

## November Update: Large Deficit

### Forecast for 2019

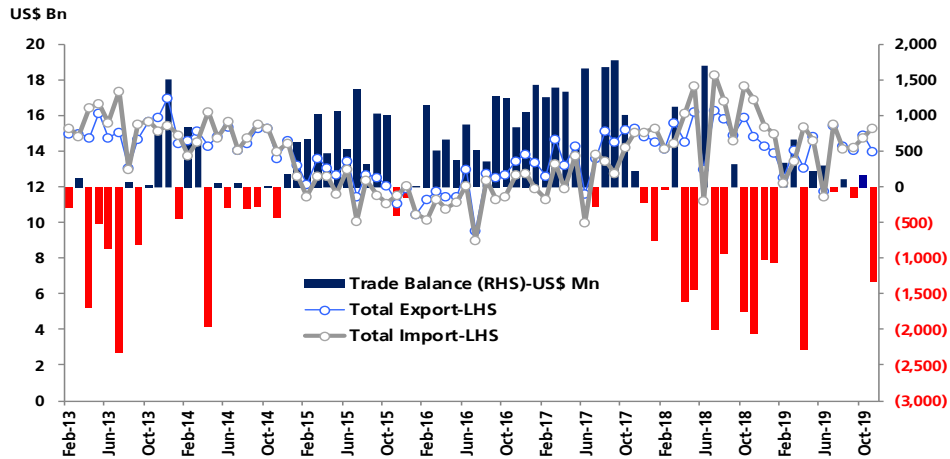
Exports	USD 166.7 bn
Imports	USD 171.8 bn
Trade Balance	USD (5.04) bn

- Indonesia recorded a large trade deficit of USD 1.33 bn in November, the second-highest deficit in 2019. This owed to both lower monthly exports and surging imports. Exports fell to USD 14.0 bn (-6.2% mom, -5.7% yoy), while imports climbed to USD 15.3 bn (+3.9% mom, -9.2% yoy). November's large trade deficit is also far worse than the median consensus of a USD 105 mn deficit and our projection of a USD 46.2 mn deficit. In addition, it also reflects both a higher oil and gas deficit (USD 1.02 bn) and a higher non oil and gas deficit (USD 0.30 bn). In the January-November period, Indonesia's trade deficit reached USD 3.10 bn, or below 2018's deficit of USD 7.62 bn.
- The lower monthly exports reflect a drop in non oil and gas exports (-7.9% mom), while the oil and gas exports rose further (+20.7% mom). The lower monthly exports reflect weaker trade volume (-8.7% mom, +9.7% yoy), since average prices actually rose (+2.8% mom, -14.0% yoy). The average prices of Indonesia's oil and gas exports surged 9.8% mom. By product type, shipments of Indonesia's top non oil and gas export products weakened such as exports of mineral fuel (HS 27), vehicles and parts (HS 87), and iron and steel (HS 72). By destination country, the value of Indonesia's non oil and gas exports to China, Japan, and the U.S. dropped by 12.6%, 10.4%, and 3.7% mom, respectively. In the Jan-Nov 2019 period, Indonesia's exports to these three countries contributed 36.8% of Indonesia's non oil and gas exports.
- The increase in monthly imports continued on the back of strong oil and gas imports (+21.6% mom) and higher non oil and gas imports (+1.6% mom). Import volumes increased (+19.2% mom, +3.9% yoy), while average prices contracted (-12.8% mom, -12.6% yoy). By product type, Indonesia's main non oil and gas imports were mixed. Imports of mechanical machinery (HS 84) and electrical machinery (HS 85) increased, while imports of iron and steel (HS 72) dropped. By country of origin, the imports of non oil and gas products from China (which accounted for 29.7% of the non oil and gas imports) rose by 5.7%, while shipments from Japan and Thailand decreased by 14.4% and 10.7% mom, respectively.
- Due to demand related to the year-end festivities and stable Rupiah, the imports of consumption goods rose the most (+16.1% mom), outpacing the imports growth of raw materials (+2.6% mom) and capital goods (+2.6% mom). In Jan-Nov 2019, raw materials accounted for 73.9 percent of the total non oil and gas imports, followed by capital goods (16.6%) and consumption goods (9.4%).

**Moekti P. Soejachmoen, PhD**  
 Head of Economic Research  
 (62-21) 29555777/888 ext 3600  
 moekti.prasetiani@danareksa.co.id

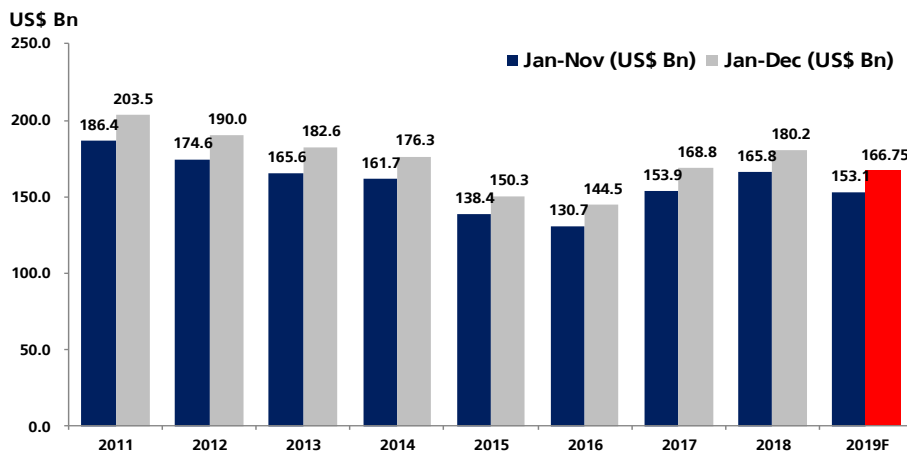
**Handri Thiono**  
 Research Specialist  
 (62-21) 29555777/888 ext 3606  
 handrit@danareksa.co.id

Graph 1. Indonesia's Exports and Imports



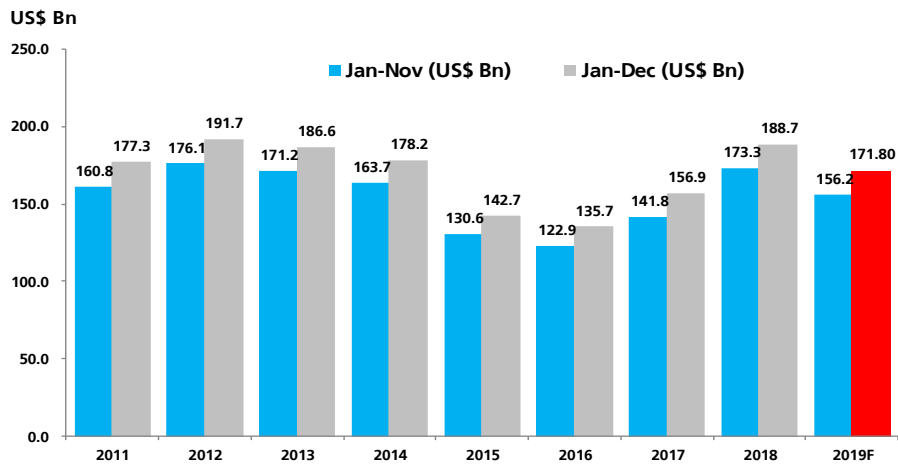
Source: BPS

Graph 2. Exports Performance



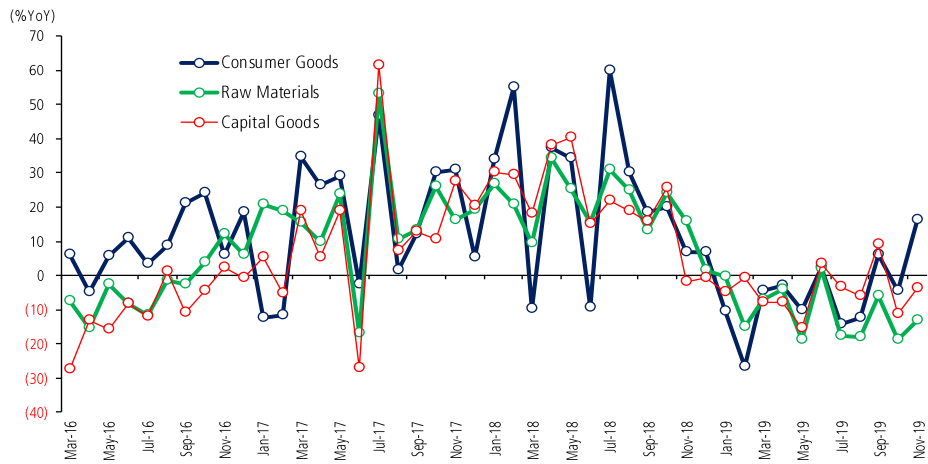
Source: BPS, Danareksa Research Institute

Graph 3. Imports Performance



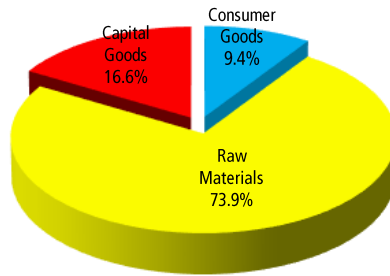
Source: BPS, Danareksa Research Institute

Graph 4. YoY Change in Imports



Source: BPS

Graph 5. Imports Share by Type of Use (Jan-Nov'19)



Source: BPS

**RESEARCH TEAM**

Moekti P. Soejachmoen, PhD  
Head of Economic Research  
moekti.prasetiani@danareksa.co.id

Handri Thiono  
Research Specialist  
handrit@danareksa.co.id

Sella F. Anindita  
Research Specialist  
sella.anindita@danareksa.co.id

Martin Jenkins  
Editor  
martin@danareksa.co.id

**Danareksa Research Institute**

Plaza BP Jamsostek Lt 10  
Jl. HR Rasuna Said Kav. 112 Blok B  
Jakarta, 12910  
INDONESIA  
Tel : (62-21) 29555 777 / 888 (hunting)  
Fax : (62 21) 3501709

---

---

All rights reserved. No part of this publication may be reproduced, stored in retrieval systems, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Danareksa Research Institute.

---

---

**DISCLAIMER**

The information contained in this report has been taken from sources which we deem reliable. However, none of Danareksa Research Institute and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue hereof. We have no responsibility to update this report in respect of events and circumstances occurring after the date of this report. We expressly disclaim any responsibility or liability (express or implied) of Danareksa Research Institute and/or its affiliated companies and/or their respective employees and/or agents whatsoever and howsoever arising (including, without limitation for any claims, proceedings, actions, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither Danareksa Research Institute and/or its affiliated companies and/or their respective employees and/or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in this report and any liability in respect of this report or any inaccuracy herein or omission herefrom which might otherwise arise is hereby expressly disclaimed. Accordingly, none of Danareksa Research Institute and/or its affiliated companies and/or their respective employees and/or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement or omission in any information contained in this report. This report is prepared for general circulation. It does not have regard to the specific person who may receive this