NEWSletter

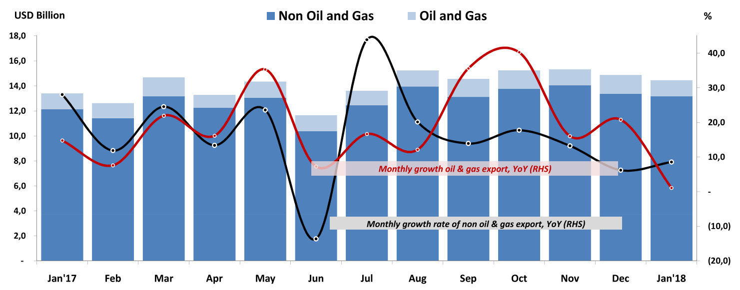
March 2018

KEMENTERIAN PERDAGANGAN REPUBLIK INDONESIA
MINISTRY OF TRADE

Non-Oil and Gas Exports Performance in January Grew Signaling a Good Start in 2018

Jakarta, 1 March 2018 - Export performance in January 2018 reached over USD 14 billion, up 7.9% compared with same period last year. Stronger exports in January was driven by increased exports of both oil and gas and non-oil and gas sectors. Exports of oil and gas totaled USD 1.2 billion supported by growing gas exports by 20.84% (YoY). Likewise, that of non-oil and gas grew 8.57% (YoY) to USD 13.2 billion. Export performance at the beginning of the year signalled a positive sign and optimism in achieving export performance targets in 2018.

Graph 1. Indonesia's Export Performance



Source: BPS (processed by Puskadaglu, BPPP)

Table 1. Indonesian Non-oil and Gas Exports to Top Trading Partners

COUNTRY	USD Million		Growth (YoY)	
	Jan 2017	Jan 2018	USD Million	%
CHINA	1.549,9	1.919,5	369,6	23,8
UNITED STATES	1.426,0	1.542,7	116,7	8,2
JAPAN	1.159,5	1.385,6	226,1	19,5
INDIA	1.319,2	1.101,4	(217,9)	(16,5)
SINGAPORE	576,5	724,4	147,9	25,7
MALAYSIA	591,7	611,4	19,7	3,3
THAILAND	413,8	524,1	110,2	26,6
SOUTH KOREA	484,8	516,8	32,0	6,6
PHILIPPINES	489,0	461,7	(27,3)	(5,6)
NETHERLANDS	343,6	318,3	(25,4)	(7,4)
VIETNAM	234,2	291,3	57,1	24,4
HONGKONG	193,0	251,7	58,7	30,4
GERMANY	231,2	238,6	7,4	3,2
TAIWAN	209,1	219,1	9,9	4,7
PAKISTAN	189,3	191,0	1,7	0,9
AUSTRALIA	147,9	183,7	35,8	24,2
BANGLA DESH	131,9	166,0	34,1	25,9
UNITED ARAB EMIRATES	108,2	154,6	46,3	42,8
SPAIN	160,8	138,4	(22,4)	(13,9)
SAUDI ARABIA	109,5	135,2	25,7	23,5

Source: BPS (processed by Puskadaglu, BPPP)

Optimism in export growth was reflected in significant increased non-oil and gas exports to several major trading partners in January 2018 namely to China up 23.8%, United States 8.2%; Japan 19.5%; Philippines 26.6%; The Netherlands 24.4%; Bangladesh 24.2%; and Saudi Arabia 42.8%. In contrast, non-oil and gas exports to other trading partners decreased, among others, to India down 16.5%; Thailand 5.6%; Vietnam 7.4%; Pakistan 32.3%; Australia 23.0% and Spain 13.9% (YoY).

In addition to non-oil and gas export growth, improvement in export commodities also accounted for future export growth. Non-oil and gas products with high export value were: Jewelry / Gems (141.1%), Mineral Fuel (18.1%), Iron and Steel (103.1%), Pulp / Pulp (61.1%), Fish and Shrimp (33.7%), and Apparel not knitted (20.5%). The relatively increased exports was owing to improving world economic conditions and strengthening commodity prices in world markets.

Table 2. Top Non-oil and Gas Export Commodities January 2018

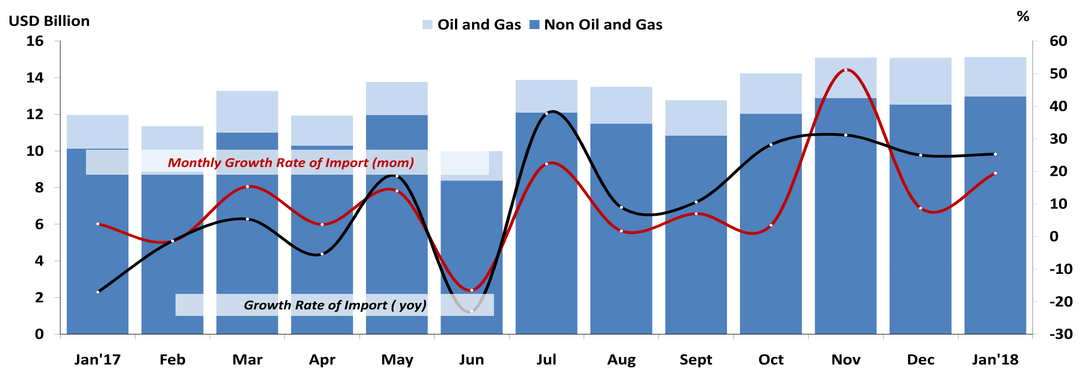
HS	COMMODITY	Δ USD Million	GROWTH (%, YoY)
71	Jewelry / Gems	337,6	141,1
27	Mineral Fuel	303,5	18,1
72	Iron and Steel	202,8	103,1
47	Wood Pulp / Pulp	78,0	61,1
03	Fish and Shrimp	72,7	33,7
62	Apparel, not knitted	70,5	20,5
26	Ore, Crust, and Metal Ash	65,2	20,5
87	Motor Vehicles and Parrts thereof	64,3	12,7
85	Machinery / electrical equipment	58,2	9,1
64	Footwear	55,4	13,6

Source: BPS (processed by Puskadaglu, BPPP)

Imports of consumer goods, capital goods, and raw/auxiliary materials grew in early 2018

Import performance in January 2018 valued USD 15.1 billion, up 26.4% compared to January last year (YoY) which comprised of non-oil and gas imports of USD 12.9 billion and oil and gas imports of USD 2.1 billion, respectively up 26.3% and 19.31% (YoY).

Graph 2. Indonesia's Import Performance

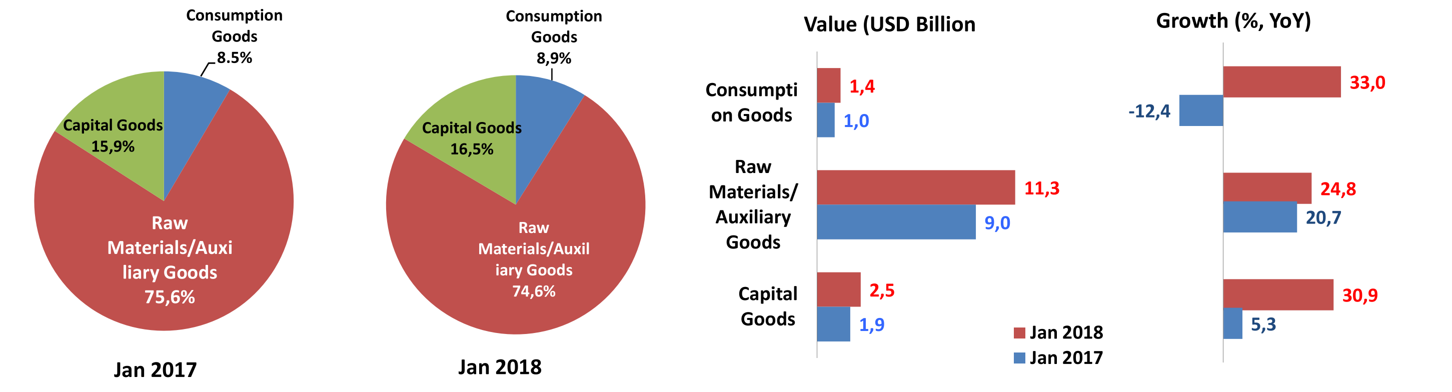


Source: BPS (processed by Puskadaglu, BPPP)

Import value in January 2018 amounted to USD 15.1 billion, up 26.4% (YoY). Such increase was driven by escalating imports of consumer goods by 33.0%, capital goods by 30.9%, and raw/auxiliary materials by 24.8% (YoY). The growth in consumer goods imports indicated strong purchasing power which was simultaneously responded by domestic industry through higher imports of capital goods and raw/auxiliaries materials to be competitive in meeting domestic and export demands.

The growth of imported raw/auxiliary materials has led to a bigger share in total imports amounting to 74.6%, slightly higher than that of December 2017 at 73.1%. Imported raw/auxiliaries with significant increase were Parts & Equipment Transport (21.4%), Fuel Motor (17.2%), and Raw Materials for Industrial process (8.3%). As for capital goods, the highest increase in imports was Passenger Car (56.1%). In contrast, consumer goods indicated narrowing imports were Food & Beverage (Primary) for household purpose (-62.7%) and Fuel & Lubricants (Processed) (-35.4%).

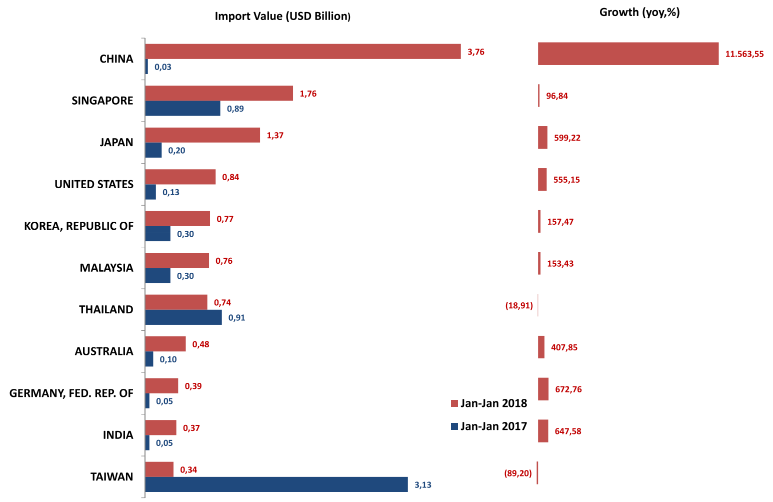
Graph 3. Indonesia's Import Performance by Types of Goods Use



Source: BPS (processed by Puskadaglu, BPPP)

Indonesia's imports from top trading partners have tended to grow. The highest import increase in January 2018 was from China which grew 11.563.55% to USD 3.76 billion (YoY). Imports from some trading partners also grew considerably, namely from Singapore 96.84%, Japan 599.22%, United States 555.15% and Korea 157.47%. In addition, imports from Germany grew nearly seven fold by 672.76% from USD 0.05 billion to USD 0.39 billion. In contrast, imports from Thailand and Taiwan decreased respectively by 18.91% and 89.20%. Imports from Thailand fell from USD 0.91 billion in January 2017 to USD 0.74 billion in January 2018.

Graph 4. Imports by Country of Origin

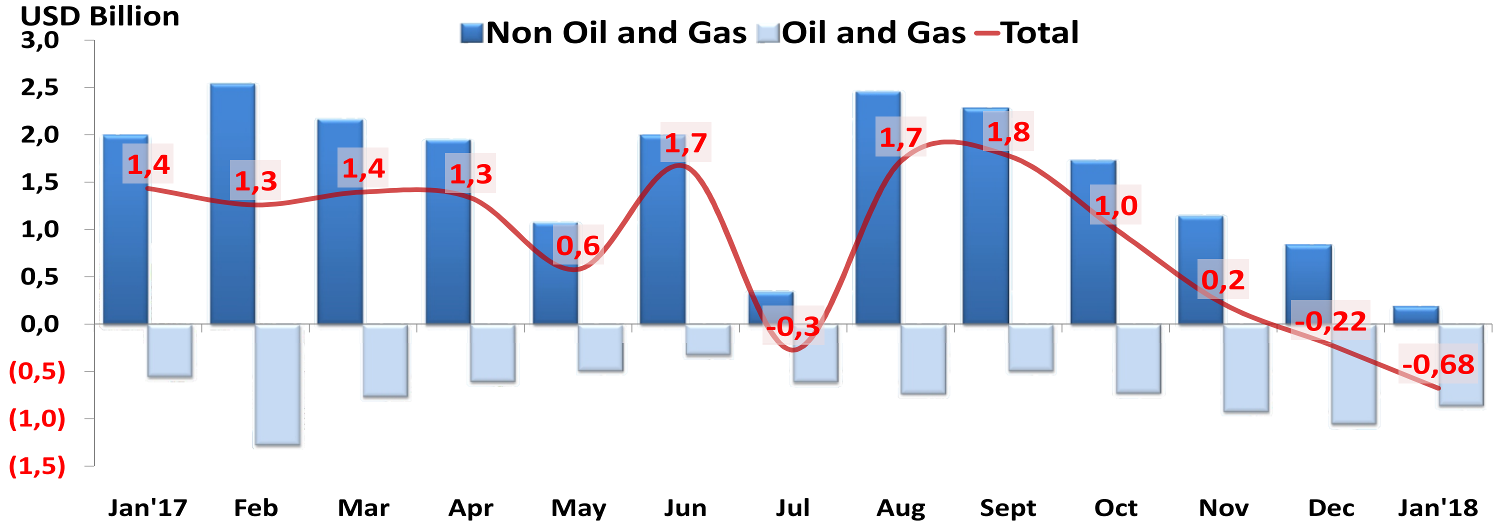


Source: BPS (processed by Puskadaglu, BPPP)

Higher Increase in Imports and Deficit in Oil and Gas Sector Led to Trade Deficit of USD 678.9 Million

In January 2018, the trade balance was a deficit of USD 678.9 million on account of high import demand which grew higher than export growth. Trade balance of non-oil and gas was still a surplus of USD 182.6 million while that of oil and gas was a deficit of USD 859.5 million.

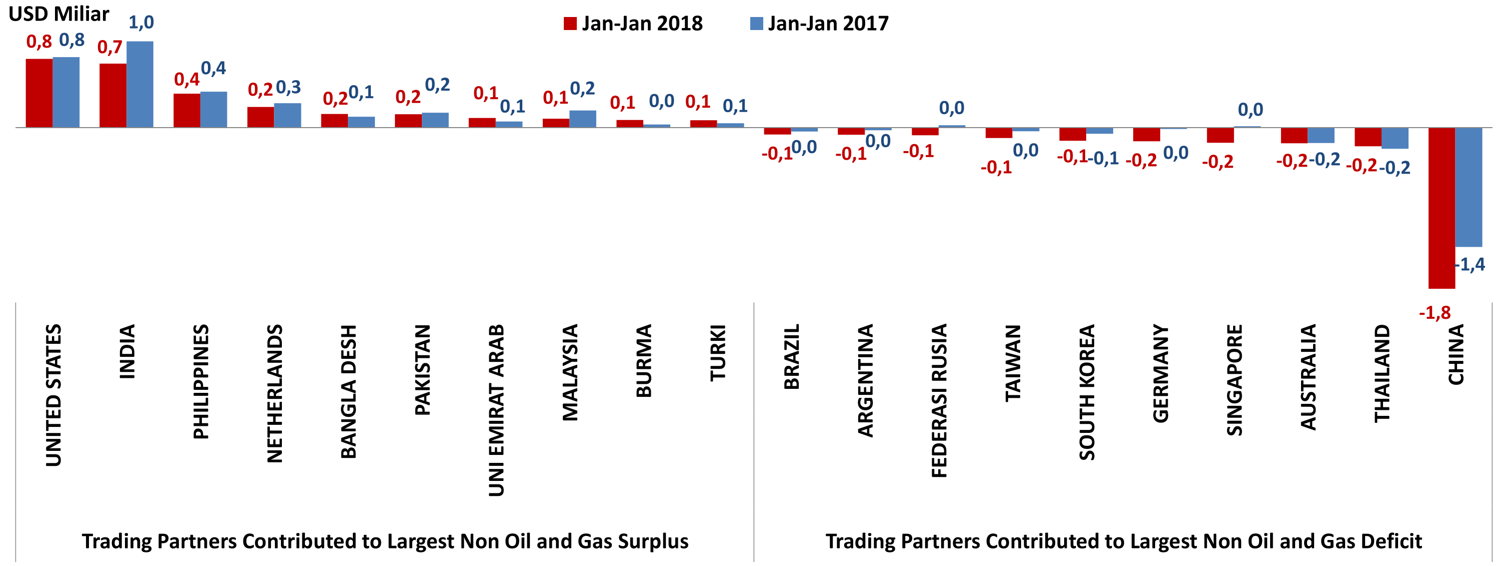
Graph 5. Indonesia Trade Balance



Source: BPS (processed by Puskadaglu, BPPP)

The United States, India, the Philippines, the Netherlands and Bangladesh were among top trading partners for non-oil and gas surplus in January 2018 with total value worth USD 2.3 billion. Non-oil and gas surplus with India decreased drastically from USD 1.0 billion in January 2017 to only USD 0.7 billion this year. Meanwhile, China, Thailand, Australia, Singapore and Germany were top trading partners for trade deficit which reached USD 2.6 billion in total. Non-oil and gas trade with China dropped due to widening trade deficit value which rose to USD 1.8 billion.

Graph 6. Indonesia's Top Trading Partners for Non-oil & Gas Surplus and Deficit



Source: BPS (processed by Puskadaglu, BPPP)

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