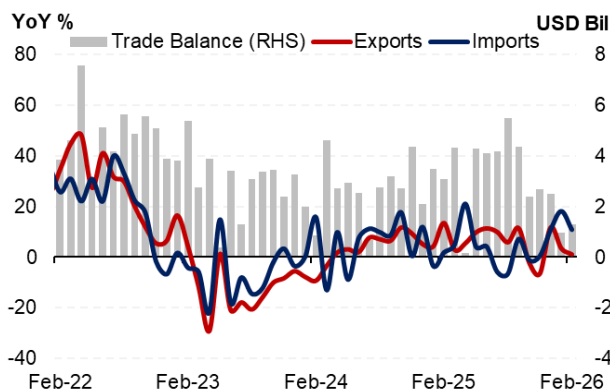


Indonesia External Trade (Feb 26)

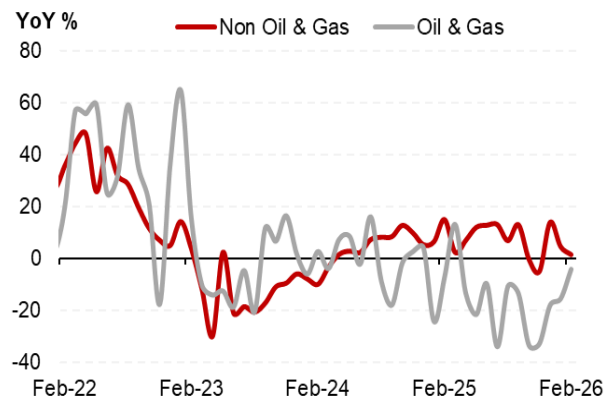
Seasonal drag weighs on trade; geopolitical risks cloud the outlook

- **Exports slowed further to 1.0% YoY in February (Jan: 3.4%), a three-month low and below consensus (3.2%).** MoM (0.1%; Jan: -15.9%): Rebounded marginally after the prior month's slump, driven by a rebound in O&G shipments.
- **Weakness persists across both non-O&G and O&G exports, partly reflecting seasonal factors**
 - **Non-O&G** (1.3%; Jan: 4.4%): Slowed sharply as manufacturing growth eased (5.2%; Jan: 8.2%), while agriculture (-31.4%; Jan: -20.4%) and mining (-18.2%; Jan: -14.6%) exports remained deeply negative.
 - **Non-O&G top destination:** Shipments to the US softened (6.0%; Jan: 7.9%), partially offset by stronger exports to China (21.2%; Jan: 15.5%), which hit a three-year high, and a rebound in Japan (4.7%; Jan: -1.0%).
 - **O&G** (-4.2%; Jan: -15.6%): Contracted for the eleventh straight month, though the pace eased. Mining (-13.3%; Jan: -28.6%) remained weak, partially offset by a strong pick up in manufacturing (18.0%; Jan: 5.8%).
- **Imports moderated to 10.8% (Jan: 18.2%), below consensus (11.2%), largely due to a sharp fall in O&G imports (-30.4%; Jan: 27.5%). Non-O&G (18.2%; Jan: 16.7%) and low base effects provided some cushion**
 - **By category:** The slowdown was led by weaker raw materials imports (4.2%; Jan: 14.7%) and slightly slower capital goods (33.7%; Jan: 35.2%). Meanwhile, consumer goods (19.8%; Jan: 11.8%) held firm.
 - MoM (-1.5%; Jan: -11.0%): The pace of contraction eased sharply, pointing to a potentially recovery in March.
- **Trade surplus narrowed (USD1.3b; Jan: USD0.1b), missing consensus (USD1.6b), as imports continued to outpace exports**
 - **Total trade:** Edged lower (5.6% YoY; Jan: 10.1%), a three-month low, though still largely supported by imports.
- **We retain our 2026 export growth forecast of 1.9% in 2026 (2025: 6.1%) as escalating Middle East conflict and global economic uncertainty cloud outlook**
 - **Risk factors:** Downside risks to the external outlook remain elevated. Ongoing Middle East tensions and US tariff policy uncertainty continue to cloud global trade flows and commodity demand. Higher logistics and transportation costs add a further headwind, particularly for non-energy commodities with demand from China remain uneven.
 - **Growth drivers:** On the upside, the mining sector may see near-term support after the government recently approved higher annual coal production quotas to capitalise on rising coal prices, following disruptions to global oil shipments linked to the US-Israel strikes on Iran.

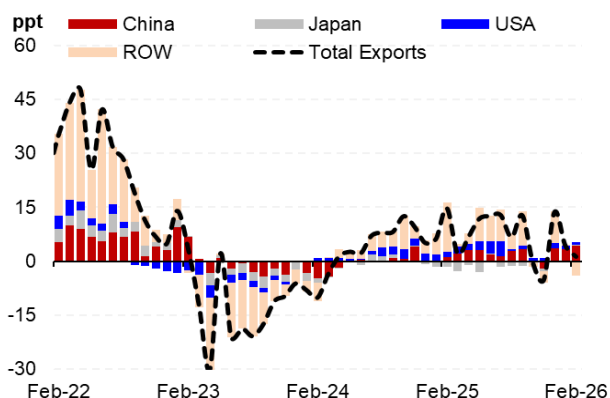
Graph 1: External Trade Growth Trend



Graph 2: Exports Growth by Group

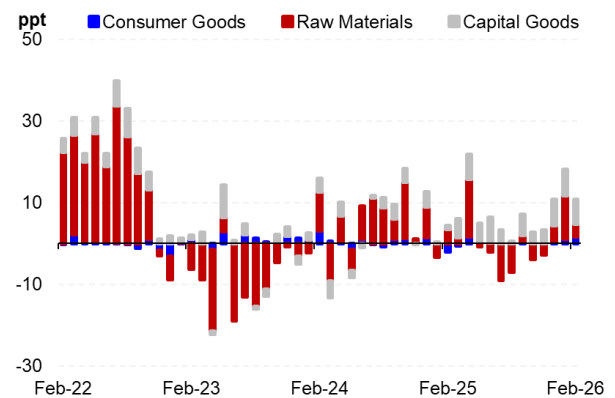


Graph 3: Non-Oil & Gas Exports by Destination (Top-3)



Source: BPS Indonesia, Macrobond, Kenanga Research

Graph 4: Imports by Categories



Source: BPS Indonesia, Macrobond, Kenanga Research

02 April 2026

Table 1: Indonesia External Trade Growth Trend

		2024	2025	Feb -25	Mar -25	Apr -25	May -25	Jun -25	Jul -25	Aug -25	Sep -25	Oct -25	Nov -25	Dec -25	Jan -26	Feb -26
Total Trade	YoY %	4.0	4.6	7.8	3.8	12.7	7.1	8.0	2.1	0.0	9.5	-1.8	-3.4	11.2	10.1	5.6
Trade Balance	USD bn	31.3	41.1	3.1	4.3	0.2	4.3	4.1	4.2	5.5	4.3	2.4	2.7	2.5	1.0	1.3
Exports	YoY %	2.7	6.1	13.4	2.8	5.3	9.7	11.3	9.9	5.8	11.4	-2.3	-6.6	11.6	3.4	1.0
Non-Oil & Gas	YoY %	2.9	7.7	14.8	2.2	6.7	11.8	12.6	12.8	6.7	12.8	-0.5	-5.1	13.7	4.4	1.3
	Share	94.0	95.4	94.9	93.8	94.4	95.5	95.3	96.2	95.7	96.0	96.3	96.1	95.2	96.0	95.1
Oil & Gas	YoY %	-0.3	-17.7	-7.3	13.0	-13.4	-21.7	-9.8	-34.1	-10.9	-13.6	-33.6	-32.9	-18.1	-15.6	-4.2
	Share	6.0	4.6	5.1	6.2	5.6	4.5	4.7	3.8	4.3	4.0	3.7	3.9	4.8	4.0	4.9
Imports	YoY %	5.4	2.8	1.8	5.0	21.1	4.1	4.3	-5.9	-6.6	7.2	-1.2	0.5	10.8	18.2	10.8
Non-Oil & Gas	YoY %	6.2	5.1	2.9	7.5	29.0	5.4	12.1	-1.3	-8.0	7.6	3.3	-1.1	12.5	16.7	18.2
	Share	84.6	86.5	84.8	83.5	87.8	87.0	88.5	87.8	86.0	87.0	87.1	85.6	85.9	85.1	90.4
Oil & Gas	YoY %	1.2	-9.7	-3.8	-6.0	-15.6	-3.8	-32.1	-29.4	3.2	4.3	-23.3	11.2	1.7	27.5	-30.4
	Share	15.4	13.5	15.2	16.5	12.2	13.0	11.5	12.2	14.0	13.0	12.9	14.4	14.1	14.9	9.6

Source: BPS Indonesia, Macrobond, Kenanga Research

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