NEWSletter

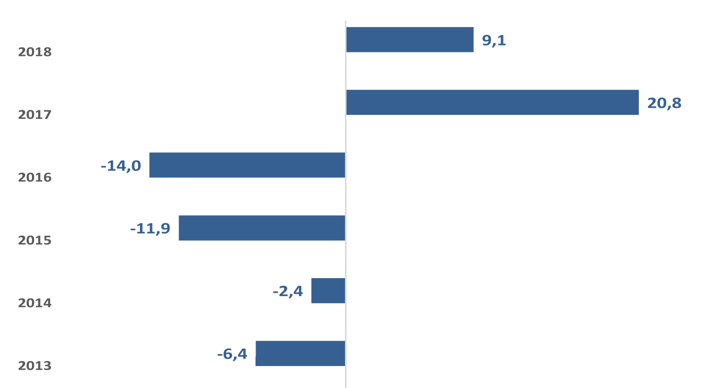
May 2018

KEMENTERIAN PERDAGANGAN
REPUBLIK INDONESIA
MINISTRY OF TRADE

Trade Performance in March 2018 Achieved Another Trade Surplus

Jakarta, 2 May 2018 –Exports in March 2018 amounted to USD 15.6 billion with an increase of 10.2% over the previous month (MoM). The surge was driven by increased non-oil and gas exports. Non-oil and gas exports went up 11.7% to USD 14.2 billionwhile that of oil and gas fell 3.8% to USD 1.3 billion. Stronger export performance in March increased optimism in paving the way for 2018'sexport target achievement.

Graph 1. Export Growth of Q1 2013 - 2018



Source: BPS (processed by Puskadaglu, BPPP)

In terms of non-oil and gas, exports to several trading partnersdemonstrated an upward trend and grew significantly in Q1 2018. Top three non-oil and gas export destinations were China, Japan, and Singapore whose exports grew individually to USD 1.6 billion (up 35.1%),USD 0.7 billion (21.2%), and USD 269.6 million (12.5%).

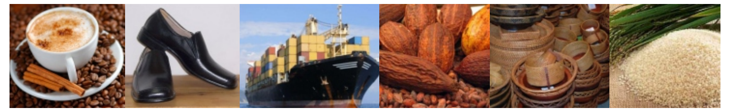


Table 1. Indonesia Trade Performance

Description	Value (USD Million)						Growth Mar 2018 MoM (%)		Growth Januari - Maret YoY (%)	
	Maret 2018			Januari - Maret 2018						
	Export	Import	Balance	Export	Import	Balance	Export	Import	Export	Import
Total	**15.579,8**	**14.488,1**	**1.091,7**	**44.265,8**	**43.983,0**	**282,8**	**10,24**	**2,13**	**8,78**	**20,12**
Oil and Gas	**1.337,9**	**2.262,4**	**-924,5**	**4.052,5**	**6.756,4**	**-2.703,9**	**-3,81**	**1,24**	**1,80**	**2,71**
Crude Oil	461,3	847,6	-386,3	1.224,7	2.353,9	-1.129,2	3,43	-9,12	-12,58	42,60
Oil Products	119,9	1.196,6	-1.076,7	354,3	3.739,2	-3.384,9	11,85	8,27	-19,26	-10,60
Gas	756,7	218,2	538,5	2.473,5	663,3	1.810,2	-9,67	10,82	15,52	-10,98
Non Oil and Gas	**14.241,9**	**12.225,7**	**2.016,2**	**40.213,3**	**37.226,6**	**2.986,7**	**11,77**	**2,30**	**9,53**	**23,93**

Source: BPS (processed by Puskadaglu, BPPP)

Export performance in March led the cumulative export in the first quarter of 2018 reach USD 44.3 billion, up 8.78% compared to the same period last year. Such increase was on account of positive growth in non-oil and gas and oil and gas exports respectively by 9.53% and 1.8%. Exports in Q1 2018 showed an improved performance compared to the periods between 2013-2016, except that in 2017 in which the growth was considerably higher.

Table 2. Top Trading Partners for Non-oil and Gas Exports in Q1 2018

COUNTRY	Δ USD Million	GROWTH (%, YoY)
CHINA	1.646,4	35,1
JAPAN	712,5	21,2
SINGAPORE	269,6	12,5
THAILAND	195,8	15,5
HONGKONG	157,7	28,6
MALAYSIA	148,2	8,7
UNITED STATES	134,5	3,1
VIETNAM	122,7	15,6
BULGARIA	95,1	793,9
PHILIPINES	94,3	6,6

Source: BPS (processed by Puskadaglu, BPPP)

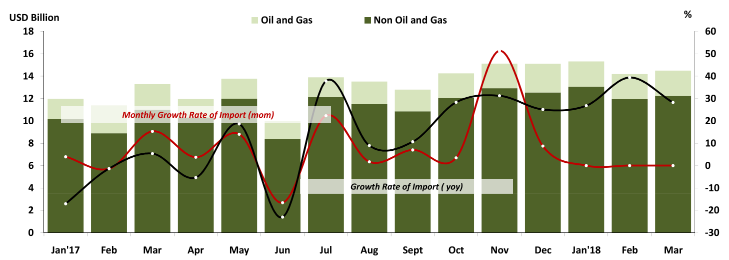
Goods whose export values grew considerably in Q1 2018 were: Mineral Fuels (25.7%), Slag, ash and residues (193.3%), Iron and Steel (125.1%), Jewelery/Gem (38%), Wood Pulp (49.6%), Copper (53.9%), and Paper/paperboard (22.2%). Thesignificant export growth indicatedimproving demand for Indonesia's products in world markets.

Table 3. Top Non-oil and Gas Export Commodities Growth Q1 2018

HS	COMODITY	Δ USD Million	GROWTH (%, YoY)
27	Mineral Fuel	1.273,0	25,7
26	Ore, Crust, and Metal Ash	895,4	193,3
72	Iron and Steel	697,4	125,1
71	Jewelry / Gems	483,4	38,0
47	Wood Pulp / Pulp	201,4	42,9
74	Copper and articles thereof	196,5	53,9
48	Paperboard	194,9	22,2
03	Fish and Shrimp	154,1	22,8
44	Wood and articles of wood	127,9	13,3
62	Apparel, not knitted	116,3	11,2

Source: BPS (processed by Puskadaglu, BPPP)

Graph 2.Indonesian Import Performance



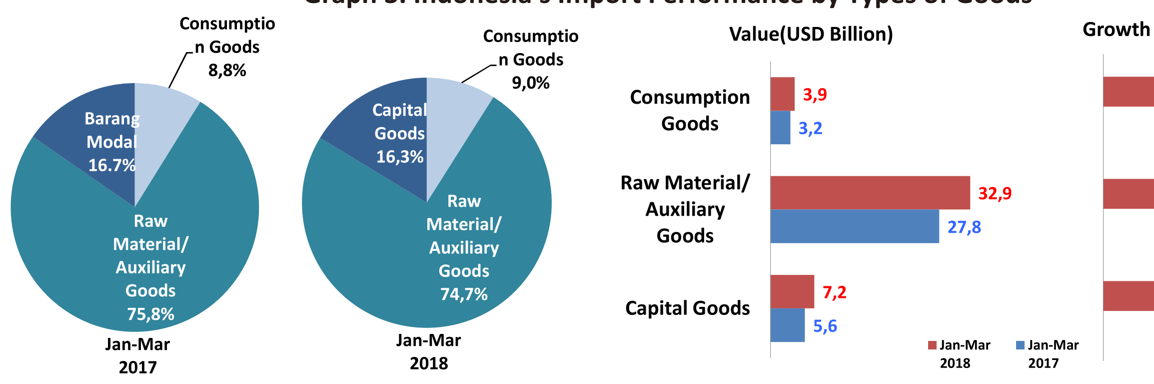
Source: BPS (processed by Puskadaglu, BPPP)

Imports in March 2018 reached USD 14.48 billion, up 2.13% compared to that in March 2017. Widened imports weredriven by growing oil and gas imports by 1.24% to USD 2.3 billion and non-oil and gas imports by 2.30% to USD 12.23 billion. Imports in Q1 2018 valued USD 43.98 billion, up 20.12% (YoY) which comprised oil and gas imports of USD 6.7 billion (up 2.71%) and non-oil and gas imports of USD 37.23 billion (up 23.3%).

Growing import value in the first three months of2018 was driven by higher imports of all types of goods. Imports of raw/auxiliary materials rose by 18.3% while that of capital goods and consumer goods grew respectively by 27.7% and 22.1%. Widened imports of raw/auxiliary materials and capital goods showed a positive signal of domestic industry's growth. In addition, rise in consumer goods imports was to anticipateincreasing demand in the fasting month of Ramadan and Eid Mubarak.

Increased raw/auxiliaries materials made it as the category being moredominant than the others with 74.7% share of total imports. Last year, the share of raw/auxiliary materials amounted to 75.6%. Rawauxiliary/materials whose imports grew significantly in Q1 2018 were Spare parts &Associated Transport Equipment (47.72%) and Industrial Raw Materials (22.91%). Meanwhile, capital goods whose imports rose considerably included Capital Goods Except for Transportation Equipment (26.55%) and Transport Equipment for Industry (43.25%).

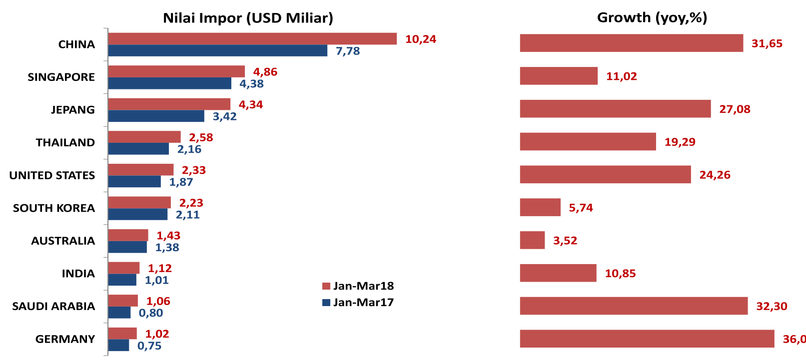
Graph 3. Indonesia's Import Performance by Types of Goods



Source: BPS (processed by Puskadaglu, BPPP)

Among trading partners, top three import increase came from Germany, Saudi Arabia, and China. Imports from Germany rose 36.08% from USD 0.8 billion in Q1 2017 to USD 1.0 billion in Q2 2018. Meanwhile, imports from Saudi Arabi and China increased individually by 32.3% and 31.65%.

Graph 4. Indonesia's Import Performance by Country of Origin

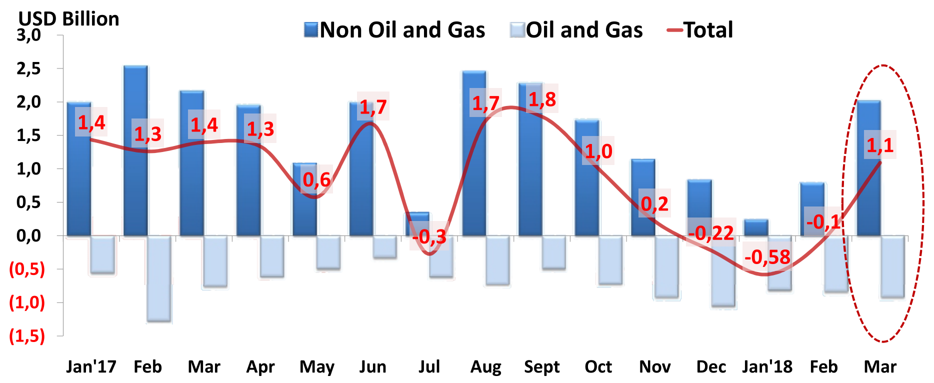


Source: BPS (processed by Puskadaglu, BPPP)

Trade performance in March 2018 generated a surplus of USD 1.1 billion

March's trade balance demonstrated a surplus of USD 1.1 billionafter deficits in the preceding months. Trade surplus in March 2018 was derived from non-oil and gas trade surplus of USD 2.0 billion and oil and gas trade deficit of USD 0.9 billion. In addition, lower import than export growth compared to the previous month (MoM) also led to trade surplus in March's trade balance.

Graph 5. Indonesia Trade Balance

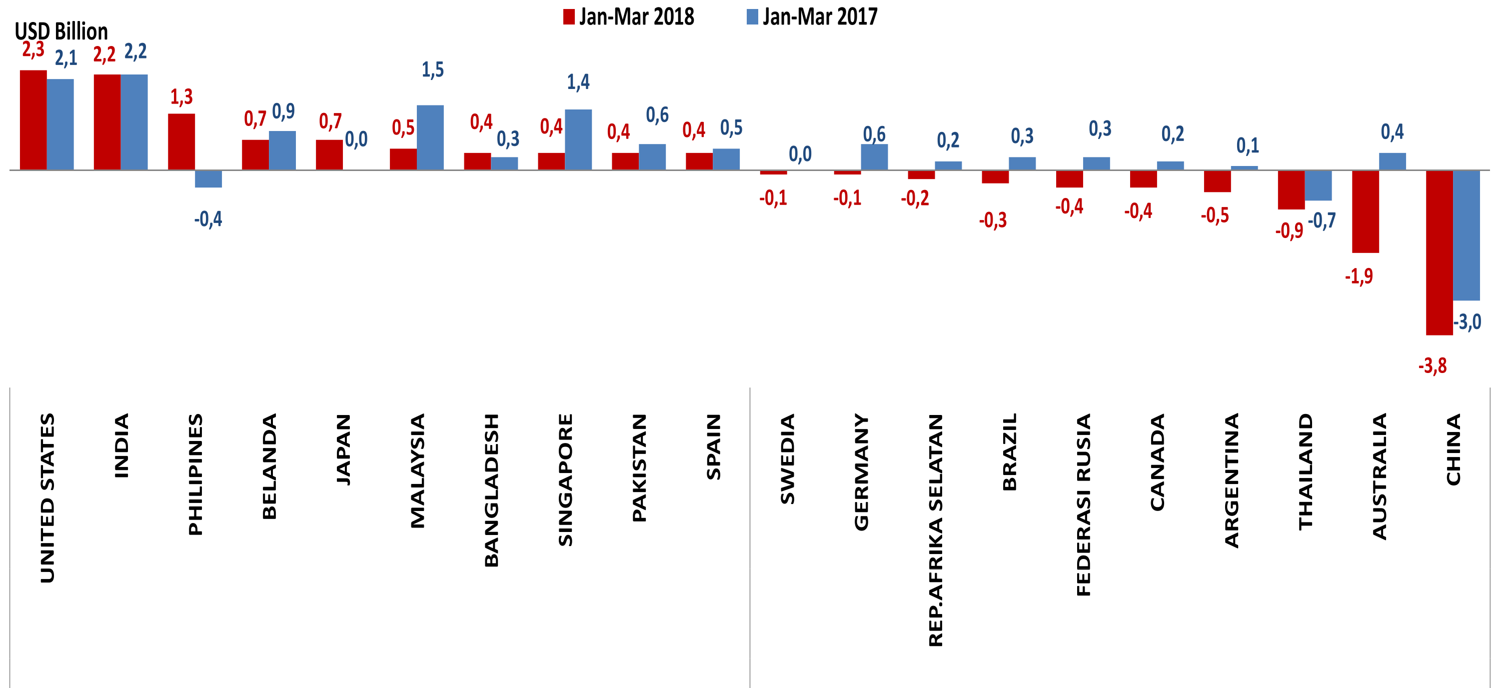


Source: BPS (processed by Puskadaglu, BPPP)

Cumulativetrade balance in Q1 2018 was a surplus of USD 282.8 million, far below the achievement in the same periode of 2017 which stood at USD 4.1 billion. The pressure on the balance of trade in Q1 2018 was owing to rising oil prices in the international market. The overall non-oil and gas trade surplus totaled USD 3.0 Billion.

The United States, India, the Philippines, the Netherlands and Japan weretop five trading partners for non-oil and gas surplus in Q1 2018 with total valueof USD 7.2 billion. In contrast, China, Australia, Thailand, Argentina and Canada were trading partners which led to deficit amounted to USD 5.9 billion.

Graph 6. Top Trading Partners for Non-oil and Gas Trade Surplus and Deficit



Trading Partners Contributed to Largest Non Oil and Gas Surplus

Trading Partners Contributed to Largest Non Oil and Gas Deficit

Source: BPS (processed by Puskadaglu, BPPP)

Center for Foreign Trade Policy
Trade Policy Analysis and Development Agency
Ministry of Trade, Republic of Indonesia
Jl. M.I. Ridwan Rais No.5
Jakarta 10110
Main building 16th Fl.
Telp. +62 21 2352 8683 Fax. +62 21 2352 8693
Email : puska.daglu@kemendag.go.id
Website : www.kemendag.go.id

remarkable indonesia