



October: higher-than-expected surplus

Meaningful prop

In October, Indonesia trade balance is a net surplus of USD5.7bn (September: USD4.4bn) which lead to a total surplus balance of USD30.8bn during January 2021 – October 2021 (10M21), an increase of 82.0% as compared the same period of 2020 of USD16.9bn. During the 10M21 the country's non-oil&gas trade surplus amounted to USD40.1bn (10M20:USD22.2bn), while the oil-gas sector contributed a deficit of USD9.3bn (10M20:-USD5.2bn).

The net surplus year-to- October this year has been driven mainly on the price movement of 3 (two)) main commodities as crude-oil coal, and palm oil that have recorded an increase of 70.7%, 178%, and 37%, respectively. Year-on-year, crude-oil, coal, and palm oil see an increase 115%,286%, and 65%, respectively. Export of CPO and its derivate products, coal and iron & steel made-up the 3 (three) largest contributors to Indonesia non-oil & gas export by values of 15.5%, 14.4%, and 9.4%, respectively.

The positive factor is that raw commodity price cycle has come again to support the economy during difficult times since the start of pandemic year. This year's trade surplus is estimated to be of the highest figure since 2016. However, the country's trade profile has yet to be in a more significant move to include more of higher value-added goods.

Higher trade surplus, lend a significant support for the economy this year

This year trade surplus also have a positive impact on the nation's foreign reserve. Indonesia's foreign reserve for October 2021 amounted to USD146.bn, representing year-to-date increase of 6.4%, more than twice the pace during the same period last year. The increasing rate of foreign reserve addition could positively affect the nation's effort on economic recovery and stability.

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