

Macroeconomics Indicator

	2024	2025F	2026F
GDP growth (%yoy)	5.0	5.1	5.2
Inflation (%yoy)	1.6	2.5	2.8
BI rate (% Year-end)	6.00	4.75	4.25
Rp/US\$ (Average)	15,848	16,454	16,700
CA deficit (% of GDP)	-0.6	-0.5	-0.8
Fiscal deficit (% of GDP)	-2.3	-2.8	-2.8

## Trade surplus narrowed to 9-month low amid wider O&G deficit

- Trade surplus dropped to +US\$0.95bn in Jan26 (Dec25; +US\$2.7bn) on wider O&G deficit of -US\$2.3bn. Non-O&G surplus also declined to +US\$3.2bn.
- Export rose +3.41% yoy to US\$22.2bn. Strong palm oil export (+59.6% yoy) helped offset the decline in coal export (-16.0% yoy).
- The import recovery is consistent with improving domestic activity. 1Q26 trade surplus could trend toward the lower bound of US\$5.0–7.5bn.

### Trade surplus narrowed slightly in Jan26

Indonesia’s trade surplus narrowed to +US\$0.95bn in Jan26 (Dec25: +US\$2.7bn), mainly due to a wider oil & gas (O&G) deficit of -US\$2.3bn (Dec25: -US\$2.1bn), one of the largest shortfalls in the past three years. The non-O&G surplus also declined to +US\$3.2bn (Dec25: +US\$4.6bn), reflecting stronger import of manufacturing goods which grew +14.7% yoy (Dec25: +7.3% yoy). By trading partner, China remained the largest source of deficit at -US\$2.5bn, widening from -US\$1.7bn in Jan25, while the US continued to post the largest surplus contribution at +US\$1.6bn, up from +US\$1.3bn in Jan25.

### Surge in palm oil export helped offset decline in coal

Export rose +3.4% yoy to US\$22.2bn in Jan26, though this was US\$4.2bn lower than Dec25 in absolute terms. Non-O&G export increased +4.4% yoy, supported by +8.2% yoy growth in manufacturing export to US\$18.5bn. In contrast, agricultural and mining export declined by -20.4% yoy and -14.6% yoy to US\$0.4bn and US\$2.32bn. The decline in mining was driven by a -16.0% yoy drop in coal exports, while the strength in manufacturing reflected a +59.6% yoy rise in palm oil exports, supported by a +77.1% yoy increase in palm oil export volume. Meanwhile, O&G export contracted -15.6% yoy.

### Import rebound continues, aligned with pick-up in domestic activity

Import surged +18.2% yoy to US\$21.2bn in Jan26 (Dec25: US\$23.8bn), with O&G imports rising sharply by +27.5% yoy. Non-O&G import also recorded solid growth of +16.7% yoy. By usage category, all non-O&G components expanded strongly. Raw material import grew +14.7% yoy to US\$14.9bn (Dec25: US\$16.1bn/+16.1% yoy), capital goods import increased +35.2% yoy to US\$4.5bn (Dec25: US\$4.5bn/+36.1% yoy), and consumer goods import rose +11.8% yoy to US\$1.8bn (Dec25: US\$2.4bn/+11.9% yoy).

### Trade surplus to narrow in 1Q26 on import improvement

The import recovery is consistent with our 2026 outlook, where improving domestic activity is expected to lift domestic demand. Indonesia manufacturing PMI rose to 53.8 in Feb26, with the growth of input purchase component rose to near 2Y, underpinning the positive trend in import growth. In the near term, multiple religious holidays in 1Q26 may cause moderation in export performance due to fewer operating days in manufacturing. As a result, the 1Q26 trade surplus could trend toward the lower bound of our US\$5.0-7.5bn estimate. Assuming the current commodity rally continues, export performance might recover in 2Q26. We maintain our FY26 trade surplus projection at US\$25–35bn.

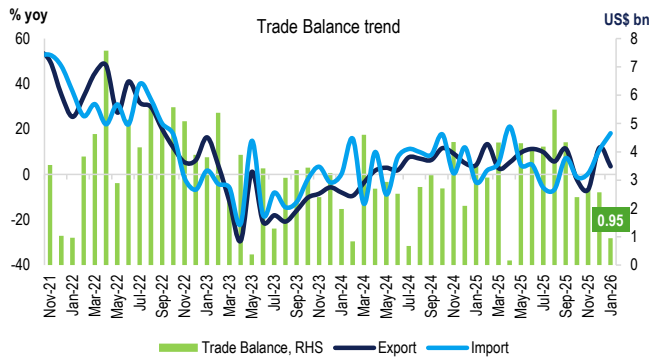
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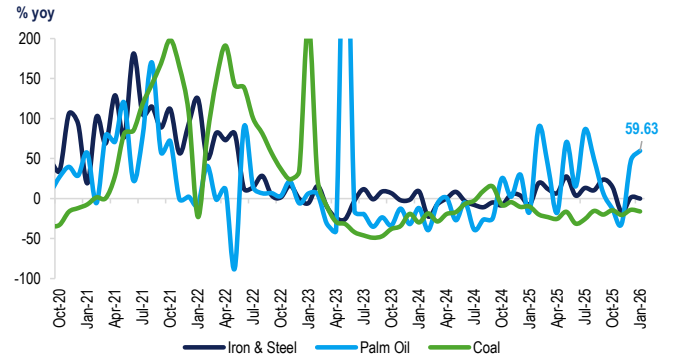
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**Fig. 1: Trade surplus narrowed significantly in Oct25**



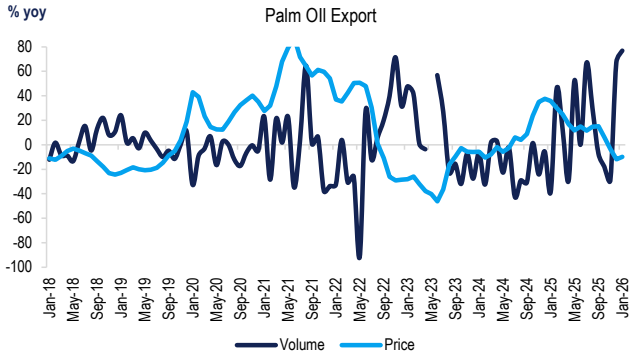
Source: BPS, Indo Premier

**Fig. 2: Strong palm oil export helped offset decline in coal**



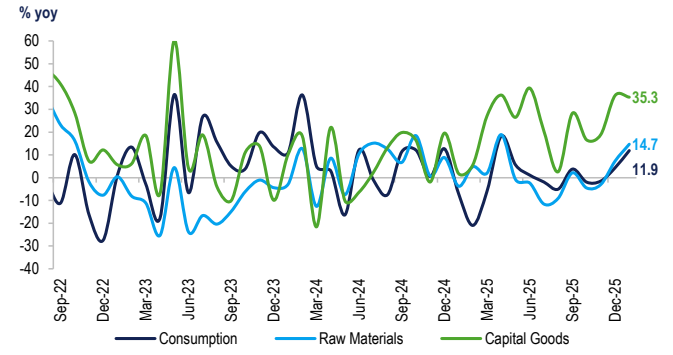
Source: BPS, Indo Premier

**Fig. 3: Strong volume growth was the key driver in palm oil export amid downtrend in price**



Source: BPS, Indo Premier

**Fig. 4: Raw materials import growth was climbing, underpinned by the recovery in domestic manufacturing activity**



Source: BPS, Indo Premier

**Fig. 5: We expect trade surplus to narrow in 1Q26 to US\$5.0-7.5bn**

	Value (US\$ bn)				Growth (% yoy except Trade Balance)			
	Jan-22	Jan-23	Jan-24	Jan-25	Jan-22	Jan-23	Jan-24	Jan-25
Export	22.3	20.6	21.4	22.2	16.4	-7.9	4.2	3.4
Oil & Gas	1.5	1.4	1.1	0.9	64.7	-6.1	-24.4	-15.8
Non-Oil & Gas	20.9	19.2	20.4	21.3	14.0	-8.1	6.3	4.4
Import	18.5	18.6	17.9	21.2	1.7	0.3	-3.5	18.2
Oil & Gas	2.9	2.7	2.5	3.2	30.4	-7.2	-8.0	27.7
Non-Oil & Gas	15.6	15.9	15.5	18.0	-2.3	1.6	-2.7	16.7
Trade Balance	3.8	2.0	3.5	1.0	2.8	-1.8	1.5	-2.5
Oil & Gas	-1.4	-1.3	-1.4	-2.3	-0.1	0.1	-0.1	-0.8
Non-Oil & Gas	5.2	3.3	4.9	3.2	2.9	-1.9	1.6	-1.7

Source: BPS, Indo Premier

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