deep decline in non-oil/gas imports.**

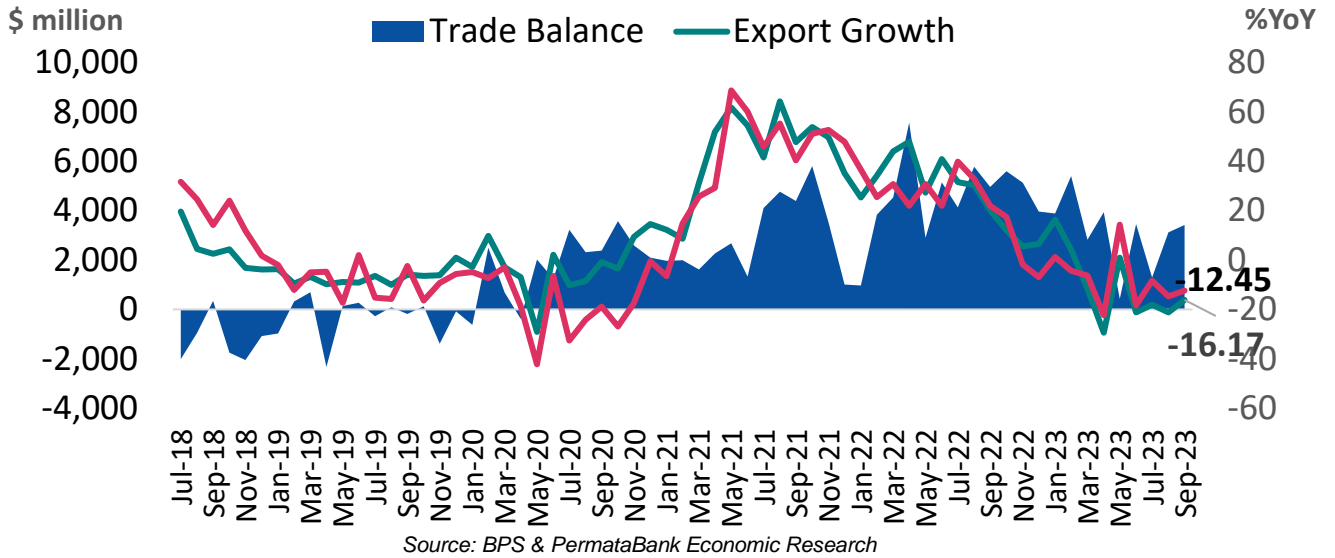
Imports continued to fall in Sep'23 after non-oil gas import led the decrease in imports. Main driver of contracting import was electrical machinery (\$401.7mn), mechanical machinery (\$352.2mn), and food waste (\$181.2mn). Meanwhile, oil/gas import still rose by 25.04%mom, driven by higher oil price amid OPEC+ production cut and higher domestic needs. Lower import performance in Sep'23 might relate to weaker Indonesia manufacturing PMI, which fell to 52.3 in Sep'23 from previously 53.9. Import performance contracted by 8.15%mom or contracted by 12.45%yoy.

- **Economic implication.**

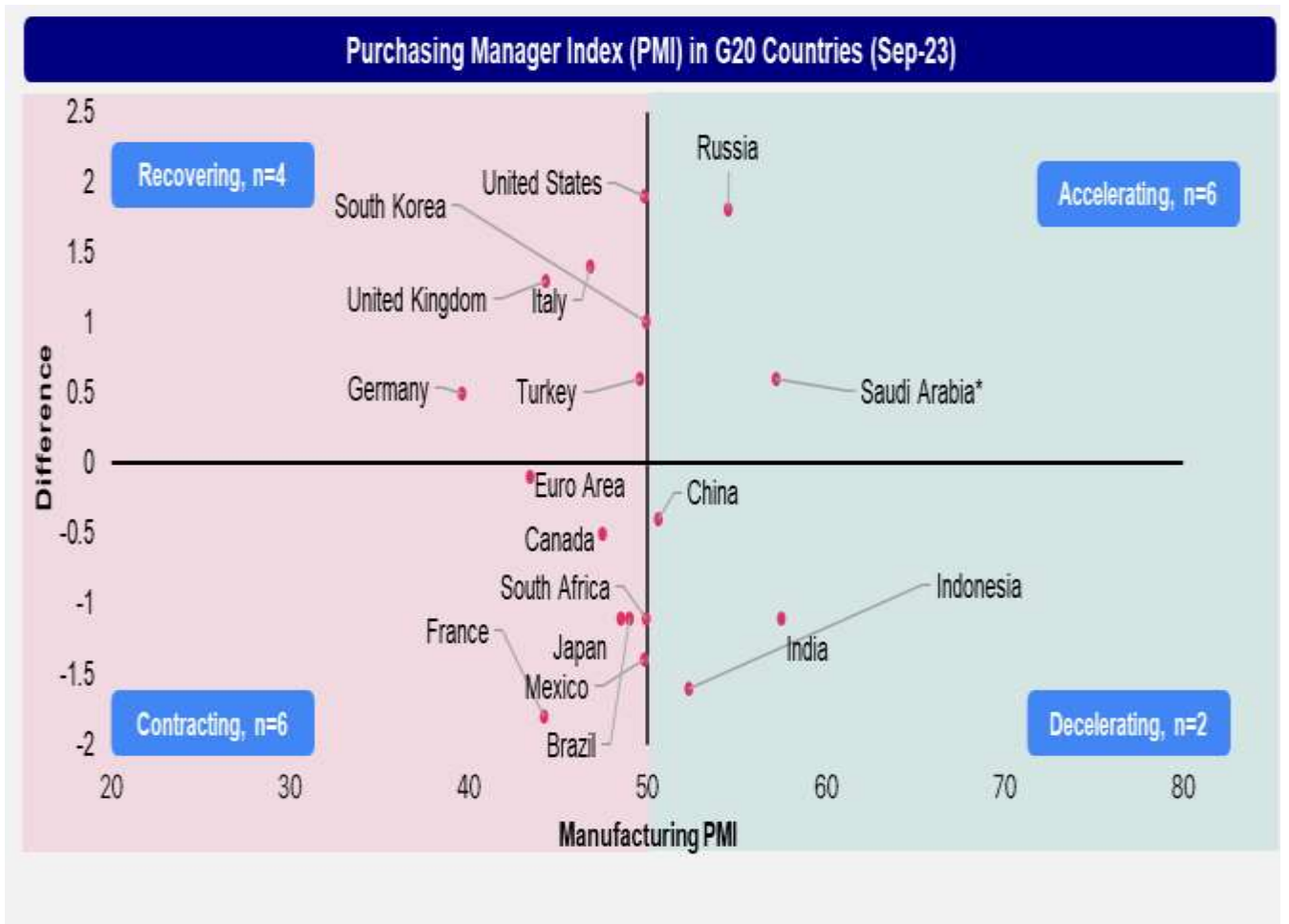
Trade surplus in Sep'23 was mainly driven by the drop in all import groups, as consumer goods, raw material, and capital goods imports were correspondingly down by 22.10%mom, 4.86%mom, and 12.27%mom. Consumer goods imports decreased amid the decline in rice imports during harvest season, while raw material and capital goods imports contracted amid a slowdown in manufacturing sector due to concern on Rupiah stability and increasing sentiment towards the 2024 election. During election year, many investors tend to take "wait and see" actions and thus halt their expansion. However, cumulatively, consumer goods and capital goods imports still recorded growth of 7.34%yoy and 9.11%yoy in Jan-Sep'23, suggesting resilient domestic economy until 3Q23. Raw material imports, meanwhile, were cumulatively down by 13.32%yoy.

Given cumulative trade surplus in 3Q23, we expect that current account in 3Q23 would likely to post deficit around 0.25% to 0.75% of GDP (vs. -0.55% of GDP in 2Q22). All in all, we expect that current account in 2023 to record a slight deficit around 0.1% to 0.5% of GDP (vs. surplus of 0.96% of GDP in 2022).

### Indonesia's Trade Performance



### Global Manufacturing Activities



### 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
FY2022	291,934	276,068	15,867	237,447	197,031	40,416	54,487	79,037	-24,550
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	20,759	19,354	1,405	17,342	14,013	3,329	3,418	5,341	-1,924
3Q22	219,284	207,292	12,152	179,487	148,439	31,047	39,797	58,853	-19,055
3Q23	192,273	180,543	11,790	164,519	138,757	25,763	27,753	41,786	-13,972
Growth	-12.3	-12.9	-3.0	-8.3	-6.5	-17.0			

## Macro Economic Indicator

Indicators	2018	2019	2020	2021	2022	2023F
Inflation (%YoY)	3.1	2.7	1.7	1.9	5.51	2.89
Exchange Rate Eop (Rp/US\$)	14,390	13,866	14,050	14,253	15,568	15,300
Curent Account (% GDP)	-3.0	-2.7	-0.4	0.28	1.00	-0.28
Fiscal Balance (% GDP)	-1.8	-2.2	-6.1	-4.7	-2.4	-2.7
BI 7RR	6.00	5.00	3.75	3.50	5.50	5.75
Credit Growth (%)	11.8	6.1	-2.1	5.2	11.4	8.6
Deposit Growth (%)	6.4	6.5	11.1	12.2	9.0	5.7
NPL Commercial Banks (%)	2.4	2.5	3.1	3.2	2.4	2.7
Car Sales (1000 Units)	1,150	1,030	532	887	1,048	1,062
Car Sales Growth (%)	6.50	-10.61	-48.35	66.73	18.16	1.32
Motorcycle Sales (1000 Units)	6,383	6,487	3,663	5,057	5,221	5,997
Motorcycle Sales Growth (%)	8.45	1.63	-43.54	38.06	3.25	14.84
Government Capex (Rp tn)	184.9	180.9	188.8	241.5	238.8	189.2
Unemployment Rate (%)	5.40	5.16	7.07	6.49	5.86	5.79
International Reserve (US\$ bn)	120.7	129.2	135.9	144.9	137.2	137.0
Fed Rate	2.50	1.75	0.25	0.25	4.50	5.75
GDP Growth (%)	5.17	5.02	-2.07	3.69	5.31	5.07

Note : the red numbers are forecast

Source : PermataBank Economic Research

## PermataBank Economic Research

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

Chief Economist  
 +62215237788  
 ext. 8029650

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

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

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

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

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

Economist  
 +62215237788  
 ext. 8038871

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

Industry Analyst  
 +62215237788  
 ext. 8044741

### PT. Bank Permata,Tbk.

WTC II, 28th 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.