

## Indonesia: Trade surplus widens as exports surge

Indonesia's export sector gets a lift from elevated commodity prices



Source: Stenly Lam

# \$7.56 bn

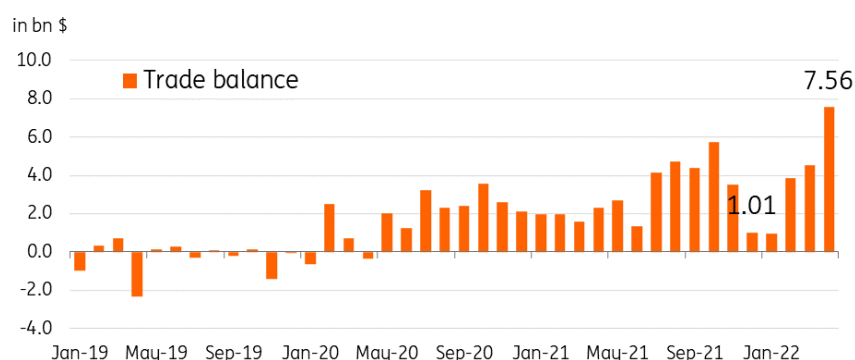
 April trade surplus

Higher than expected

### Trade balance hits \$7.56bn surplus

Indonesia's April trade balance showed similar trends but there were a couple of surprises. Both exports and imports posted double digit gains for the month. Exports however rose faster than expected, up 47.7% (40% expectation) as surging global prices helped boost Indonesia's exports. Imports also posted strong growth although actual expansion was lower than forecast. Surging exports and lower-than-expected imports resulted in a trade surplus of \$7.56 bn. The sizable trade surplus should help keep the current account in positive territory.

## Trade surplus jumps to multi-year high



Source: Badan Pusat Statistik

## Palm oil export ban and the IDR

Sizable trade surpluses have been a key support for the IDR of late. Indonesia has maintained the trade balance in surplus since the start of the pandemic, with the recent global commodity price surge boosting this number further. The latest trade surplus is the highest since at least 2007 and may have lent some stability to IDR for the month of April. Going forward, the recent ban in palm oil exports may cap trade surpluses in the near term. Less sizable trade surpluses may mean less support for the IDR in the near term and we can expect some pressure on the IDR in the coming months.

### Author

#### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security

discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.