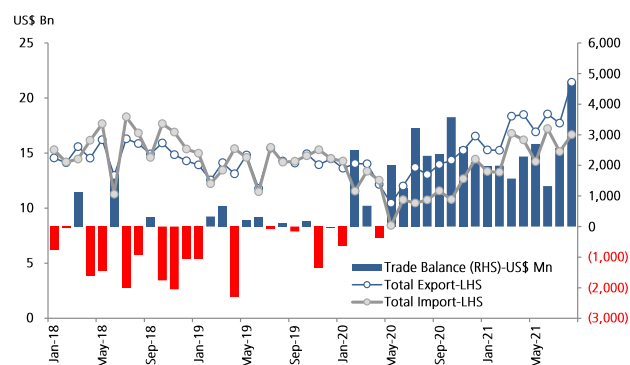


Trade Update August 2021: Surplus Reaches a Record High

Key Findings:

- The trade surplus recorded a record high driven by solid exports, especially to China and the US.
- Strong demand from partner countries and rising commodity prices boosted exports in August 21.
- The manufacturing sector began to improve, leading to an increase in imports, especially imports of raw materials and capital goods.

Chart 1 Indonesia's Exports and Imports



Source: BPS

Update Summary

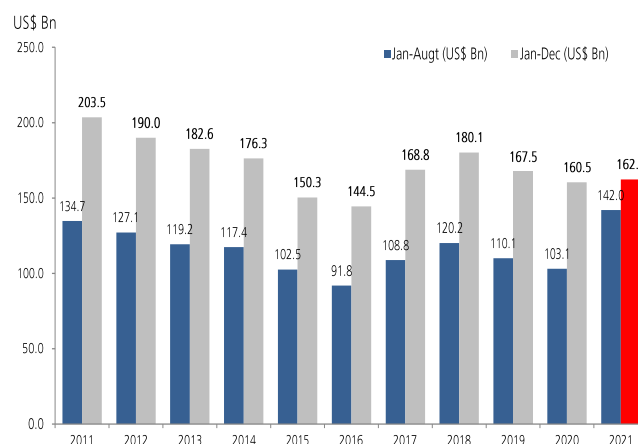
In August 2021, Indonesia recorded a USD 4.74 bn trade surplus, higher than in the previous month (a USD 2.59 bn surplus). Indonesia's exports reached USD 21.42 bn or +20.95% mom with imports reaching USD 16.68 bn or +10.35% mom.

Table 1 Trade Summary

	July (USD bn)	MoM (%)	YoY (%)	2021* (USD bn)
Trade balance	4.74			14.86
Exports	21.42	+20.95	+64.10	162.23
Imports	16.68	+10.35	+55.26	147.37

*Forecast

Chart 2 Exports Performance



*Forecast

Source: BPS, Danareksa Research Institute

More Details

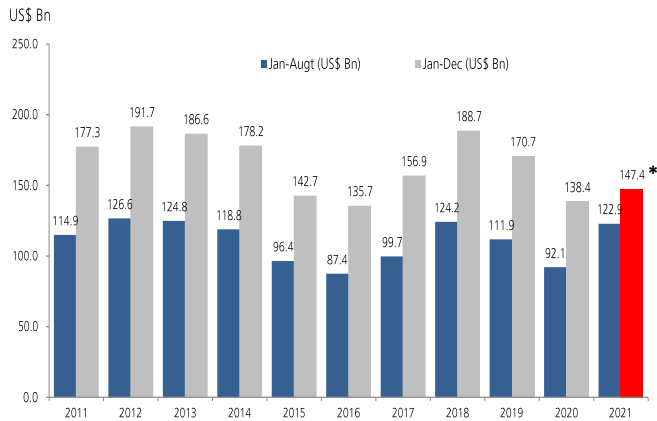
Trade Surplus in August 21 Reached its Highest Level

The trade surplus reached a record high of USD 4.74 bn in Aug 21. The increase in the surplus in August 21 mainly owed to a sharp increase in exports on a monthly basis thanks to strong demand from partner countries and rising commodity prices.

August 21: Solid Exports Performance

In August 21, Indonesia's exports rose further to USD 21.42 bn (+20.95% mom, +64.10% yoy) both in oil and gas and non-oil exports. One factor behind the increase in exports in August 21 was the continued strong demand from trading partner countries in line with the easing of mobility restrictions. Exports especially increased to China and the US. In addition, the higher exports in August 21 were also driven by rising commodity prices, especially of coal (+22.01% mom), copper (+42.28% mom) and lignite (+38.54% mom).

Chart 3 Imports Performance



*Forecast

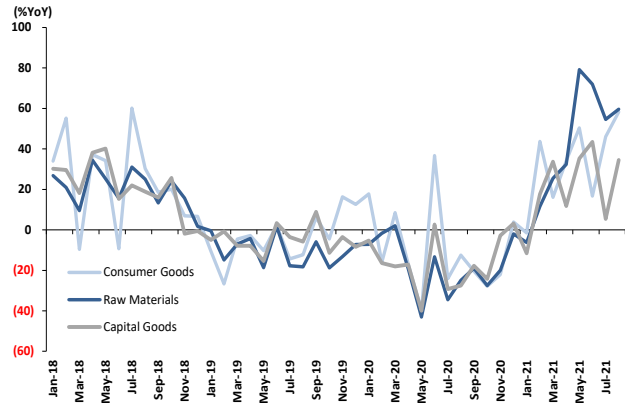
Source: BPS, Danareksa Research Institute

The easing of social restriction policies boosted imports in August 21

On a monthly basis, imports rose to USD 16.68 bn (+10.35% mom, +55.26% yoy) in Aug 21. The increase in imports was driven by the relaxation of activity restrictions in Java and Bali that lifted the aggregate demand and the resumption of activities in the manufacturing sector. In August 21, Indonesia's PMI began to show an increase even though it remained in the contractionary zone (43.7). The increase in activities in Indonesia's manufacturing sector are reflected in higher imports of raw materials and capital goods which accounted for 74.20% and 14.47% of Indonesia's total imports, respectively.

Meanwhile, on an annual basis, Indonesia's imports still managed to grow by +55.26% yoy because of the low base effect in 2020.

Chart 4 Growth of Imports (by component)



Source: BPS

- End-

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