

## International Trade:

# Strong July, smoke on the horizon

2 September 2025

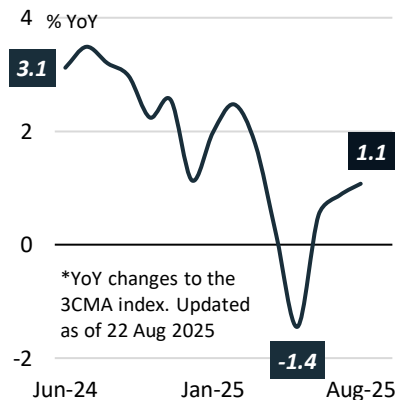
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### BCA Consumer Spending Index\*



### BCA Business Transaction Index\*



- **Indonesia's trade surplus widened slightly to USD 4.17bn in Jul-25**, higher than both the previous month's surplus of USD 4.1bn and the consensus estimate of USD 3bn. Exports grew 9.86% YoY (5.6% MoM), while imports contracted 5.86% YoY (6.43% MoM).

- Two key factors supported robust export growth this month. First, the **continued normalization of commodity prices**, reflected in monthly gains across Indonesia's three main export commodities (CPO, mineral fuels, and metals). Second, **continued front-loading of US orders ahead of tariffs**, with exports to the US surging 38.88% YoY and 15.85% MoM. By contrast, exports to China remained sluggish (6.54% YoY and 1.95% MoM), in line with a slowdown in its official July manufacturing PMI (49.3).

- On the imports side, crude oil imports jumped 34.9% MoM, likely reflecting Pertamina's need to rebuild inventories after unusually low imports in June due to tensions in the Strait of Hormuz. Additional drivers included higher imports of machinery and food-security related products by the Ministry of Agriculture, notably breeding cattle.

- By usage category, all import groups recorded slower YoY growth compared to June, though capital goods imports still posted a significant increase of 18.84% YoY. This is **consistent with higher government spending and a rebound in manufacturing activity**, which has even returned to expansion territory in August (manufacturing PMI at 51.5).

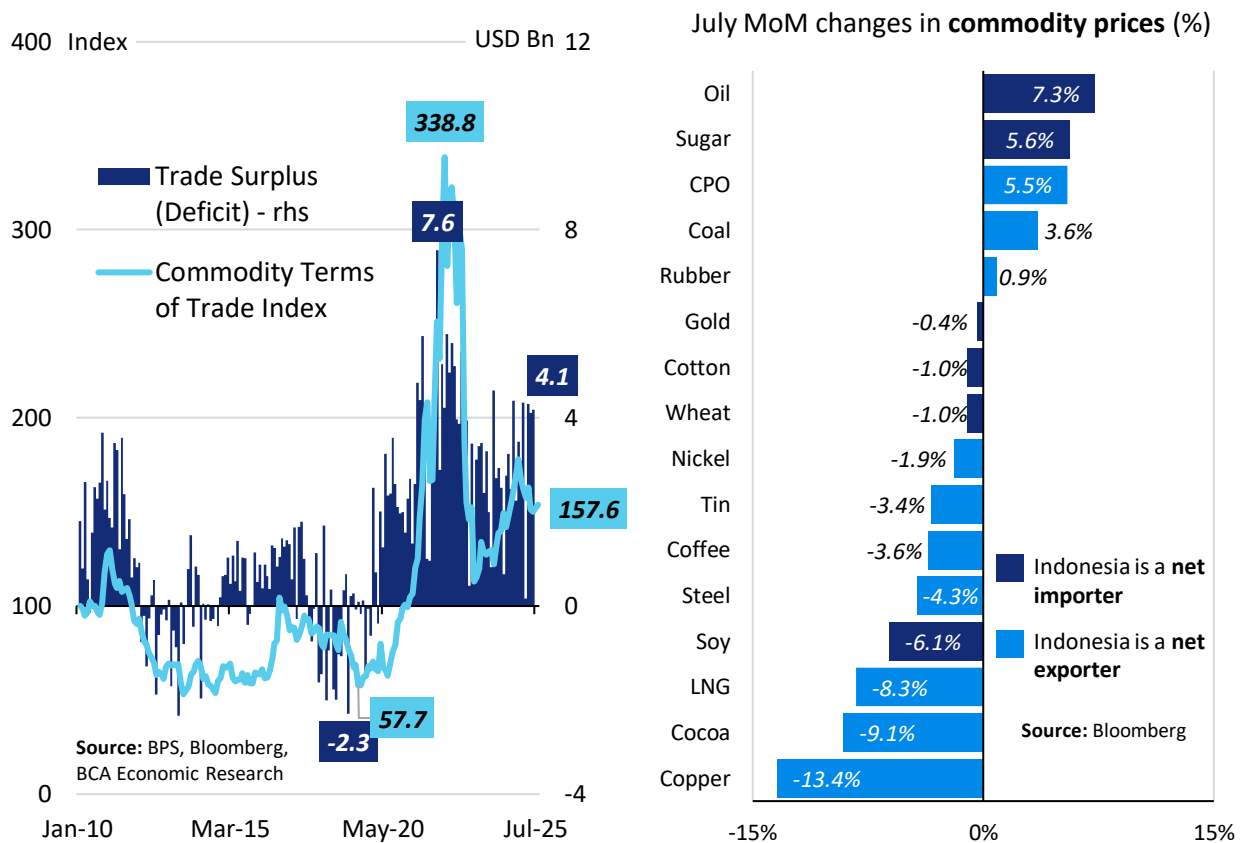
- That said, there are **two sides to this positive signal**. Imports may continue to be supported by government and private spending, but on the other hand, export potential remains relatively limited. Beyond the unwinding of tariff front-loading, a recent court ruling declaring Trump's reciprocal tariffs illegal could prompt US importers to adopt a wait-and-see stance.

- Moreover, China's sluggish export growth combined with still elevated import growth may further exacerbate the structural bilateral

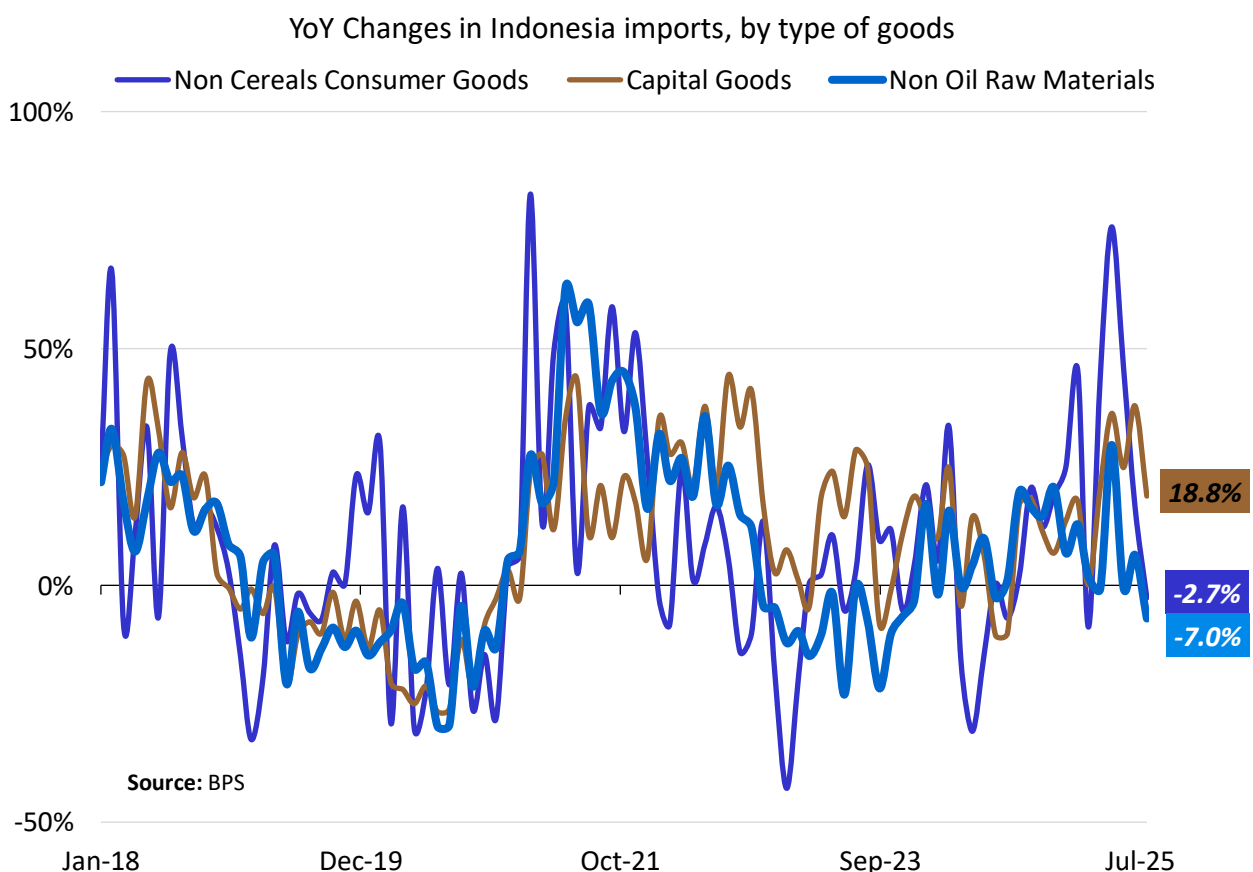
deficit with China. This means that, looking ahead, **the trade surplus is likely to narrow in the next couple of months**.

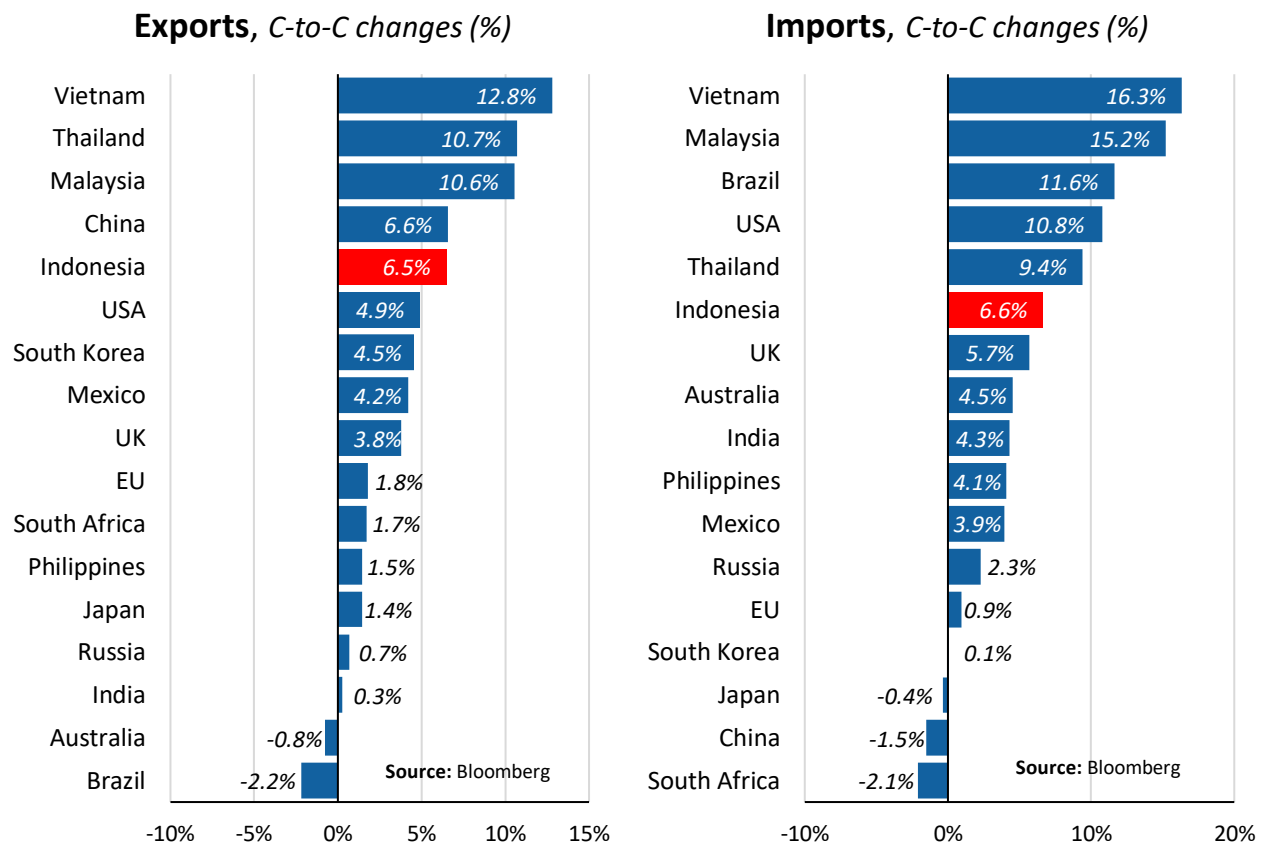
- In general, this makes the room for BI to continue its accommodative policy **increasingly dependent on the Fed's moves**, which, fortunately, are still expected to include two more rate cuts this year. That said, it is already best practice that in every model you have to account for black swans, events with very low probability but potentially significant impact, such as the Rupiah depreciation in recent days.

## 1 Trade surplus up slightly amid slight uptick in commodity Terms of Trade



## 2 Capital goods imports continued to grow amid a contraction in overall imports





Manufacturing PMI	2024					2025							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Indonesia	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9	49.2	51.5
Malaysia	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3	49.7	49.7
Thailand	52.0	50.4	50.0	50.2	51.4	49.6	50.6	49.9	49.5	51.2	51.7	51.9	52.7
Philippines	51.2	53.7	52.9	53.8	54.3	52.3	51.0	49.4	53.0	50.1	50.7	50.9	50.8
Vietnam	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5	45.6	49.8	48.9	52.4	52.4
India	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1	59.8
Australia	48.5	46.7	47.3	49.4	47.8	50.2	50.4	52.1	51.7	51.0	50.6	51.3	53.0
China	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5	49.0	49.5	49.7	49.3	49.4
South Korea	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7	48.0	48.3
Japan	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4	48.7	49.4	50.1	48.9	49.7
Euro Area	45.8	45.0	46.0	45.2	45.1	46.6	47.6	48.6	49.0	49.4	49.5	49.8	50.5
US	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49.0	48.7	48.5	49.0	48.0	48.0
Mexico	48.5	47.3	48.4	49.9	49.8	49.1	47.6	46.5	44.8	46.7	46.3	49.1	49.1

Source: S&amp;P, BCA Economic Research

## Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	29-Aug	-1 mth	Chg (%)	
US	4.50	Dec-24	1.80	Baltic Dry Index	2,025.0	2,109.0	-4.0	
UK	4.00	Aug-25	0.20	S&P GSCI Index	549.7	557.1	-1.3	
EU	2.15	Jun-25	0.15	Oil (Brent, \$/bbl)	68.1	72.5	-6.1	
Japan	0.50	Jan-25	-2.60	Coal (\$/MT)	111.5	121.0	-7.9	
China (lending)	2.00	Sep-24	4.35	Gas (\$/MMBtu)	2.88	3.08	-6.5	
Korea	2.50	May-25	0.40	Gold (\$/oz.)	3,448.0	3,326.6	3.6	
India	5.50	Jun-25	3.95	Copper (\$/MT)	9,821.7	9,746.3	0.8	
Indonesia	5.00	Aug-25	2.69	Nickel (\$/MT)	15,246.8	15,110.4	0.9	
Money Mkt Rates	29-Aug	-1 mth	Chg (bps)	CPO (\$/MT)	1,036.5	987.1	5.0	
				Rubber (\$/kg)	1.76	1.73	1.7	
SPN (1Y)	4.83	5.27	-43.6	External Sector	Jul	Jun	Chg (%)	
SUN (10Y)	6.34	6.54	-20.1					
INDONIA (O/N, Rp)	4.68	4.75	-7.5		Export (\$ bn)	24.75	23.44	5.60
JIBOR 1M (Rp)	5.56	5.87	-30.9		Import (\$ bn)	20.58	19.33	6.43
Bank Rates (Rp)	May	Apr	Chg (bps)	Trade bal. (\$ bn)	4.17	4.10	1.71	
				Central bank reserves (\$ bn)*	152.0	152.6	-0.38	
Lending (WC)	8.64	8.66	-1.72	Prompt Indicators	Jul	Jun	May	
Deposit 1M	4.86	5.02	-15.57					
Savings	0.70	0.69	1.18					
Currency/USD	29-Aug	-1 mth	Chg (%)	Consumer confidence index (CCI)	118.1	117.8	117.5	
UK Pound	0.741	0.749	1.15	Car sales (%YoY)	-18.4	-22.5	-15.1	
Euro	0.856	0.866	1.20					
Japanese Yen	147.1	148.5	0.96	Motorcycle sales (%YoY)	-0.5	-0.3	-0.1	
Chinese RMB	7.131	7.177	0.65					
Indonesia Rupiah	16,490	16,398	-0.56	Manufacturing PMI	Aug	Jul	Chg (bps)	
Capital Mkt	29-Aug	-1 mth	Chg (%)					
JCI	7,830.5	7,617.9	2.79	USA	53.3	49.8	350	
DJIA	45,544.9	44,633.0	2.04	Eurozone	50.5	49.8	70	
FTSE	9,187.3	9,136.3	0.56	Japan	49.7	48.9	80	
Nikkei 225	42,718.5	40,674.6	5.03	China	50.5	49.5	100	
Hang Seng	25,077.6	25,524.5	-1.75	Korea	48.3	48.0	30	
Foreign portfolio ownership (Rp Tn)	Aug	Jul	Chg (Rp Tn)	Indonesia	51.5	49.2	230	
Stock	3,760.3	3,539.4	220.93					
Govt. Bond	953.1	1,213.4	-260.34					
Corp. Bond	4.5	4.7	-0.16					

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



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## 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	5.0
Nominal GDP growth (% YoY)	6.7	-2.5	9.9	15.4	6.7	6.0	7.2
GDP per capita (USD)	4175	3912	4350	4784	4920	4960	5100
CPI inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.6	2.2
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	4.75
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	6.57
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
Current account balance (% of GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.6	-0.75

### Notes:

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

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