Trade:

Speeding ahead of the looming wave

Samuel Theophilus Artha
Economist/Analyst

Barra Kukuh Mamia
Head of Macroeconomic Research

22 April 2025

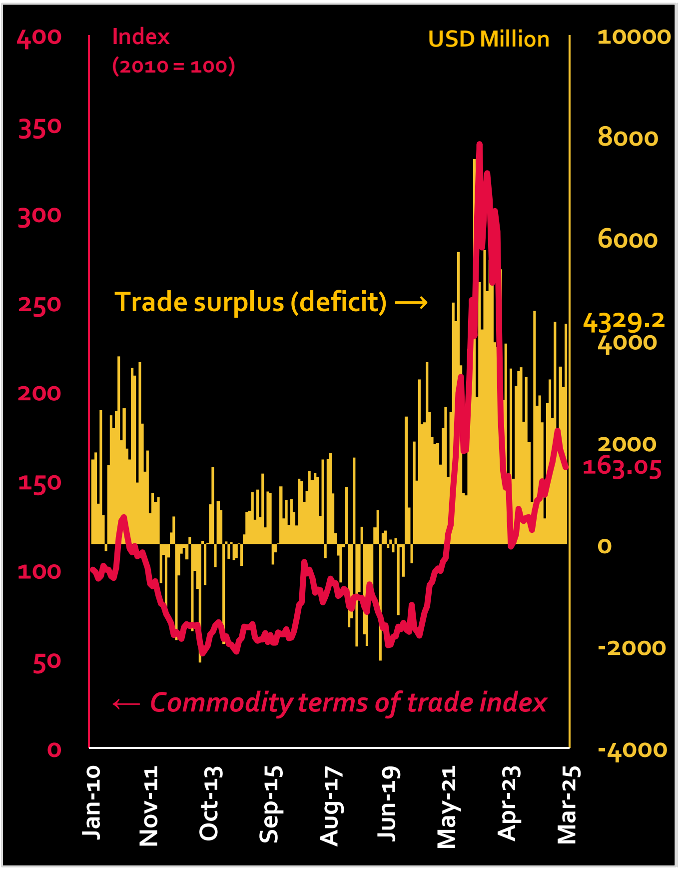
Executive Summary

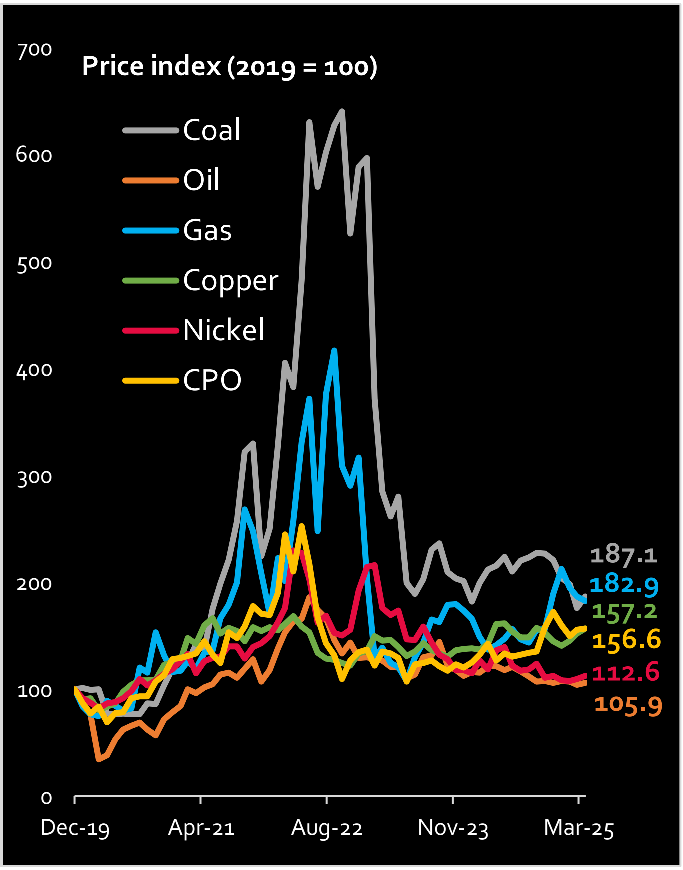
- Indonesia trade surplus increased to USD 4.33 Bn. Exports increased by 3.16% YoY (5.95% MoM) while imports had risen further to 5.34% YoY (0.38% MoM).
- Metals/ores drove export growth, but future upside is likely limited by the onset of full-blown trade war in April.
- Growing machinery imports, probably from China, points to a potential silver lining for Indonesia albeit still a distant prospect.
- Export and imports are expected to decline due to prolonged trade wars.

- Indonesia's trade surplus surged to USD 4.33 Bn in Mar-25 compared to USD 3.12 Bn in Feb-25, due to a sharper increase in exports (5.95% MoM) compared to imports (0.38% MoM). However, on an annual basis, import growth (5.34% YoY) outpaced exports (3.16% YoY).
- The increase in exports is mainly attributed to metal and steel products and especially nickel (64.74% YoY). There had also been a spike in copper ore exports (4,155% MoM), as Freeport gained permission to resume copper exports after to completion of its smelter facility. These probably reflect increased demand from China, where we had seen moderate growth (9.51% YoY) — possibly helped by stimulus efforts in recent months.
- Unfortunately, other commodities did not fare as well, as coal exports continued to worsen (-5.54% MoM), while CPO took a slight hit (-3.55% MoM). This decline in coal export is mainly caused by a decline in prices (-5% MoM) instead of volumes, mirroring the price floor decline (HBA) set by the ministry of energy and mineral resources (ESDM) in the latter half of March.
- When looking at our exports finished goods, there's been a notable increase in footwear (15.27% YoY) as well as electrical machinery (19.94% YoY). It is likely most of these were driven by demand from the USA (20.06% YoY), as suppliers stocked up on inventories in anticipation of Trump tariffs.
- On the imports side, the main drivers are machinery (17.56% YoY), fertilizers (27.94% YoY), as well as fruits and vegetables (86.5% MoM) — the latter likely to be a one-off spike from Ramadan. At first glance, consumer goods imports continue to be relatively weak, with a slight yearly decline (-5.81% YoY). However, when we strip out cereals out to account for the halt in rice imports, consumer goods imports surged to 44% YoY, signaling a good-sized (albeit possibly temporary) bump.

- The consistent increase in machinery is quite promising, as its rise coincides with increased capital goods imports (27.36% YoY) and imports from China (38.01% YoY). But while a renewed FDI boom from China would be good news—and a potential silver lining from the trade wars—the evidence for such a boom is as yet inconclusive. Furthermore, it is important to mention that some of these machinery imports may consist of consumer-adjacent goods, such as computers and air conditioners.
- Looking forward, it would be difficult to see April's numbers surpassing March, given the after-effects of Trump tariffs. While the direct impact to Indonesia's growth will be limited (export to US accounts for only 1.9% of GDP in 2024), impact on trade numbers could be more significant since trade to US accounts for more than half of our trade surplus. Furthermore, the likely onset of a global recession may prompt further decline in commodity prices (save gold), which would undercut Indonesian exports even as it also eases oil imports in nominal terms.
- It is very difficult to expect an instant turnaround or rapid dealmaking (whether it be CN-US or ID-US), especially with the US and China now forcing each country to "pick a side" between the two great powers. There is now a real possibility of a breakdown in global trade—on a scale not too dissimilar from COVID—as nations cannot possibly choose between the world's premier producer and the world's biggest consumer market.
- With these challenges on the horizon, the best-case scenario for Indonesia would 'merely' be trade diversion, as China continues to try circumventing the tariffs by investing in other manufacturing bases. Between 2018 and 2024, this attempt largely benefited Vietnam and Mexico, which emerged as key conduits in China-US trade, while the upside for Indonesia was relatively limited. As such, unless Indonesia is now better-prepared, Trade War 2.0 could be much more detrimental than 1.0.

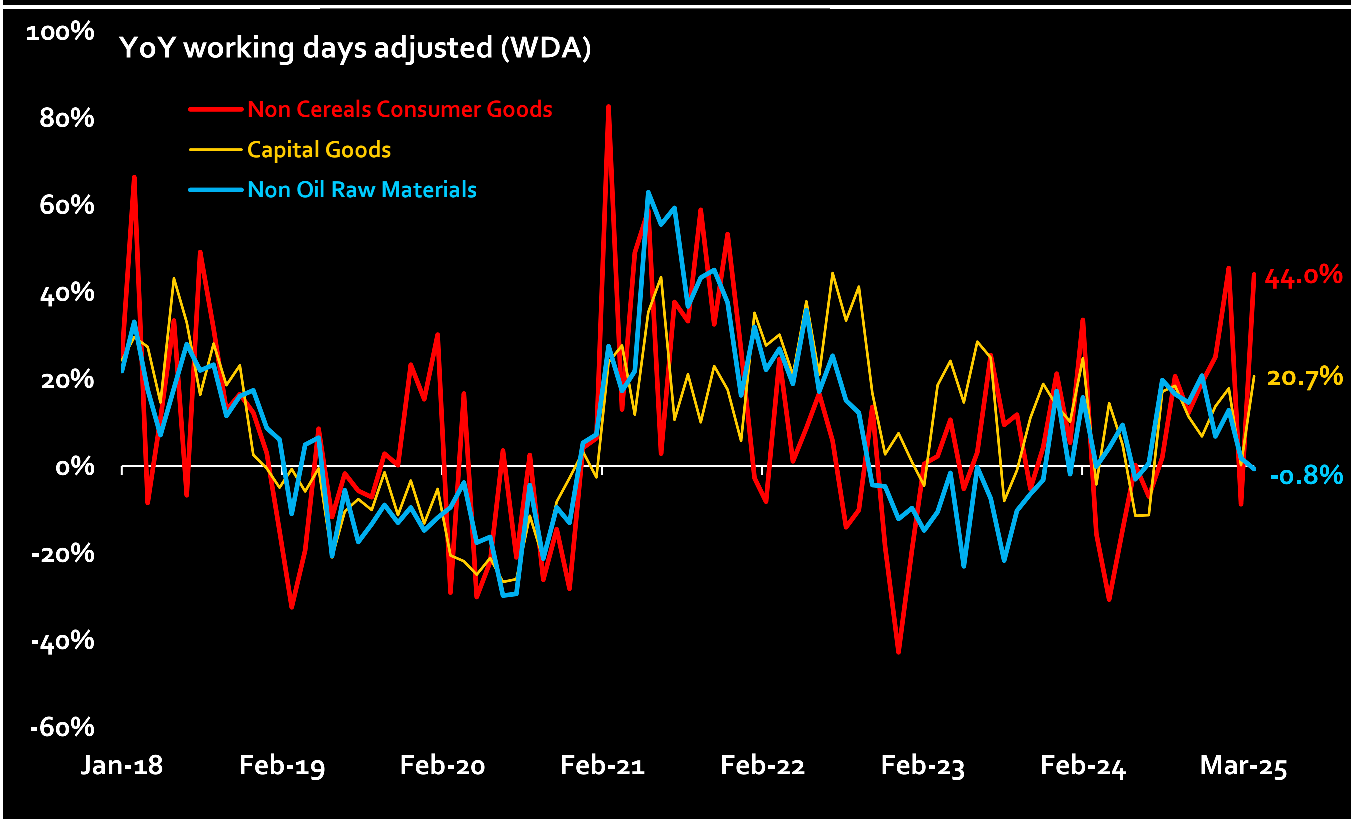
Panel 1. Indonesia terms of trade declined in March due to a decline in both coal and CPO prices





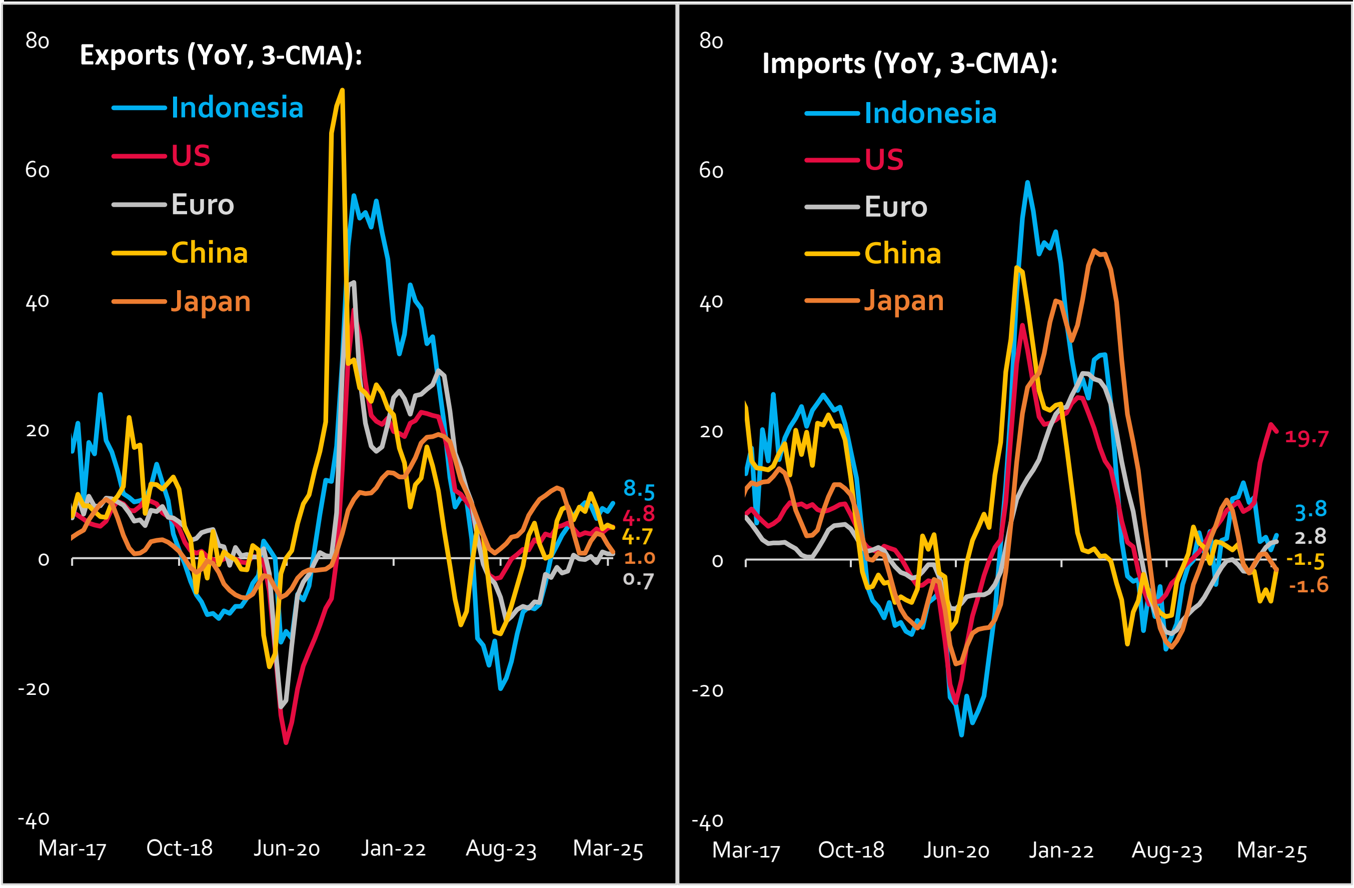
Source: BPS, Bloomberg, BCA Economist calculations

Panel 2. Excluding cereals, consumer goods rebounded



Source: BPS, BCA Economist

Panel 3. Indonesian imports declined as export growth held steady



Source: Bloomberg

Panel 4. Indonesian manufacturing continued to expand, perhaps in anticipation of Trump tariffs

PMI Manufaktur	2024									2025		
PMI	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Indonesia	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4
Malaysia	48.4	49.0	50.2	49.9	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8
Thailand	49.1	48.6	50.3	51.7	52.8	52.0	50.4	50.0	50.2	51.4	49.6	50.6	49.9
Philippines	50.9	52.2	51.9	51.3	51.2	51.2	53.7	52.9	53.8	54.3	52.3	51.0	49.4
Vietnam	49.9	50.3	50.3	54.7	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5
India	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1
Australia	47.3	49.6	49.7	47.2	47.5	48.5	46.7	47.3	49.4	47.8	50.2	50.4	52.1
China	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5
South Korea	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1
Japan	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4
Euro Area	46.1	45.7	47.3	45.8	45.8	45.8	45.0	46.0	45.2	45.1	46.6	47.6	48.6
US	50.3	49.2	48.7	48.5	46.8	47.2	47.5	46.9	48.4	49.2	50.9	50.3	49.0
Mexico	52.2	51.0	51.2	51.1	49.6	48.5	47.3	48.4	49.9	49.8	49.1	47.6	46.5

Source: BI, Bloomberg

Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)
US	4.50	Dec-24	2.10
UK	4.50	Feb-25	1.90
EU	2.40	Mar-25	0.20
Japan	0.50	Jan-25	-3.10
China (lending)	2.00	Sep-24	4.45
Korea	2.75	Feb-25	0.65
India	6.00	Apr-25	2.66
Indonesia	5.75	Jan-25	4.72

Money Mkt Rates	21-Apr	-1 mth	Chg (bps)
SPN (1Y)	6.17	6.01	15.7
SUN (10Y)	6.94	7.17	-22.4
INDONIA (O/N, Rp)	5.77	5.80	-3.7
JIBOR 1M (Rp)	6.38	6.38	0.0

Bank Rates (Rp)	Jan	Dec	Chg (bps)
Lending (WC)	8.62	8.62	0.57
Deposit 1M	4.87	4.92	-4.27
Savings	0.68	0.68	-0.18

Currency/USD	21-Apr	-1 mth	Chg (%)
UK Pound	0.747	0.774	3.56
Euro	0.868	0.924	6.44
Japanese Yen	140.9	149.3	6.01
Chinese RMB	7.292	7.252	-0.55
Indonesia Rupiah	16,805	16,500	-1.81

Capital Mkt	21-Apr	-1 mth	Chg (%)
JCI	6,446.0	6,258.2	3.00
DJIA	38,170.4	41,985.4	-9.09
FTSE	8,275.7	8,646.8	-4.29
Nikkei 225	34,279.9	37,677.1	-9.02
Hang Seng	21,395.1	23,689.7	-9.69

Foreign portfolio ownership (Rp Tn)	Mar	Feb	Chg (Rp Tn)
Stock	3,144.7	3,083.7	61.05
Govt. Bond	891.9	890.2	1.72
Corp. Bond	5.2	5.1	0.06

Trade & Commodities	21-Apr	-1 mth	Chg (%)
Baltic Dry Index	1,261.0	1,643.0	-23.3
S&P GSCI Index	532.0	558.2	-4.7
Oil (Brent, $/brl)	66.3	72.2	-8.2
Coal ($/MT)	97.1	104.0	-6.6
Gas ($/MMBtu)	3.16	3.94	-19.8
Gold ($/oz.)	3,424.0	3,022.2	13.3
Copper ($/MT)	9,161.0	9,813.5	-6.6
Nickel ($/MT)	15,420.2	15,833.3	-2.6
CPO ($/MT)	948.5	1,068.0	-11.2
Rubber ($/kg)	1.74	1.99	-12.6

External Sector	Mar	Feb	Chg (%)
Export ($ bn)	23.25	21.94	5.95
Import ($ bn)	18.92	18.86	0.30
Trade bal. ($ bn)	4.33	3.08	40.56
Central bank reserves ($ bn)*	157.1	154.5	1.67

Prompt Indicators	Mar	Feb	Jan
Consumer confidence index (CCI)	121.1	126.4	127.2
Car sales (%YoY)	-5.1	2.2	-11.3
Motorcycle sales (%YoY)	-7.2	4.0	-5.5

Manufacturing PMI	Mar	Feb	Chg (bps)
USA	50.2	52.7	-250
Eurozone	48.6	47.6	100
Japan	48.4	49.0	-60
China	51.2	50.8	40
Korea	49.1	49.9	-80
Indonesia	52.4	53.6	-120

Source: Bloomberg, BI, BPS
Notes:
*Data from earlier period
For changes in currency: **Black indicates appreciation against USD, **Red** otherwise
***For PMI, **>50** indicates economic expansion, **<50** otherwise

Scan for the link to Subscribe or **click here**

Indonesia – Economic Indicators Projection

	2019	2020	2021	2022	2023	2024	2025E
Real GDP growth (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0	4.8
Nominal GDP growth (% YoY)	6.7	-2.5	9.9	15.4	6.7	6.0	5.7
GDP per capita (USD)	4175	3912	4350	4784	4920	4960	4996
CPI inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.6	2.1
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	5.50
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	7.68
USD/IDR exchange rate (end of year)	13,866	14,050	14,262	15,568	15,397	16,102	16,943
Trade balance (USD Bn)	-3.2	21.7	35.3	54.5	37.0	31.0	26.0
Current account balance (% of GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.6	-1.0

Notes:

- *USD/IDR exchange rate projections are for fundamental values; market values may diverge significantly at any moment in time*

Economic, Banking & Industry Research Team

David E.Sumual
Chief Economist
david_sumual@bca.co.id
+6221 2358 8000 Ext:1051352

Agus Salim Hardjodinoto
Head of Industry and Regional Research
agus_lim@bca.co.id
+6221 2358 8000 Ext: 1005314

Barra Kukuh Mamia
Head of Macroeconomic Research
barra_mamia@bca.co.id
+6221 2358 8000 Ext: 1053819

Victor George Petrus Matindas
Head of Banking Research and Analytics
victor_matindas@bca.co.id
+6221 2358 8000 Ext: 1058408

Gabriella Yolivia
Industry Analyst
gabriella_yolivia@bca.co.id
+6221 2358 8000 Ext: 1063933

Lazuardin Thariq Hamzah
Economist / Analyst
lazuardin_hamzah@bca.co.id
+6221 2358 8000 Ext: 1071724

Keely Julia Hasim
Economist / Analyst
keely_hasim@bca.co.id
+6221 2358 8000 Ext: 1071535

Elbert Timothy Lasiman
Economist / Analyst
elbert_lasiman@bca.co.id
+6221 2358 8000 Ext: 1074310

Thierris Nora Kusuma
Economist / Analyst
thierris_kusuma@bca.co.id
+6221 2358 8000 Ext: 1071930

Nicholas Husni
Economist / Analyst
nicholas_husni@bca.co.id
+6221 2358 8000 Ext: 1079839

Samuel Theophilus Artha
Economist / Analyst
samuel_artha@bca.co.id
+6221 2358 8000 Ext: 1080373

PT Bank Central Asia Tbk

Economic, Banking & Industry Research of BCA Group
20th Grand Indonesia, Menara BCA
Jl. M.H Thamrin No. 1, Jakarta 10310, Indonesia
Ph : (62-21) 2358-8000   Fax : (62-21) 2358-8343