

Trade:

(Temporary?) bounce back

Samuel Theophilus Artha
Economist/Analyst

Barra Kukuh Mamia
Head of Macroeconomic Research

01 July 2025

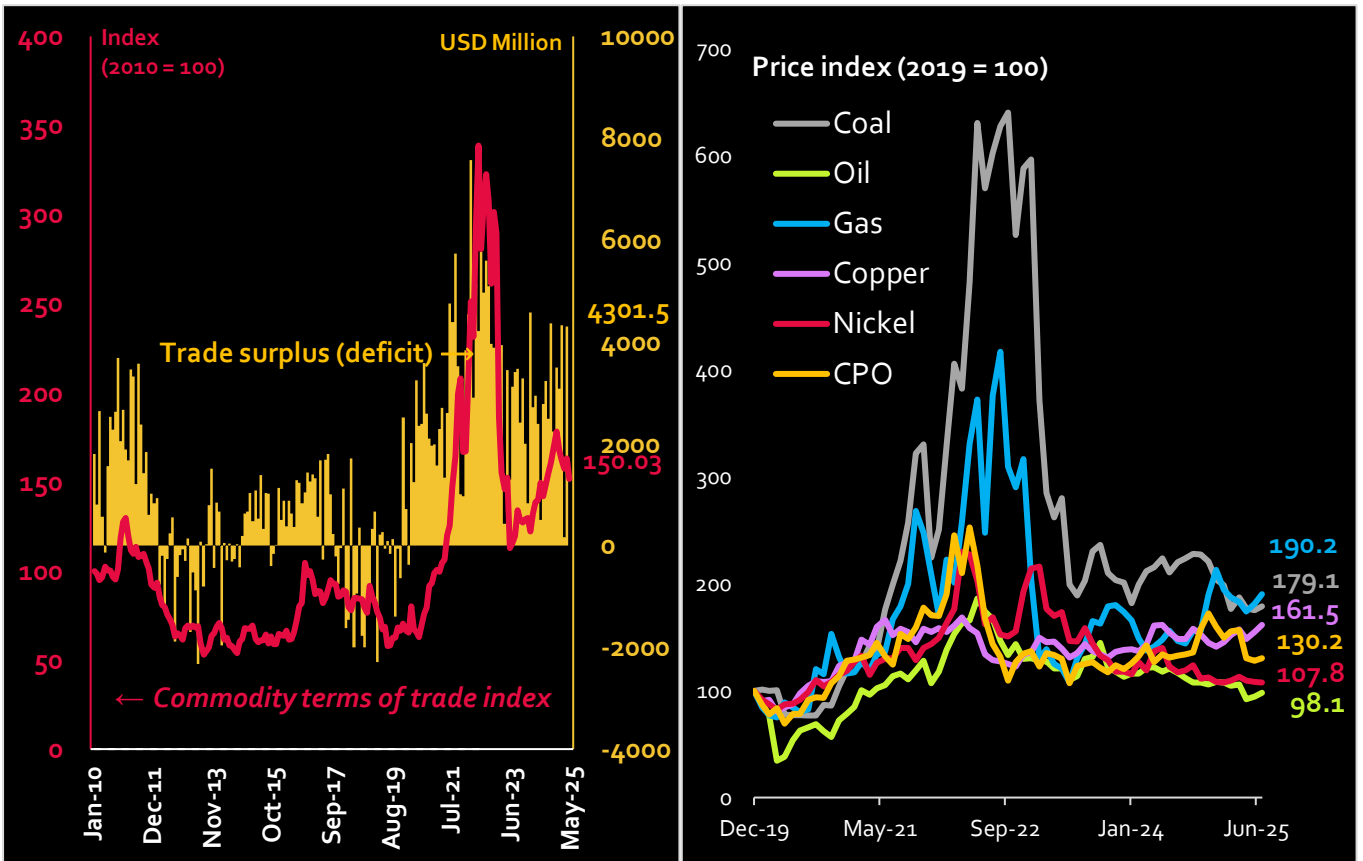
Executive Summary

- Indonesia's trade surplus increased to USD 4.3 Bn from USD 159 Mn as imports growth slowed (4.14% YoY) while exports normalized (9.68% YoY) from US tariff disruption.
 - CPO exports have declined significantly compared to March, while ferro-alloys and coal still show growth.
 - Still-robust imports of capital goods can indicate business expansion in certain sub-sectors, particularly ferro-alloys.
 - Exports growth likely to slow down due to low commodity prices and potential US tariff rate increase, while imports may rise due to dumping.
-
- Indonesia's trade surplus surged to USD 4.3 Bn in May-25 compared to USD 159 Mn in Apr-25, due to a slowdown in imports growth (4.14 % YoY vs 21.84% YoY in April). On the other hand, exports growth accelerated (9.68% YoY vs 5.76% YoY) on the backs of coal normalization and ferro-alloys surge.
 - Trump's 2nd April tariff announcement has disrupted not only Indonesia's trade relationship with US alone, but also disrupted trade routes with other nations due to increased business uncertainty and downstream logistical issues. As such, most of May's export numbers represented normalization from April, even when not directly exported to the United States.
 - When compared to March, edible oils exports have fallen (-13.7%), due to a drop in both CPO volume (-3.8%) and price (-12.3%). On the other hand, we see an increase in both ferro-alloys exports (+17.7%) and coal (+6.4%), mainly driven by volume increases. In addition, we see a surge in precious metals exports (+136%), possibly indicating trans-shipment activity as precious metals imports has jumped a month prior.
 - Looking at country-level data, US exports have bounced back to be slightly higher than March exports numbers, implying another round of tariff front-running before the July 9 deadline. Chinese exports have also grown 3.6% vs March, possibly due to ferro-alloys exports. We have also seen a steady cumulative demand from ASEAN (21.99% CoC) and the EU (8.64% CoC), possibly allowing Indonesian products to still thrive even if the US market is unavailable.
 - On the imports side, the slowdown from April is mainly attributed to normalization of precious metals imports (-78.4% MoM) and ferro-alloys (-18.76% MoM). However, capital goods imports remain robust at 24.85% YoY, even as Indonesia's PMI continued to languish below

50. This mismatch between imports and PMI data could be caused by demand from a specific sub-sector, possibly ferro-alloys judging from its robust export growth.

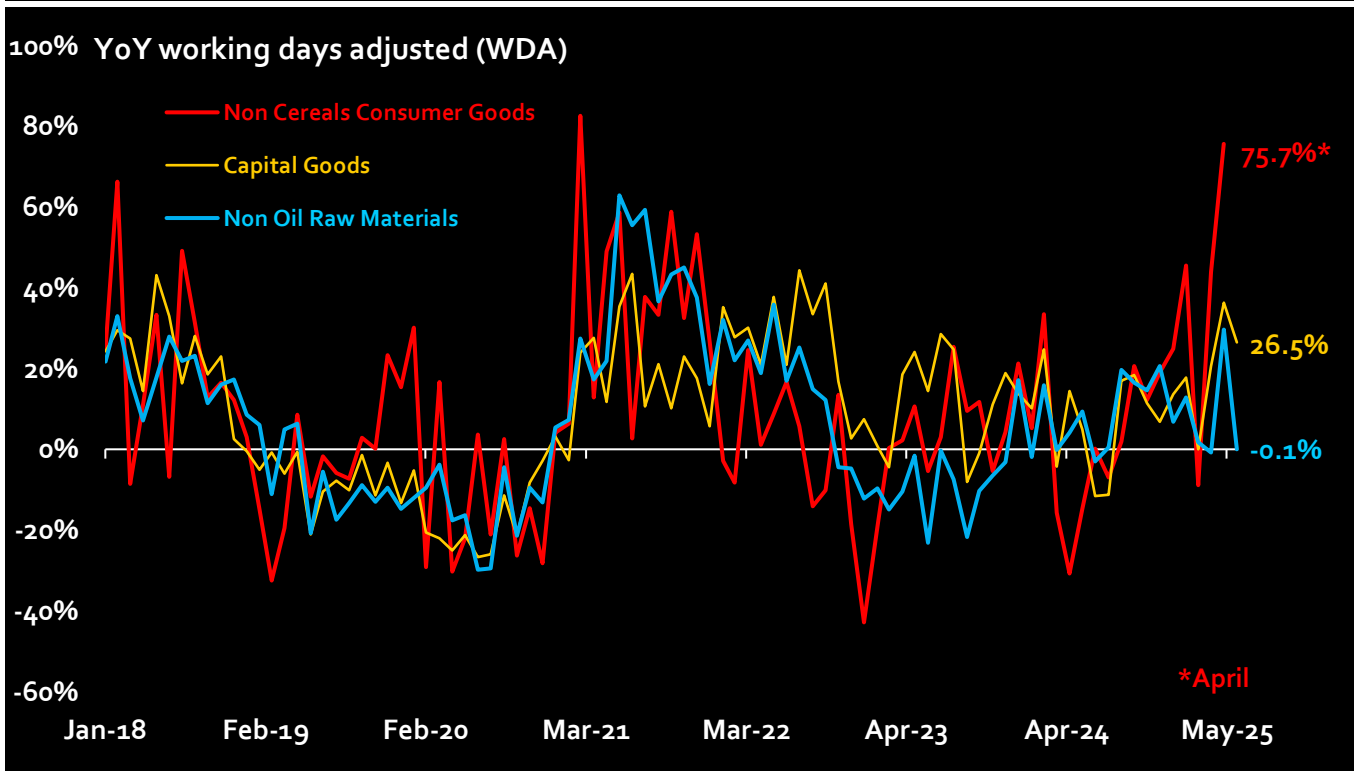
- Imports from ASEAN have slowed down (-2.38% YoY), due to ASEAN being a major contributor to precious metals imports. On the other hand, imports from China (20.05% YoY) and Japan (22.45% YoY) still recorded robust growth, though somewhat normalized from April.
- Looking forward, it is possible that May (and possibly June) trade surplus will represent a high point for Indonesia's trade balance, considering imminent headwinds on both the exports and imports front.
- On the exports front, recent news report has indicated lower demand for coal imports from China and India, as ample inventory and still-low prices made higher grade coal more economical to import. In addition, CPO and nickel prices are still experiencing decline, potentially compressing Indonesia's terms of trade further.
- Another source of headwind for exports are the potential return of 'Liberation Day' tariffs. A 'No Deals' scenario looks likely, judging from the silence on both ID and US side for months after the initial trip to the US. In addition, the US's rush to secure trade deals with key trading partners may simply leave the United States negotiators too busy to reserve a spot for Indonesia before the July 9 deadline. A possible deadline extension is still uncertain, given Trump's own mixed signals so far.
- On the imports front, we have seen substantial growth in Chinese imports in April & May as the high US tariff rate forced them to redirect to other markets. It seems unlikely these goods are only imported for trans-shipment, given the stark growth and value difference between Chinese imports and US exports. A combination of these factors is likely to reduce Indonesia's trade surplus for the 2nd half of 2025.

Panel 1. Indonesia's terms of trade continued declining due to sluggish commodity prices



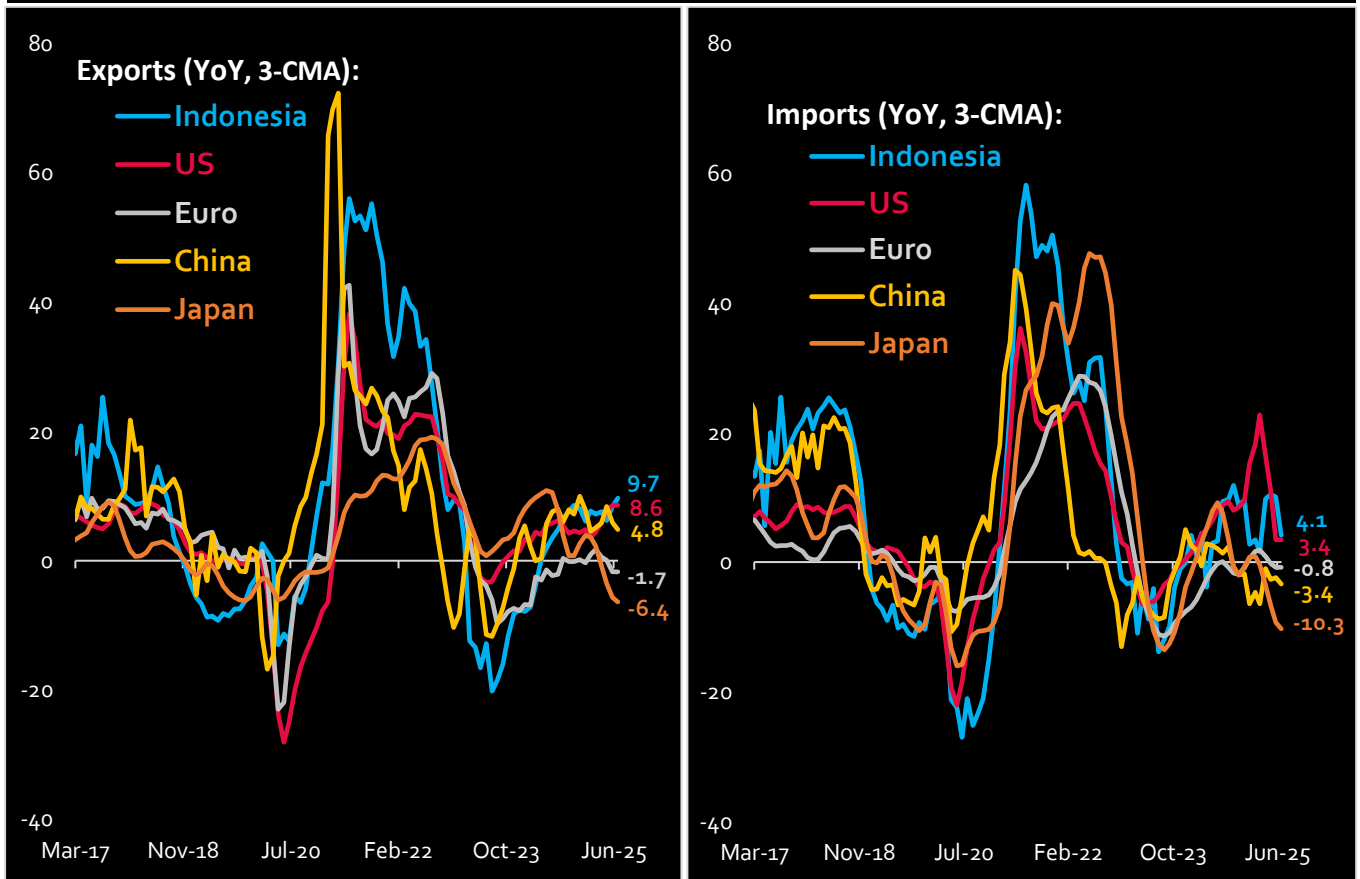
Source: BPS, Bloomberg, BCA Economist calculations

Panel 2. Spiking consumer goods imports in April may indicate dumping while other goods imports moderated in May



Source: BPS, BCA Economist

Panel 3. Exports growth outpaced imports growth due to tariff front-running



Panel 4. Indonesia's manufacturing sector has been contracting for 3 consecutive months

PMI Manufaktur	2024								2025							
	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25		
Indonesia	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9		
Malaysia	50.2	49.9	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3		
Thailand	50.3	51.7	52.8	52.0	50.4	50.0	50.2	51.4	49.6	50.6	49.9	49.5	51.2	51.7		
Philippines	51.9	51.3	51.2	51.2	53.7	52.9	53.8	54.3	52.3	51.0	49.4	53.0	50.1	50.7		
Vietnam	50.3	54.7	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5	45.6	49.8	48.9		
India	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4		
Australia	49.7	47.2	47.5	48.5	46.7	47.3	49.4	47.8	50.2	50.4	52.1	51.7	51.0	50.6		
China	49.5	49.5	49.4	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5	49.0	49.5	49.7		
South Korea	51.6	52.0	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7		
Japan	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4	48.7	49.4	50.1		
Euro Area	47.3	45.8	45.8	45.8	45.0	46.0	45.2	45.1	46.6	47.6	48.6	49.0	49.4	49.4		
US	48.5	48.3	47.0	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49.0	48.7	48.5	48.5		
Mexico	51.2	51.1	49.6	48.5	47.3	48.4	49.9	49.8	49.1	47.6	46.5	44.8	46.7	46.7		

Source: BI, Bloomberg

Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	30-Jun	-1 mth	Chg (%)
US	4.50	Dec-24	2.10	Baltic Dry Index	1,489.0	1,418.0	5.0
UK	4.25	May-25	0.85	S&P GSCI Index	543.1	524.7	3.5
EU	2.15	Jun-25	0.25	Oil (Brent, \$/bbl)	67.6	63.9	5.8
Japan	0.50	Jan-25	-3.00	Coal (\$/MT)	112.8	109.9	2.7
China (lending)	2.00	Sep-24	4.45	Gas (\$/MMBtu)	3.26	2.81	16.0
Korea	2.50	May-25	0.60	Gold (\$/oz.)	3,303.1	3,289.3	0.4
India	5.50	Jun-25	2.68	Copper (\$/MT)	10,050.7	9,548.1	5.3
Indonesia	5.50	May-25	3.63	Nickel (\$/MT)	15,019.6	15,041.4	-0.1
Money Mkt Rates	30-Jun	-1 mth	Chg (bps)	CPO (\$/MT)	929.3	905.9	2.6
				Rubber (\$/kg)	1.68	1.64	2.4
SPN (1Y)	5.88	6.02	-13.6	External Sector	Apr	Mar	Chg (%)
SUN (10Y)	6.62	6.83	-20.9	Export (\$ bn)	20.74	23.25	-10.77
INDONIA (O/N, Rp)	5.28	5.88	-60.0	Import (\$ bn)	20.59	18.92	8.80
JIBOR 1M (Rp)	6.15	6.15	0.0	Trade bal. (\$ bn)	0.16	4.33	-96.33
Bank Rates (Rp)	Mar	Feb	Chg (bps)	Central bank reserves (\$ bn)*	152.5	157.1	-2.94
Lending (WC)	8.66	8.67	-0.75	Prompt Indicators	May	Apr	Mar
Deposit 1M	5.01	5.02	-0.47	Consumer confidence index (CCI)	117.5	121.7	121.1
Savings	0.68	0.68	0.16	Car sales (%YoY)	-15.1	5.0	-5.1
Currency/USD	30-Jun	-1 mth	Chg (%)	Motorcycle sales (%YoY)	-0.1	-3.0	-7.2
UK Pound	0.728	0.743	2.03	Manufacturing PMI	May	Apr	Chg (bps)
Euro	0.848	0.881	3.88	USA	52.0	50.2	180
Japanese Yen	144.0	144.0	-0.01	Eurozone	49.4	49.0	40
Chinese RMB	7.164	7.199	0.49	Japan	49.4	48.7	70
Indonesia Rupiah	16,238	16,290	0.32	China	48.3	50.4	-210
Capital Mkt	30-Jun	-1 mth	Chg (%)	Korea	47.7	47.5	20
JCI	6,927.7	7,175.8	-3.46	Indonesia	47.4	46.7	70
DJIA	44,094.8	42,270.1	4.32				
FTSE	8,761.0	8,772.4	-0.13				
Nikkei 225	40,487.4	37,965.1	6.64				
Hang Seng	24,072.3	23,289.8	3.36				
Foreign portfolio ownership (Rp Tn)	May	Apr	Chg (Rp Tn)				
Stock	3,435.7	3,244.2	191.47				
Govt. Bond	926.3	995.6	-69.37				
Corp. Bond	5.2	5.1	0.08				

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	2.0
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	5.00
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	7.02
USD/IDR exchange rate (average)	14,141	14,529	14,297	14,874	15,248	15,841	16,350
USD/IDR exchange rate (end of year)	13,866	14,050	14,262	15,568	15,397	16,102	16,625
Trade balance (USD Bn)	-3.2	21.7	35.3	54.5	37.0	31.0	26.0
Real GDP growth (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0	4.8

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

Victor George Petrus Matindas

Head of Banking Research and Analytics

victor_matindas@bca.co.id

+6221 2358 8000 Ext: 1058408

Elbert Timothy Lasiman

Economist / Analyst

elbert_lasiman@bca.co.id

+6221 2358 8000 Ext: 1074310

Agus Salim Hardjodinoto

Head of Industry and Regional Research

agus_lim@bca.co.id

+6221 2358 8000 Ext: 1005314

Gabriella Yolivia

Industry Analyst

gabriella_yolivia@bca.co.id

+6221 2358 8000 Ext: 1063933

Thierris Nora Kusuma

Economist / Analyst

thierris_kusuma@bca.co.id

+6221 2358 8000 Ext: 1071930

Samuel Theophilus Artha

Economist / Analyst

samuel_artha@bca.co.id

+6221 2358 8000 Ext: 1080373

Barra Kukuh Mamia

Head of Macroeconomic Research

barra_mamia@bca.co.id

+6221 2358 8000 Ext: 1053819

Lazuardin Thariq Hamzah

Economist / Analyst

lazuardin_hamzah@bca.co.id

+6221 2358 8000 Ext: 1071724

Nicholas Husni

Economist / Analyst

nicholas_husni@bca.co.id

+6221 2358 8000 Ext: 1079839

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

DISCLAIMER

This report is for information only, and is not intended as an offer or solicitation with respect to the purchase or sale of a security. We deem that the information contained in this report has been taken from sources which we deem reliable. However, we do not guarantee their accuracy, and any such information may be incomplete or condensed. None of PT. Bank Central Asia Tbk, and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof. The Company, or any of its related companies or any individuals connected with the group accepts no liability for any direct, special, indirect, consequential, incidental damages or any other loss or damages of any kind arising from any use of the information herein (including any error, omission or misstatement herein, negligent or otherwise) or further communication thereof, even if the Company or any other person has been advised of the possibility thereof. Opinion expressed is the analysts' current personal views as of the date appearing on this material only, and subject to change without notice. It is intended for the use by recipient only and may not be reproduced or copied/photocopied or duplicated or made available in any form, by any means, or redist ted to others without written permission of PT Bank Central Asia Tbk.

All opinions and estimates included in this report are based on certain assumptions. Actual results may differ materially. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice. For further information please contact: (62-21) 2358 8000, Ext: 1020451 or fax to: (62-21) 2358 8343 or email: eri_tristanto@bca.co.id