

Monthly Economic Briefing

Economic, Banking, and Industry Research - BCA Group



International Trade: New year, new challenges

05 January 2026

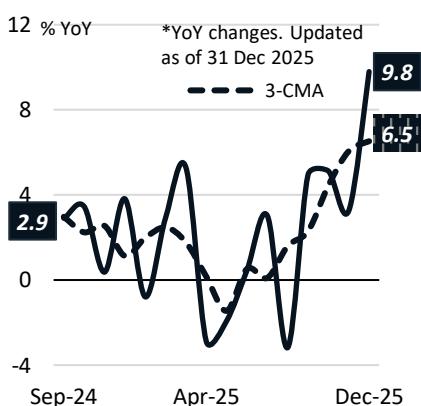
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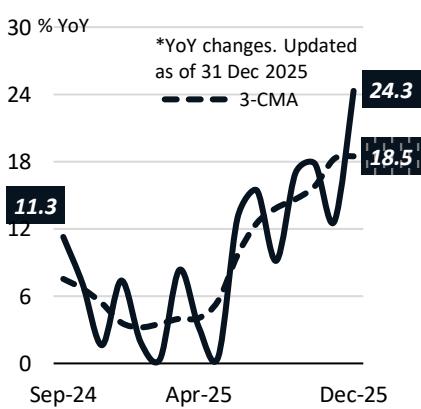
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- Indonesia's trade surplus slightly expanded to USD 2.66 Bn in Nov-25, though slightly below consensus at USD 3 Bn. The slight increase in monthly surplus was caused by a steeper decline in imports (-9.09% MoM, +0.46% YoY) compared to exports (-7.08% MoM, -6.6% YoY).

- The contraction in exports is mainly caused by palm oil (-26.49% MoM), as declining prices and Sumatra floods hampers production, alongside iron and steel (-22.76% MoM). On the other hand, we have seen a slight uptick in mineral fuels (2.09% MoM) and surge in precious metals (44.72% MoM), reflecting a frontloading effort in anticipation of new gold export duty (around 7.5 – 15%) to ensure sufficient domestic supply.

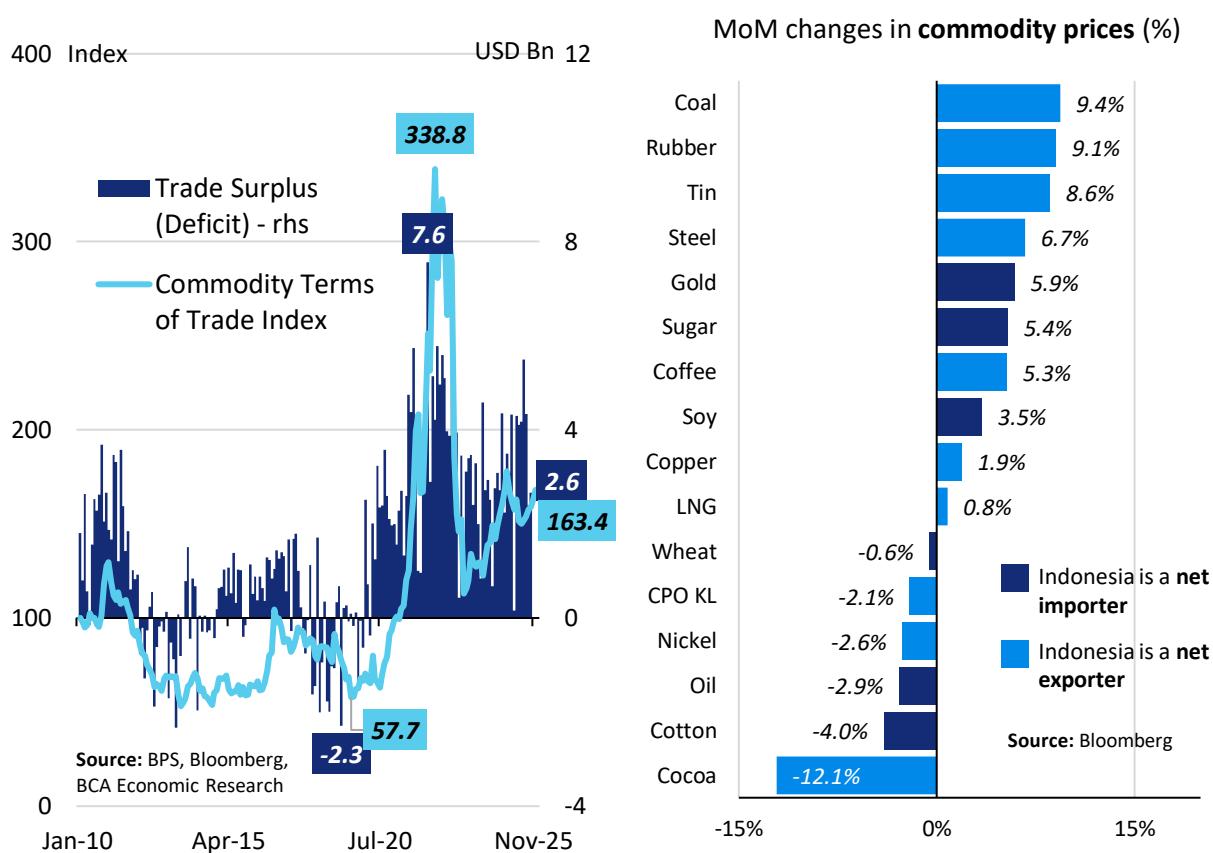
- Meanwhile on a country level, we have seen a divergence in exports. Exports to the US continues to grow (1.59% MoM), possibly boosted by importer's need to restock for year-end consumption. On the other hand, exports to China contracted (-3.25% MoM), as slowdown in industrial production and FAI results in a downward demand for Indonesia's commodities.

- The decline in imports is mainly caused by capital goods (-8.12% MoM) and raw materials (-10.51% MoM). On the other hand, imports of consumer goods are relatively stagnant (-0.54% MoM), supported by potential demand during the year-end holiday season. However, the PMI figure is still in the expansion phase (53.3 in Nov-25), indicating that there is still potential for an increase in imports if the momentum in the manufacturing sector can be maintained.

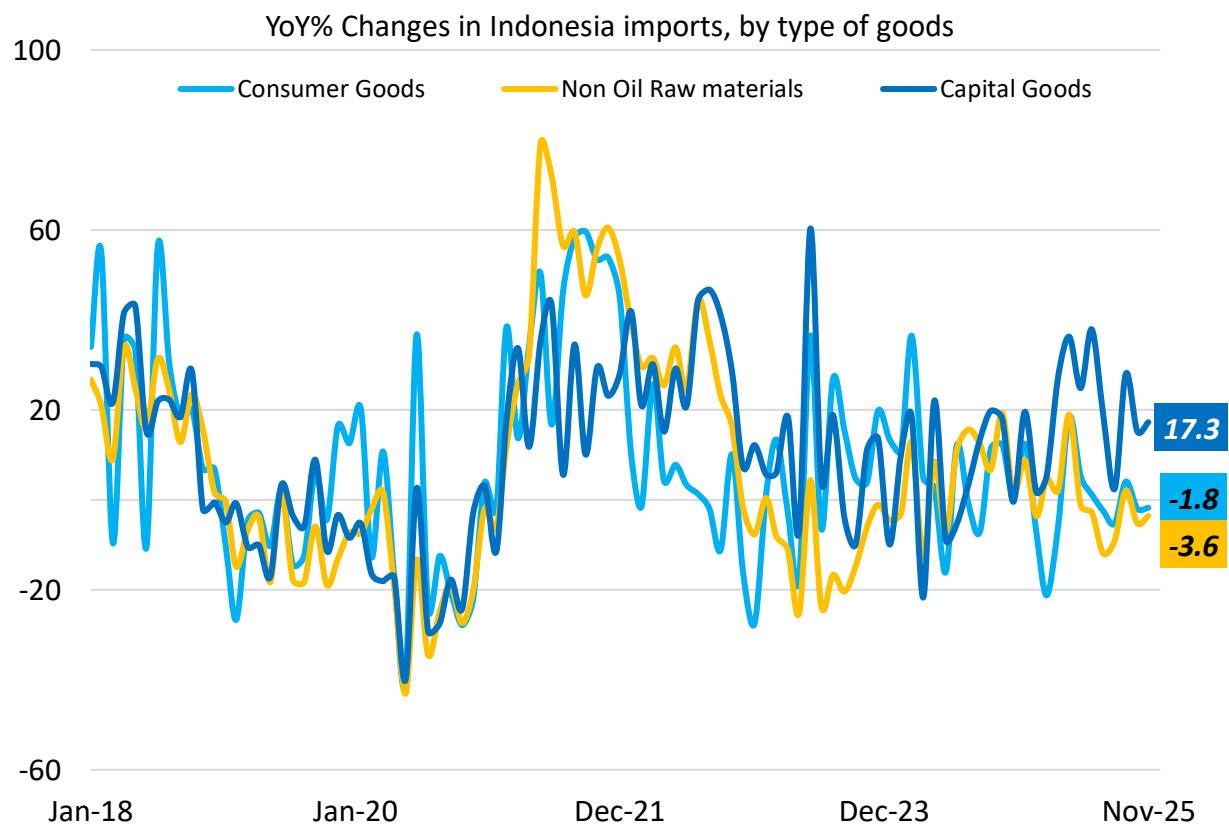
- Looking ahead, Indonesia's trade surplus faces several challenges. On the export front, production of the "big three" commodities (palm oil, coal, and nickel) are anticipated to decline due to flooding in Sumatra and temporary production cuts to stabilize prices. Meanwhile, the recovery in domestic spending combined with China's efforts to boost exports (amid deflationary pressures) could accelerate imports growth.

- In addition to the expected decline in trade surplus, **2026 opens with surprises in the geopolitical arena**. The US attack on Venezuela, while having a limited direct impact on energy prices so far, has raised concerns about a potential shift in US foreign policy approach. If this marks the beginning of a new era of interference and interventions, it could lead to increased volatility in commodity prices. This landscape could present another obstacle for Bank Indonesia to balance its two mandates: supporting growth while maintaining the stability of the rupiah.

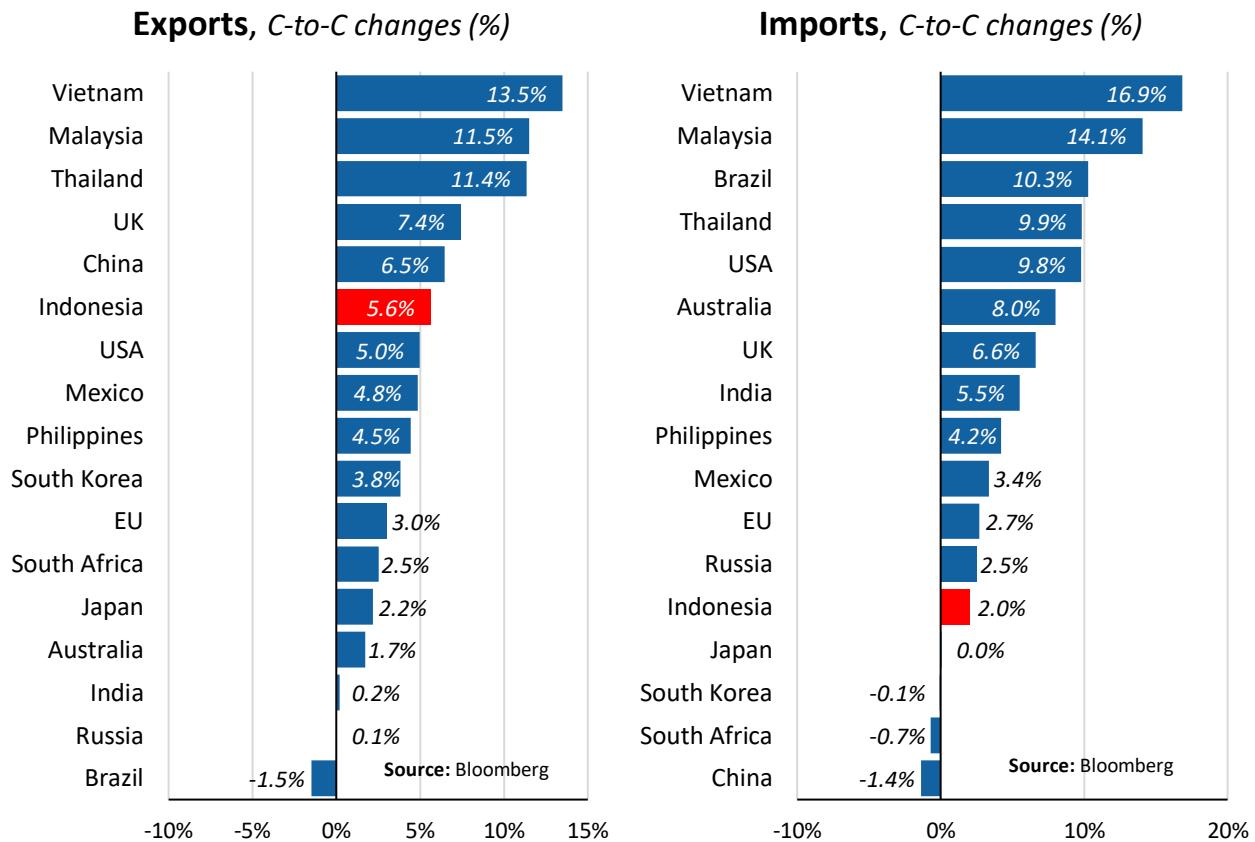
1 Trade surplus rises as imports fall steeper than exports



2 The demand for capital goods remains the biggest factor driving imports



3 Indonesia's trade growth is relatively slower compared to its peers



4 High PMI throughout Q4-25 may lead to an uptick in imports demand in the future

Manufacturing PMI	2024		2025											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Indonesia	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9	49.2	51.5	50.4	51.2	53.3	51.2
Malaysia	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3	49.7	49.9	49.8	49.5	50.1	50.1
Thailand	50.2	51.4	49.6	50.6	49.9	49.5	51.2	51.7	51.9	52.7	54.6	56.6	56.8	57.4
Philippines	53.8	54.3	52.3	51.0	49.4	53.0	50.1	50.7	50.9	50.8	49.9	50.1	47.4	50.2
Vietnam	50.8	49.8	48.9	49.2	50.5	45.6	49.8	48.9	52.4	50.4	50.4	54.5	53.8	53.0
India	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0
Australia	49.4	47.8	50.2	50.4	52.1	51.7	51.0	50.6	51.3	53.0	51.4	49.7	51.6	51.6
China	50.3	50.1	49.1	50.2	50.5	49.0	49.5	49.7	49.3	49.4	49.8	49.0	49.2	50.1
South Korea	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7	48.0	48.3	50.7	49.4	49.4	50.1
Japan	49.0	49.6	48.7	49.0	48.4	48.7	49.4	50.1	49.0	49.7	48.6	48.2	48.7	50.0
Euro Area	45.2	45.1	46.6	47.6	48.6	49.0	49.4	49.5	49.8	50.7	49.8	50.0	49.6	48.8
US	48.4	49.2	50.9	50.3	49.0	48.7	48.5	49.0	48.0	48.7	49.1	48.7	48.2	48.2
Mexico	49.9	49.8	49.1	47.6	46.5	44.8	46.7	46.3	49.1	50.2	49.6	49.5	47.3	46.1

Source: S&P, BCA Economic Research

Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	02-Jan	-1 mth	Chg (%)
US	3.75	Dec-25	1.05	Baltic Dry Index	1,882.0	2,600.0	-27.6
UK	3.75	Aug-25	0.55	S&P GSCI Index	548.0	555.3	-1.3
EU	2.15	Jun-25	0.05	Oil (Brent, \$/brl)	60.8	62.5	-2.7
Japan	0.75	Jan-25	-2.15	Coal (\$/MT)	105.5	111.0	-5.0
China (lending)	2.00	Sep-24	3.65	Gas (\$/MMBtu)	3.99	4.83	-17.4
Korea	2.50	May-25	0.20	Gold (\$/oz.)	4,332.3	4,205.9	3.0
India	5.25	Jun-25	4.54	Copper (\$/MT)	12,508.1	11,214.2	11.5
Indonesia	4.75	Sep-25	1.83	Nickel (\$/MT)	16,676.3	14,605.2	14.2
				CPO (\$/MT)	978.7	989.0	-1.0
				Rubber (\$/kg)	1.83	1.76	4.0
SPN (1Y)	4.56	4.58	-2.3	External Sector	Nov	Oct	Chg (%)
SUN (10Y)	6.03	6.27	-24.0	Export (\$ bn)	22.52	24.24	-7.08
INDONIA (O/N, Rp)	4.00	4.19	-18.2	Import (\$ bn)	19.86	21.84	-9.08
JIBOR 1M (Rp)	5.03	5.03	-0.1	Trade bal. (\$ bn)	2.66	2.39	11.23
				Central bank reserves (\$ bn)*	150.1	149.9	0.09
Lending (WC)	8.30	8.46	-16.00	Prompt Indicators	Oct	Sep	Aug
Deposit 1M	4.75	4.96	-21.00	Consumer confidence index (CCI)	121.2	115.0	117.2
Savings	0.68	0.70	-2.00	Car sales (%YoY)	-4.4	-15.1	-19.0
Currency/USD	02-Jan	-1 mth	Chg (%)	Motorcycle sales (%YoY)	8.4	7.3	0.7
UK Pound	0.743	0.757	1.84	Manufacturing PMI	Dec	Nov	Chg (bps)
Euro	0.853	0.860	0.81	USA	51.8	52.2	-40
Japanese Yen	156.8	155.9	-0.61	Eurozone	48.8	49.6	-80
Chinese RMB	6.988	7.071	1.19	Japan	50.0	48.7	130
Indonesia Rupiah	16,725	16,623	-0.61	China	50.1	49.9	20
Capital Mkt	02-Jan	-1 mth	Chg (%)	Korea	50.1	49.4	70
JCI	8,748.1	8,617.0	1.52	Indonesia	51.2	53.3	-210
DJIA	48,382.4	47,474.5	1.91				
FTSE	9,951.1	9,701.8	2.57				
Nikkei 225	50,339.5	49,303.5	2.10				
Hang Seng	26,338.5	26,095.1	0.93				
Foreign portfolio ownership (Rp Tn)	Dec	Nov	Chg (Rp Tn)				
Stock	4,186.7	4,017.6	169.11				
Govt. Bond	878.7	1,343.0	-464.38				
Corp. Bond	4.7	4.1	0.64				

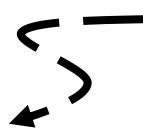
Source: Bloomberg, BI, BPS

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	2026E
Real GDP growth (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.1
Nominal GDP growth (% YoY)	6.7	-2.5	9.9	15.4	6.7	6.0	7.2	7.9
GDP per capita (USD)	4175	3912	4350	4784	4920	4960	5014	5362
CPI inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.6	2.8	2.5
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	4.75*	4.00
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	6.05*	6.50
USD/IDR exchange rate (average)	14,141	14,529	14,297	14,874	15,248	15,841	16,468*	16,784
USD/IDR exchange rate (end of year)	13,866	14,050	14,262	15,568	15,397	16,102	16,690*	16,842
Trade balance (USD Bn)	-3.2	21.7	35.3	54.5	37.0	31.0	40.0	33.8
Current account balance (% of GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.6	0.0	-0.4

Notes:

- USD/IDR exchange rate projections are for fundamental values; market values may diverge significantly at any moment in time
- Numbers marked with (*) for 2025 are final; other numbers for 2025 are our projections

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