

# Indonesia's trade surplus slips as exports contract more than anticipated

January trade numbers showed exports falling more than expected, leading to a much smaller trade surplus



Jakarta, Indonesia

## \$2.0bn January trade balance

Lower than expected

### January trade surplus slides to \$2.bn

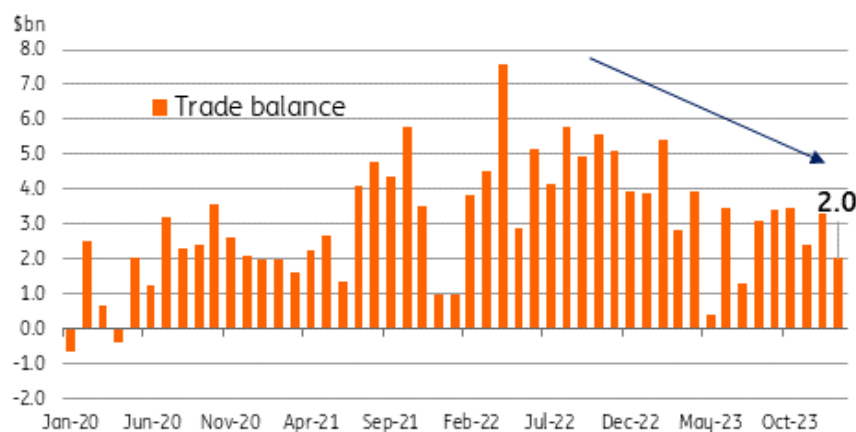
Indonesia's latest trade report showed exports falling more than expected while imports showed only a modest increase for the month of January. Exports posted an 8.1% year-on-year drop compared to expectations for a more modest 3.2% contraction. A 24.6% YoY decline in exports of oil products weighed on overall outbound shipments, while non-oil and gas exports also fell by 8.2% YoY.

Imports, on the other hand, inched up by 0.4% YoY – slightly slower than the forecast for a 1.8%

YoY gain with non-oil imports managing to rise 1.8% YoY.

The overall trade balance remained in surplus but dipped to only \$2bn, lower than expectations for a surplus of \$2.8bn and down sharply from the \$3.3bn reported in December last year.

## Indonesia missing the boost from sizable trade surpluses



Source: Badan Pusat Statistik

## Shrinking trade surplus means less support for IDR

While Indonesia's trade balance remains in a healthy surplus, its fading size points to less support for the IDR in the near term. The IDR had previously been supported by sizeable trade surpluses in the past but it appears that the currency will be unable to bank on this support as much as it did previously.

Fading support from the trade surplus suggests that Bank Indonesia may need to keep policy rates at current levels to bolster the IDR in the near term. Today's disappointing data releases take some shine from the IDR, which enjoyed a brief bounce post elections.

### Author

**Nicholas Mapa**

Senior Economist, Philippines

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