

Balance of Payment: The twin deficit

25 May 2026

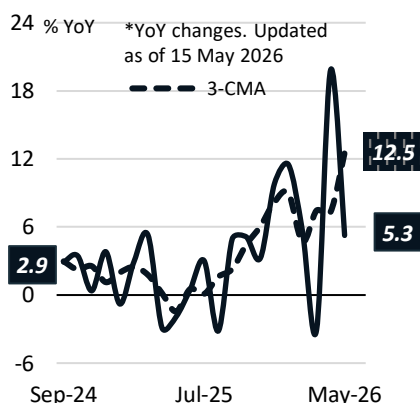
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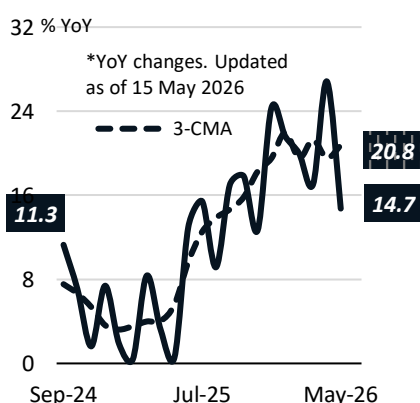
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's balance of payments recorded a sharp deficit of USD 9.1 Bn** (following a large surplus in the previous quarter), marking the lowest quarterly level in at least the past 20 years. In fact, from a macro 101 perspective, Q1 recorded a rather rare condition, a simultaneous widening of deficits in both the current account (CA, USD 4.0 Bn) and the financial account (FA, USD 4.9 Bn), pulling our FX reserves lower by ~USD 8.3 Bn. This two-sided pressure indicates that the effort to balance exchange rate stability and growth has become increasingly difficult and costly.

- **The CA deficit widened as the decline in goods exports was steeper than the decline in goods imports**, while other categories remained relatively stable or saw a narrowing of their deficits. This was a result of production quota restrictions on certain export commodities, as well as robust imports partly driven by government programs.

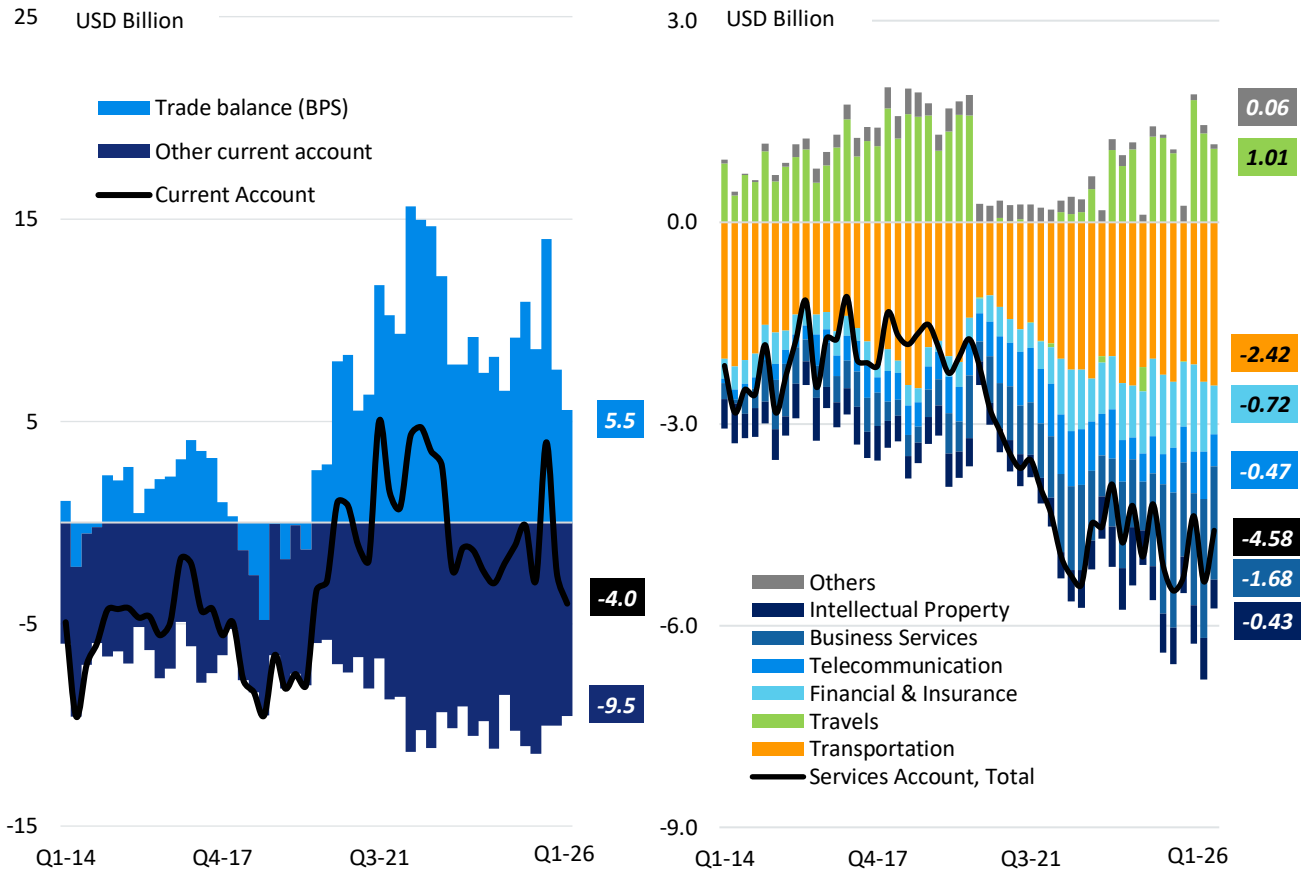
- **The deepest deterioration occurred in the financial account**, driven by a decline in surpluses across direct investment and portfolio investment, with other investment even swinging into a sharp deficit. Negative sentiment, both globally and domestically, served as the trigger. Notably, a sub-component of other investments, namely the currency and deposits category from the private sector, indicated the deepest outflow since COVID.

- **The question is: what will happen in Q2 through Q4?** Let us start from the global perspective. The Fed is widely expected to hold interest rates steady, with even a possibility of one additional hike, meaning global liquidity remains tight, which could weigh on both export potential and capital inflows.

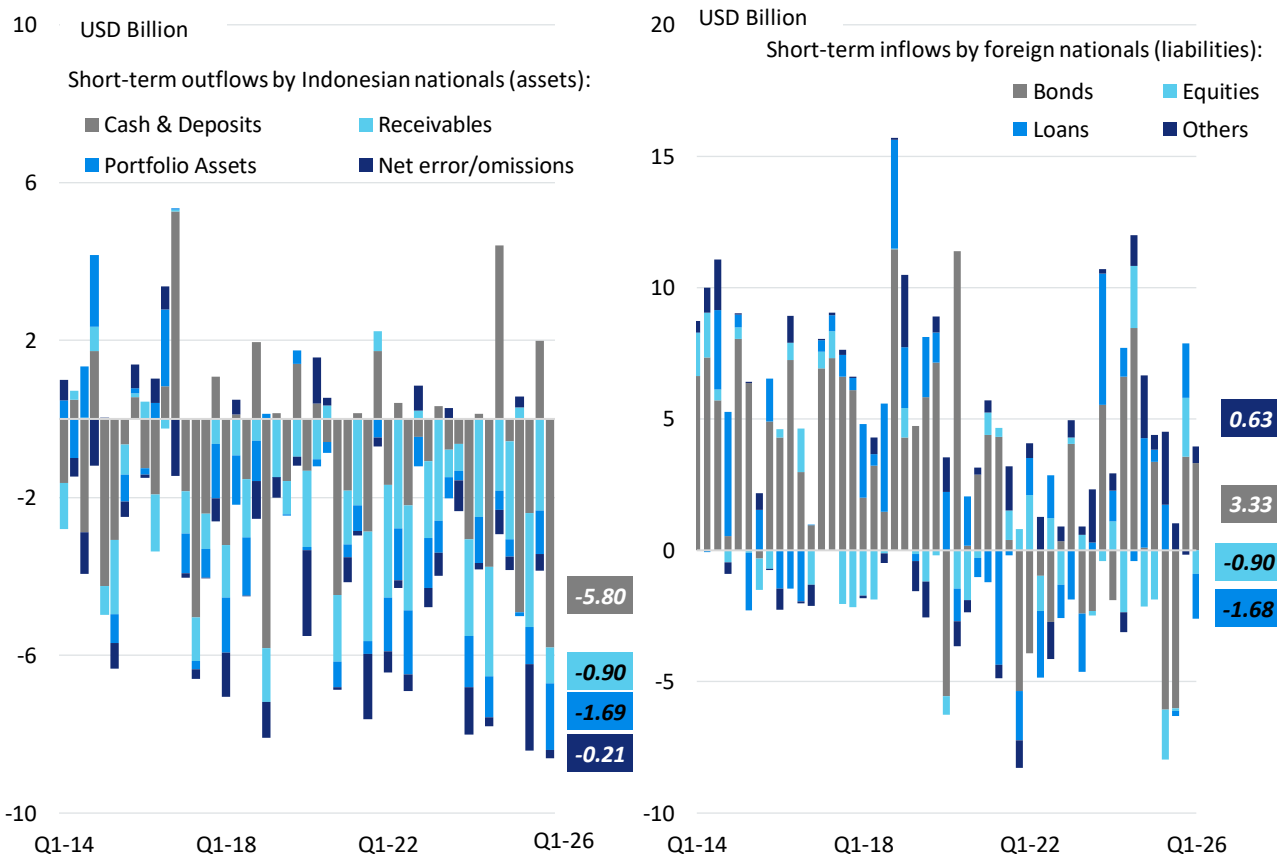
- On the domestic side? It may be fair to say that the next four months (Jun-Sep) will be a moment of truth. There are at least

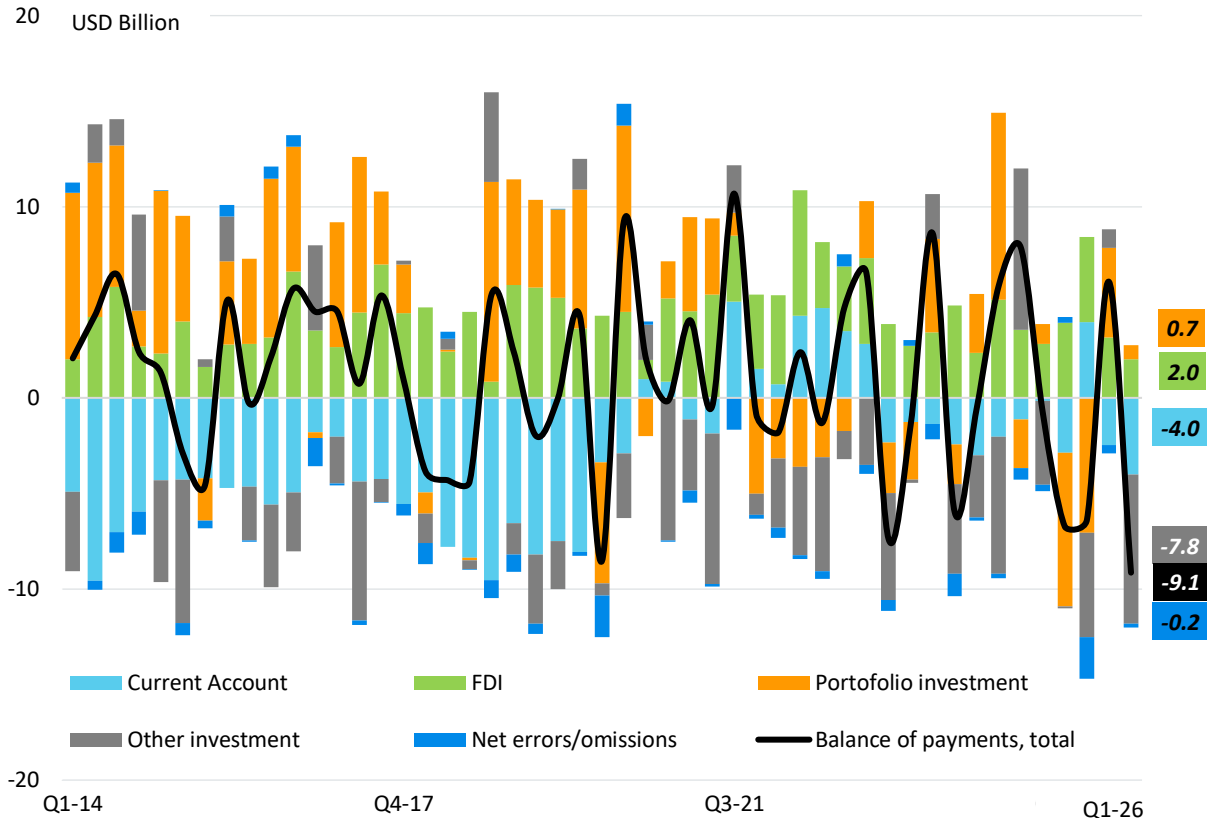
three key developments whose impacts we will be monitoring closely: the MSCI rebalancing, the mandatory placement of natural resource export proceeds (DHE SDA) in SOE banks, and the transition of export activities for certain commodities to PT Danantara Sumberdaya Indonesia. We can attempt to gauge the impact "ahead of time" by observing developments in the portfolio arena and both exporters' and buyers' reactions (domestic CPO prices have dropped sharply). **But ultimately, anything can still happen, and we have revised our FY26 CA deficit outlook to -0.9% of GDP.**

1 A modest trade balance drags the current account balance back into deficit



2 Currency and deposits outflows drove domestic capital outflows, while SRBI Issuance supported foreign portfolio inflow





Selected Macroeconomic Indicators

Table 1. Balance of payments (current USD Million)

	2022	2023	2024	2025	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26
CURRENT ACCOUNT	13,215	-2,042	-8,583	-1,522	-149	-2,863	3,969	-2,478	-4,008
<i>(as % of GDP)</i>	<i>1.00</i>	<i>-0.15</i>	<i>-0.61</i>	<i>-0.11</i>	<i>-0.04</i>	<i>-0.79</i>	<i>1.07</i>	<i>-0.67</i>	<i>-1.09</i>
A. Goods	62,672	46,269	39,839	49,853	13,069	10,516	16,033	10,234	7,975
- Non-Oil/Gas	89,773	67,814	62,779	71,848	18,839	15,678	20,814	16,517	15,273
- Oil/Gas	-24,777	-19,917	-19,646	-19,538	-4,685	-4,203	-4,906	-5,744	-5,321
B. Services	-19,957	-17,676	-18,485	-20,466	-5,483	-5,268	-4,366	-5,349	-4,583
C. Income	-35,303	-36,015	-35,815	-37,628	-9,289	-9,792	-9,429	-9,119	-9,151
D. Current Transfers	5,803	5,380	5,878	6,719	1,553	1,680	1,731	1,755	1,751
CAPITAL TRANSACTIONS	476.19	27.75	279.69	352.04	43.46	67.27	68.80	172.52	4.38
FINANCIAL TRANSACTIONS	-9,157	9,846	17,701	-4,017	-344	-4,231	-8,237	8,795	-4,929
A. Direct Investment	18,067	14,417	15,882	14,354	2,808	3,938	4,453	3,154	2,020
B. Portfolio Investment	-11,631	2,208	8,235	-9,368	1,041	-8,056	-7,053	4,699	730
C. Derivative Instruments	48.36	167.29	291.42	-54.31	189.54	-21.06	-181.97	-40.81	121.66
D. Other Investment	-15,642	-6,946	-6,707	-8,948	-4,383	-92	-5,455	982	-7,800
NET ERRORS AND OMISSIONS	-535.12	-1,531.48	-2,187.72	-2,655.04	-337.39	283.60	-2,184.23	-417.02	-213.38
BALANCE OF PAYMENT (= change in BI international reserves)	3,999	6,301	7,210	-7,842	-787	-6,743	-6,384	6,072	-9,145

Source: Bank Indonesia



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Indonesia – Economic Indicators Projection

	2020	2021	2022	2023	2024	2025	2026E
Real GDP growth (% YoY)	-2.1	3.7	5.3	5.0	5.0	5.1	5.1
Nominal GDP growth (% YoY)	-2.5	9.9	15.4	6.7	6.0	7.6	8.0
GDP per capita (USD)	3912	4350	4784	4920	4960	5083	5457
CPI inflation (% YoY)	1.7	1.9	5.5	2.6	1.6	2.9	3.3
BI Rate (%)	3.75	3.50	5.50	6.00	6.00	4.75	5.75
SBN 10Y yield (%)	5.86	6.36	6.92	6.45	6.97	6.05	6.76
USD/IDR exchange rate (average)	14,529	14,297	14,874	15,248	15,841	16,468	17,392
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	17,607
Trade balance (USD Bn)	21.7	35.3	54.5	37.0	31.0	41.1	25.0
Current account balance (% of GDP)	-0.4	0.3	1.0	-0.1	-0.6	-0.1	-0.9

Notes:

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

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