

18 February 2025

Macroeconomics Indicator

	2023	2024E	2025F
GDP growth (%YoY)	5.05	5.03	5.23
Inflation (%YoY)	2.61	1.57	3.16
BI rate (% Year-end)	6.00	6.00	5.50
Rp/US\$ (Average)	15,244	15,853	16,288
CA deficit (% of GDP)	-0.1	-0.7	-1.5
Fiscal deficit (% of GDP)	1.65	2.3	2.8

Higher trade surplus in Jan25 amid a seasonal drop in imports

- Trade surplus rose to US\$3.5bn in Jan25 (US\$2.2bn in Dec24) amid drop in imports at -2.7% yoy (+11.1% in Dec24).
- Electronics exports were the bright spot at +20.5% yoy, but coal and CPO posted negative exports growth at -8.9%/-2.9% yoy.
- We expect higher economic growth of c.5.1% in 1Q25 from consumption due to Eid festivity and gov't policies, e.g. electricity price discount.

Higher trade surplus from contracting imports

Exports inched down +4.7% yoy in Jan25 (+4.8% yoy in Dec24), while imports dropped to -2.7% yoy (+11.1% yoy in Dec24). As a result, the trade surplus widened to US\$3.5bn in Jan25 (consensus at US\$1.8bn, previous surplus at US\$2.2bn in Dec24). Export growth was mainly supported by a rebound in non-oil & gas export at +6.8% yoy (-4.3% yoy in Dec24). While the reversal in imports was primarily coming from a higher contraction in oil imports at -8.0% yoy (-2.2% yoy in Dec24, see our report on oil & gas [here](#)). Overall, we see more challenging external trade as the latest commodity price projection from the IMF suggests a contraction of roughly c.-1%.

Lower consumer goods imports suggest weaker-than-expected consumption

In terms of usage, all three import segments experienced slower growth, led by consumer goods and raw materials imports at -7.2%/-3.2% yoy (+12.5%/+8.8% yoy in Dec24). Furthermore, capital goods imports grew slower at +1.7% yoy (+19.6% yoy in Dec24), in-line with lower government spending on infrastructure (-34.3% budget reduction in infrastructure spending).

Electronics and precious metal were the bright spot

Electronics sustained its double-digit growth at +20.5% yoy in Jan25 (+22.1% yoy in Dec24) mainly due to stronger demand for Indonesia's low-value electronics in the USA such as cables, etc. (accounts for 26% of Indonesia's electronics market). Meanwhile, precious metal export recorded stellar growth at +52.2% yoy (-21.9% yoy in Dec24) primarily supported by an increase in gold price at +37.2% yoy (+27.2% yoy in Dec24).

Weaker commodity prices led to slower CPO & coal exports

All top three commodity exports contracted, led by coal at -8.9% yoy in Jan25 (-7.6% yoy in Dec24) as coal price continues to decline at -8.7% yoy (-9.9% yoy in Dec24). Furthermore, CPO exports reversed to contract by -2.9% yoy (+31.4% yoy in Dec24), primarily due to slower CPO price growth at +20.4% yoy (+38.1% yoy in Dec24). Similarly, iron & steel exports decreased to -7.6% yoy (+3.8% yoy in Dec24). We think this trend of slower exports to hold in FY25 (see fig. 11).

We expect GDP growth of +5.1% in 1Q25

We see the higher trade surplus to be positive for GDP growth at c.+5.1% yoy in 1Q25 (+5.0% in 4Q24). Shall the surplus be sustainable, the external trade contributions to the GDP are likely to be more-than-expected. Moreover, the higher 1Q25 GDP growth expectation will also be supported by bigger consumption due to higher household disposable income from the 50% electricity tariff discount (accounted for around 10-20% household budget) and the Eid festivity seasonality.

Luthfi Ridho

PT Indo Premier Sekuritas

luthfi.ridho@ipc.co.id

+62 21 5088 7168 ext: 717

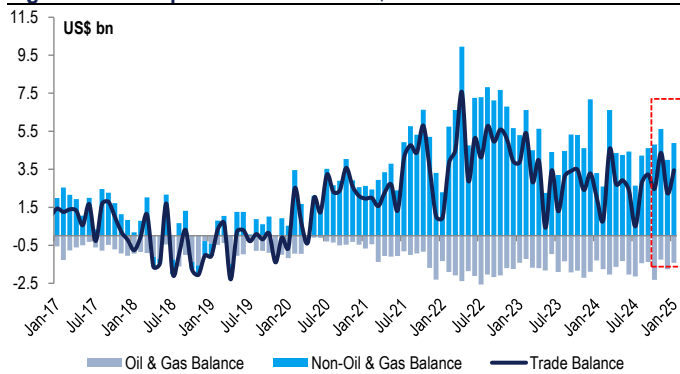
Axel Azriel

PT Indo Premier Sekuritas

axel.azriel@ipc.co.id

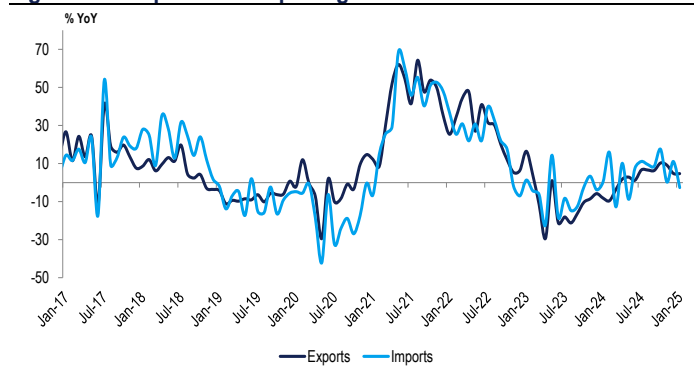
+62 21 5088 7168 ext. 717

Fig. 1: Trade surplus increased to US\$3.4bn in Jan25



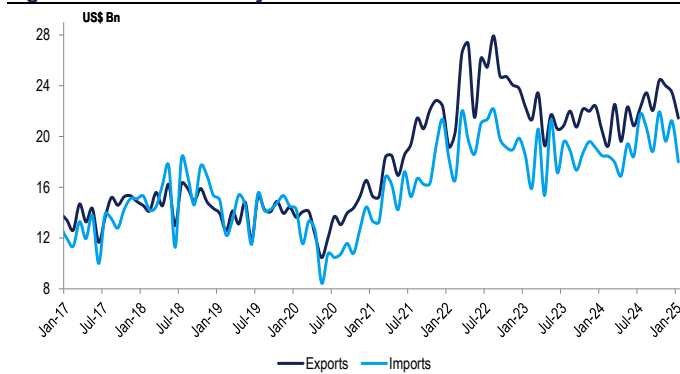
Source: BPS, Indo Premier

Fig. 2: Both exports and imports growth decelerated



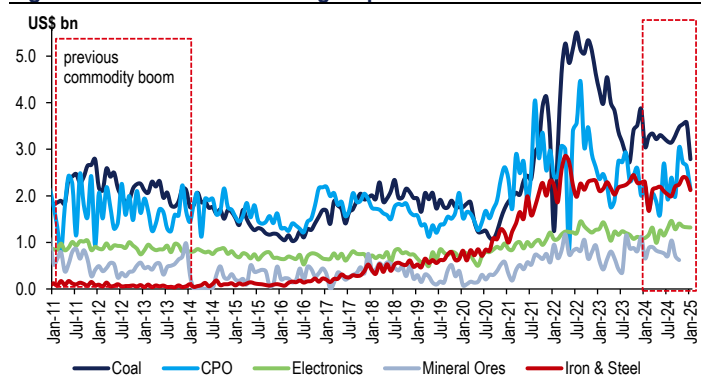
Source: BPS, Indo Premier

Fig. 3: Also fell in monthly terms



Source: BPS, Indo Premier

Fig. 4: Electronics were the bright spot



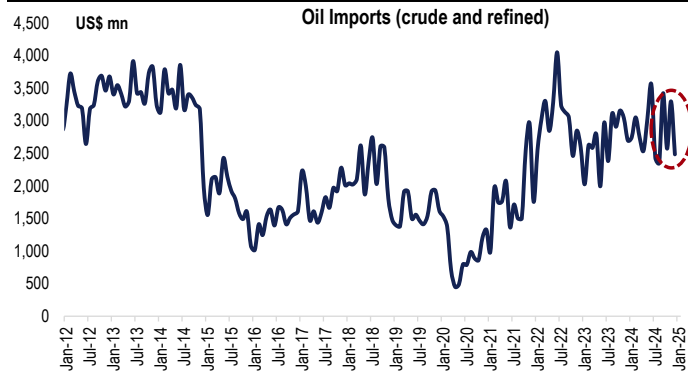
Source: BPS, Indo Premier

Fig. 5: All three top export commodities recorded weak performance in Jan25

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	Nov-24	Dec-24	Jan-25	Nov-24	Dec-24	Jan-25
	% YoY								%YoY			%MoM		
Non-Oil and Gas Exports	0.4	-18.1	-19.2	-9.2	-7.5	1.8	7.2	8.4	9.5	4.8	6.8	-1.7	-3.4	-7.0
Mineral Fuels (Coal)	44.2	-26.7	-44.2	-28.5	-24.4	-12.8	9.5	-1.9	0.7	-7.6	-8.9	1.9	1.0	-22.0
Vegetable Oil (CPO)	-11.1	-11.2	-28.0	-21.8	-15.2	-3.8	-20.9	19.2	4.7	31.4	-2.9	-10.5	-2.8	-18.7
Iron & Steel	-1.5	-18.6	6.1	0.9	-6.9	1.5	-7.9	0.0	5.1	3.8	-7.6	6.9	-1.2	-10.4
Electrical and Electronics	20.6	-6.5	-9.8	-12.4	-10.5	-1.1	12.4	24.1	19.9	22.1	20.5	-4.4	-1.2	-0.4
Other	3.3	-9.1	-8.0	-0.3	-1.4	7.5	17.0	17.6	22.1	13.9	23.0	3.2	-5.3	0.1

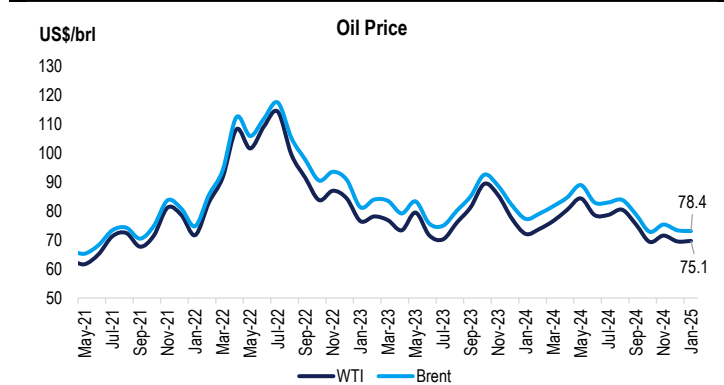
Source: BPS, CEIC, Indo Premier

Fig. 6: Oil imports declined in Jan25...



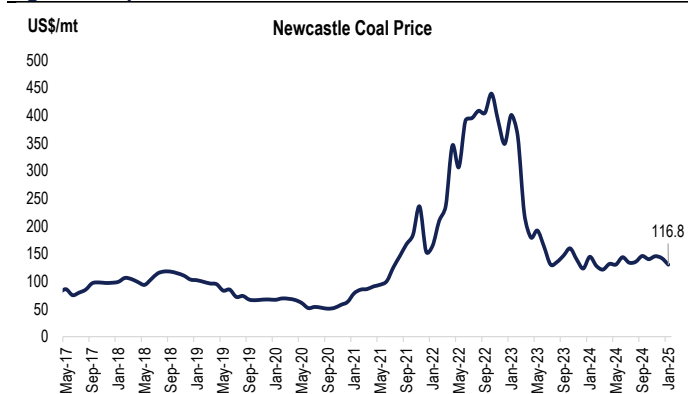
Source: BPS, Indo Premier

Fig. 7: ...as WTI/Brent oil price increased slightly



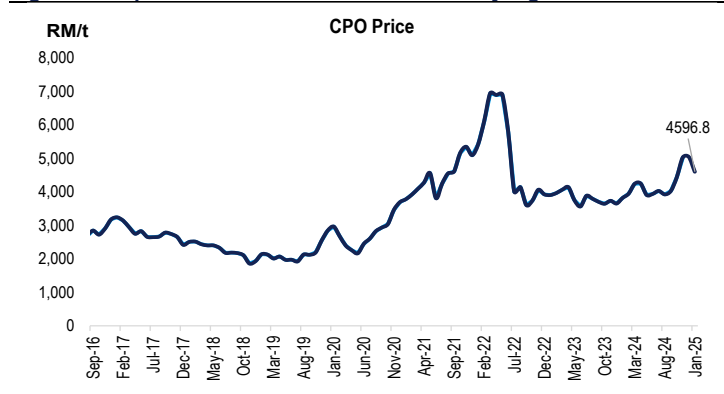
Source: Bloomberg, Indo Premier

Fig. 8: Coal price continued to trend down



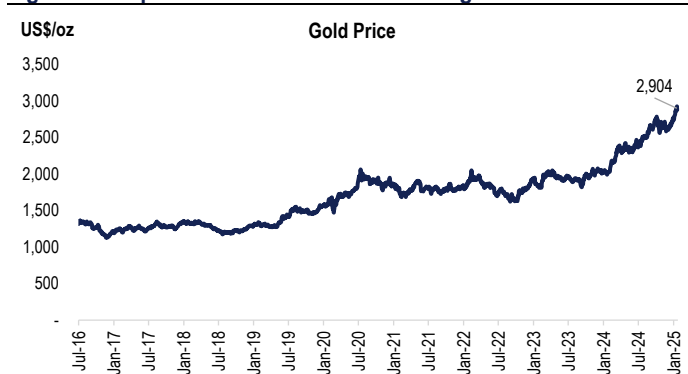
Source: Bloomberg, Indo Premier

Fig. 9: CPO price fell but level remained relatively high



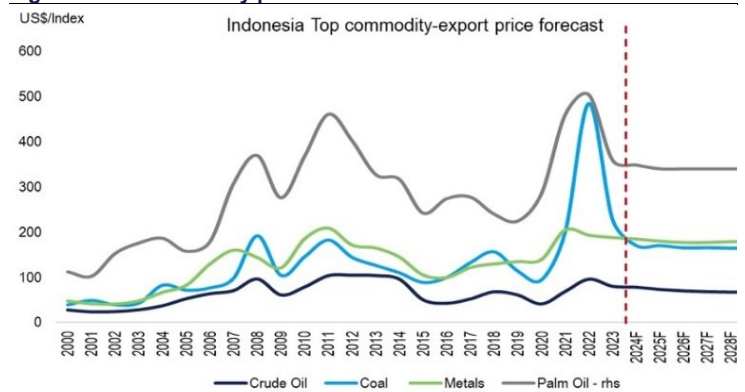
Source: Bloomberg, Indo Premier

Fig. 10: Gold price reaches another all-time high level



Source: Bloomberg, Indo Premier

Fig. 11: IMF Commodity price outlook is flat until 2029F



Source: Bloomberg, Indo Premier

Fig. 12: Both lower exports & imports were led by oil & gas

	Nov-24	Dec-24	Jan-25	Nov-24	Dec-24	Jan-25	Nov-24	Dec-24	Jan-25
	%YoY			%M o M			US\$ mn M o M		
Exports	9.1	4.8	4.7	-1.7	-2.2	-8.6	-423	-537	-2,009
Oil and Gas	2.5	4.1	-24.4	-2.3	17.1	-31.3	-31	225	-483
Non-Oil and Gas	9.5	-4.3	6.8	-1.7	-3.4	-7.0	-392	-762	-1,527
Imports	0.2	11.1	-2.7	-10.5	8.1	-15.2	-2,307	1,590	-3,222
Oil and Gas	-26.3	-2.2	-8.0	-29.9	28.3	-24.7	-1,096	726	-814
Non-Oil and Gas	6.0	13.9	-1.8	-6.6	5.1	-13.4	-1,211	864	-2,408
Import Usage									
Consumer Goods	0.6	12.5	-7.2	-0.8	14.0	-28.7	-17	283	-661
Raw Materials	0.7	8.8	-3.2	-12.0	7.1	-13.1	-1,905	988	-1,967
Capital Goods	-1.7	19.6	1.7	-9.7	8.9	-15.2	-384	319	-594

Source: BPS, Indo Premier

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.