

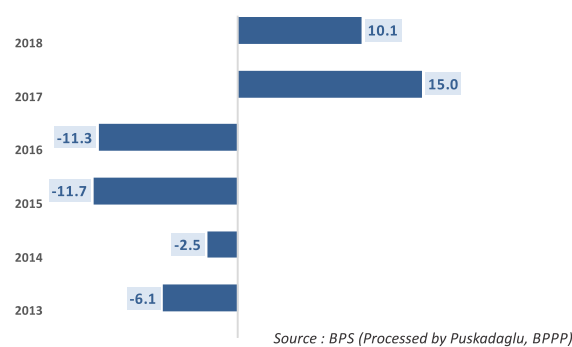
Surplus in June 2018 Narrowing Deficit in First Half of 2018

KEMENTERIAN
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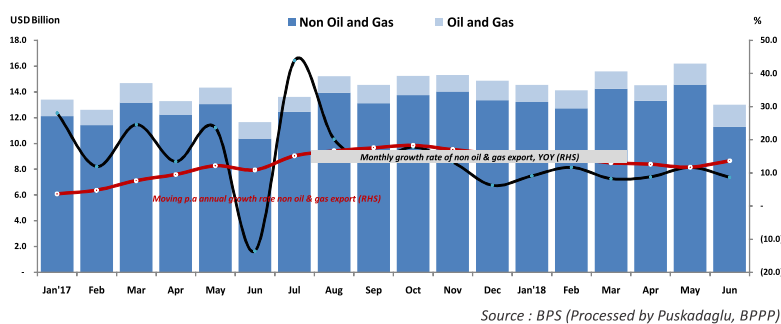
MINISTRY OF TRADE



Jakarta, 1 August 2018– World economic situation is suppressing national export performance. Exports in June 2018 were recorded USD 13.0 billion, down 19.8% compared to the previous month (MoM) or up 11.5% to last year's figure (YoY). Slowing exports was attributable to lower non-oil and gas exports by 22.6% (MoM) despite higher year-on-year performance by 8.6% (YoY).

Graph 2. Export Growth Semester I 2013 - 2018

Indonesia's top ten non-oil and gas export destination in first half 2018 were China (USD 12.3 billion), the United States (USD 8.5 billion), Japan (USD 8.1 billion), India (USD 6.3 billion), Singapore (USD 4.5 billion), Malaysia (USD 3.7 billion), South Korea (USD 3.4 billion), Philippines (USD 3.3 billion), Thailand (USD 2.8 billion) and Netherlands (USD 1.9 billion) with the accumulated share of 69.3% of the total non-oil and gas exports. In terms of growth, exports to China experienced a significant increase, up USD 3.2 billion followed Japan, Malaysia, Philippines, South Korea, Vietnam, Thailand, Taiwan, Hong Kong and Singapore with exports growth ranging between USD 1.4 billion to USD 203.1 million (Table 1).

Graph 1. Indonesian Export Value June 2018

Export achievement in June led to the cumulative exports during first half 2018 amounting to USD 88.0 billion or up 10.0% (YoY), spurred by increased non-oil and gas and oil and gas exports respectively by 9.7% and 13.5%. The export growth in the corresponding period demonstrated an improvement compared to the same period between 2013 and 2016. However, the growth was still lower than that in 2017.

Table 1. Top Ten Export Destinations for Non-oil and Gas Exports by Value and Growth (Semester I 2018)

THE BIGGEST NON OIL AND GAS EXPORT VALUE				THE BIGGEST NON OIL AND GAS EXPORT INCREASE			
COUNTRY	USD MILLION	GROWTH (% YoY)	SHARE (%)	COUNTRY	ΔUSD MILLION	GROWTH (%) YoY	
CHINA	12,296.4	34.7	15.5	CHINA	3,169.2	34.7	
UNITED STATES	8,559.9	2.3	10.8	JAPAN	1,424.6	21.3	
JAPAN	8,101.6	21.3	10.2	MALAYSIA	399.7	11.9	
INDIA	6,271.0	(8.5)	7.9	PHILIPPINES	344.0	11.8	
SINGAPORE	4,505.9	4.7	5.7	SOUTH KOREA	328.3	10.6	
MALAYSIA	3,747.0	11.9	4.7	VIETNAM	304.4	18.8	
SOUTH KOREA	3,428.1	10.6	4.3	THAILAND	293.7	11.3	
PHILIPPINES	3,264.0	11.8	4.1	TAIWAN	229.8	17.3	
THAILAND	2,882.3	11.3	3.6	HONGKONG	205.0	18.7	
NETHERLANDS	1,942.3	(1.8)	2.4	SINGAPORE	203.1	4.7	

In general, declining exports value in First Semester 2018 was not triggered by prices of several Indonesian non-oil and gas export commodities on the international market, as evidenced by escalating non-oil and gas export volume and value individually by 15.7% and 11.4% during the period. Such condition also was also experienced by other Mineral fuel increase of value by 25.5%, Vehicles and parts thereof increase 7.5%, Jewelry/gems increase by 14.9% and also paperboard increase by 25.5% (Table 2).

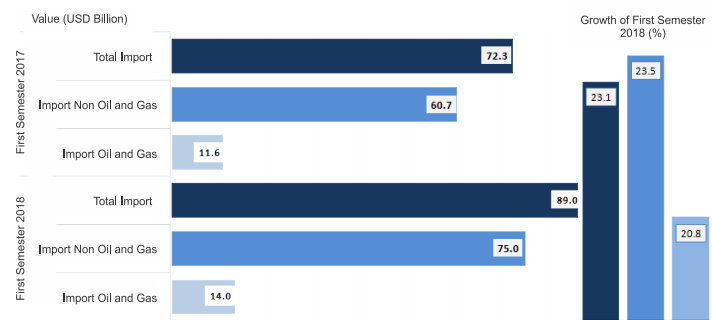
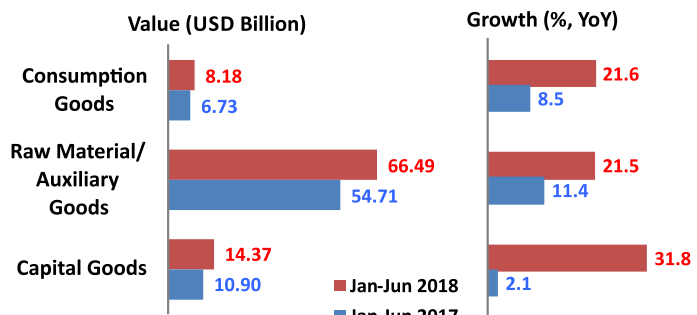
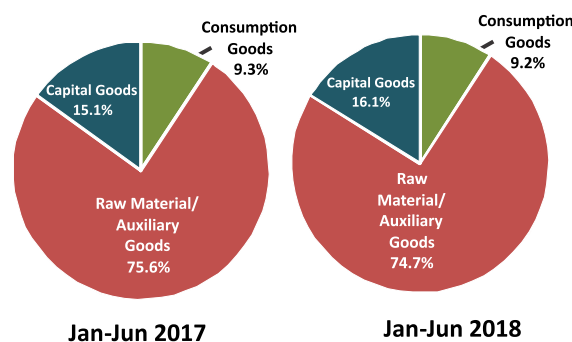
Table 2. 15 Main Commodities for Non-oil and Gas Exports

HS2	Description	Value (USD Million)			Volume (Thousand Ton)		
		Jan-Jul 2018	Growth (%)	Growth (USD Million)	Jan-Jul 2018	Growth (%)	Growth (Thousand Ton)
	Total Export	104,236.5	11.4	10,628.4	349,509.2	15.7	47,397.0
	Total Export Non Oil and Gas	94,210.0	11.1	9,377.2	326,335.5	17.1	47,726.0
27	Mineral Fuel	14,465.8	25.5	2,941.0	248,982.2	14.1	30,696.1
87	Vehicles and Parts thereof	4,152.5	7.5	291.0	481.6	7.2	32.3
71	Jewelry/Gems	3,443.9	14.9	446.1	1.5	19.8	0.2
26	Ore, Crust and Metal Ash	3,394.4	117.2	1,831.9	16,929.8	395.5	13,512.9
72	Iron and Steel	3,064.8	94.9	1,492.2	2,393.4	27.1	509.6
38	Various chemical products	2,941.2	32.9	728.8	3,417.5	56.8	1,237.4
48	Paperboard	2,646.4	25.5	538.2	3,018.2	13.9	368.7
62	Apparel, not knitted	2,586.4	8.8	208.4	111.5	-1.1	-1.3
44	Kayu, Barang dari Kayu	2,554.0	15.6	344.6	3,092.1	-6.2	-203.9
61	Knitwear	2,321.0	11.1	231.7	139.2	1.1	1.5
03	Fish and Crustaceans	1,882.7	9.6	164.2	395.0	5.1	19.3
47	Pulp of wood	1,550.0	33.7	390.5	2,560.4	7.8	184.6
39	Plastic and articles thereof	1,522.3	11.6	158.7	949.9	3.4	31.0
74	Copper and articles thereof	1,303.7	23.2	245.1	191.7	1.2	2.3
73	Articles of iron and steel	807.0	30.3	187.8	351.2	-6.0	-22.4
	Sub Total 15 Comodity	48,636.3	26.5	10,200.2	283,015.0	19.6	46,368.5
	Others	45,573.7	-1.8	-923.0	43,320.5	3.2	1,357.5
	Total Oil and Gas	10,026.5	14.3	1,251.2	23,173.7	-1.4	-329.0

Source : BPS (Processed by Puskadaglu, BPPP)

Imports in June 2018 Dropped Considerably -36.3% (MoM) But Grew 12.7% (YoY)

Import performance in June 2018 registered USD 11.3 billion, down 36.3% compared to May 2018 (MoM) or up 12.7% compared to June 2017 (YoY). The decline was affected by lower imports for non-oil and gas by 38.23% to USD 9.1 billion, and oil and gas by 26.11% to USD 2.1 billion (MoM). The overall imports during first half 2018 were USD 89.0 billion, up 23.10% (YoY) which derived from non-oil and gas by USD 75.0 billion, up 23.54% and oil and gas USD 14.03 billion, up 20.83% (Graph 3).

Graph 3. Indonesian Imports Value in June 2018 and first half 2018**Graph 4. Indonesian Imports Structure in the First Half of 2018**

Source : BPS (Processed by Puskadaglu, BPPP)

During Semester I 2018, imports remained dominated by raw/auxiliary materials (74.7%) and capital goods (16.1%). Imports of consumer goods hiked 21.6% to USD 8.2 billion (YoY) while that of raw/auxiliary materials

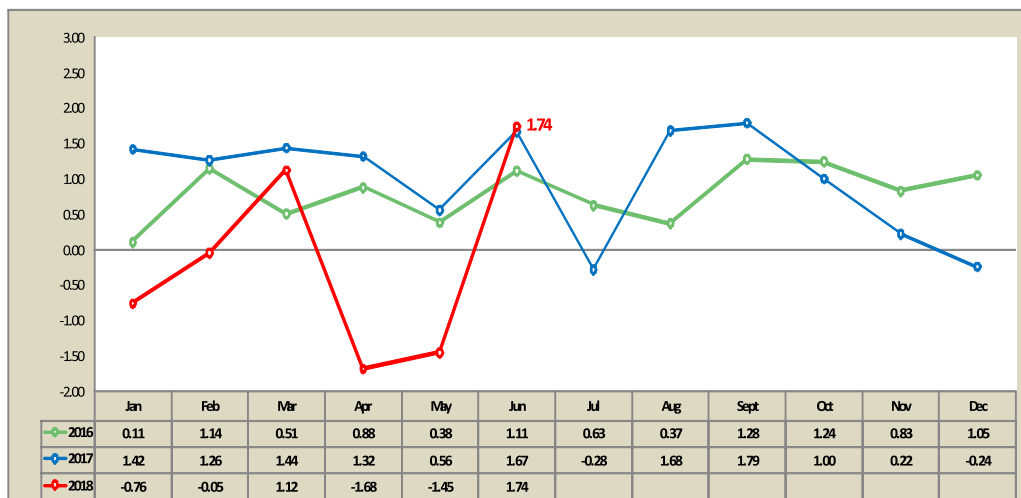
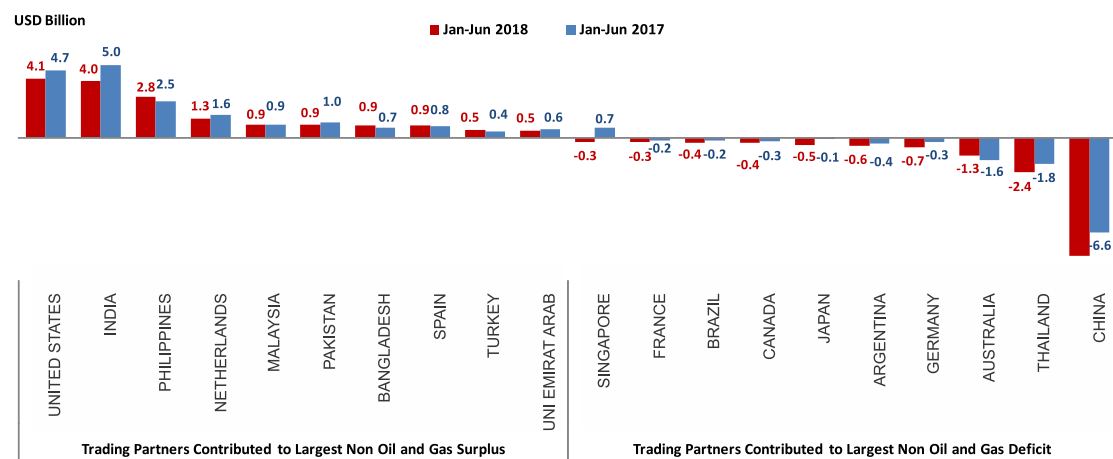
rose 21.5% to USD 66.5 billion. Likewise, imports of capital goods rose 31.8% to USD 14.4 billion, or far higher than last year's growth which only grew by 2.1% (Graph 4).

Trade Performance in June 2018 Resulted in Trade Surplus of USD 1.7 Billion, Correcting Trade Balance Deficit in Semester I 2018

Exports and import performances in June 2018 generated a trade surplus of USD 1.7 billion, driven by improved trade balance both in oil and gas and non-oil and gas sectors. Oil and gas trade balance which registered USD 1.2 billion in May 2018 narrowed by one-third to only USD 393.9 million in June 2018. Similarly, non-oil and gas with trade deficit of USD 235.8 million last month recorded a surplus of USD 2.1 billion this month (Graph 5).

Trade surplus in June 2018 corrected the cumulative trade balance deficit in Semester I 2018 with accumulated deficit of USD 1.0 billion. Last year, accumulated trade balance led to trade surplus of USD 7.7 billion. The Ministry of Trade, working closely with other relevant parties, is focusing on accelerating exports growth and controlling the imported of goods, particularly merchandise that can be substituted by domestic industries.

The United States, India, the Philippines, the Netherlands and Malaysia were among top trading partners for non-oil and gas trade surplus in January-June 2018 period whose total value amounted to USD 13.1 billion. While China, Thailand, Australia, Germany and Argentina were top trading partners for trade deficit with total value of USD 13.3 billion.

Graph 5. Indonesia's Monthly Trade Balance: 2016 to Mid-2018 Period**Graph 6. Top Trading Partners for Non-oil and Gas Trade Surplus and Deficit**

Source : BPS (Processed by Puskadaglu, BPPP)