

Indonesia Investments

Trade Balance Indonesia

- Indonesia Records a USD \$3.89 billion Trade Surplus in December 2022
- Indonesian Exports Decline for the Fourth-Consecutive Month
- Imports into Indonesia Show a Welcome Rebound in December 2022
- While Remaining Strong, the Value of Shipments of Coal and Palm Oil Fell
- The Year 2023 Set to Be a Challenging Year for International Trade

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Van Der Schaar Investments B.V.
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Update – 23 January 2023

‘Trade Balance of Indonesia – December 2022’



Preface

In addition to our reports, Indonesia Investments sends updates on key economic, political or social developments to our subscribers to make sure that our subscribers do not miss out on vital information. Topics in these updates will often be discussed in more detail (and in an updated form) in forthcoming monthly reports.

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- Macroeconomic Indicators -

Indonesia Ends a Great Trade Year with a USD \$3.9 Billion Trade Surplus in December 2022

In mid-January 2023 Indonesia's Statistical Agency (*Badan Pusat Statistik*, or BPS) released Indonesia's December 2022 trade data, implying we now also have a clear view of the country's trade performance in full-2022.

When taking a quick look at the latest data, two matters stand out, namely: (1) 2022 was a very strong year for Indonesian trade as the country's trade surplus reached an all-time record high level, and (2) both Indonesia's imports and exports continue to moderate. We discuss both matters below.

But before we zoom in on Indonesia, we first provide an update of the global trade environment.

Global Trade

According to the United Nations Conference on Trade and Development (UNCTAD), global trade has increased by about 10 percent year-on-year (y/y) to reach a record level of around USD \$32.0 trillion in full-2022 (with trade in goods expected to total almost USD \$25 trillion). This is an estimate, so the exact data still need to come in.

But while this is a great performance there are clouds on the horizon. UNCTAD notes that global trade growth has been subdued during the second half of 2022. This was attributed to the deteriorating global economic conditions and rising uncertainties that have resulted in a trade slowdown during the second half of 2022.

During Q3-2022, global trade in goods fell by about 1 percent compared to Q2-2022. On the other hand, trade in services grew by 1.3 percent quarter-on-quarter (q/q) in Q3-2022. Meanwhile, regarding Q4-2022, the UNCTAD expects the value of global trade will decrease, both for goods and for services compared to Q3-2022.

At the same time though the UNCTAD stated that the decline in global trade has been nominal as the volume of trade continued to increase throughout 2022, which is a signal of resilient international demand. This statement seems to be in contrast to the above where the UNCTAD argues that circumstances triggered a trade slowdown in the second half of 2022.

[...]

Read the full article in our January 2023 report (an electronic report).

This report can be bought by sending an email to info@indonesia-investments.com or a message to +62.882.9875.1125 (including WhatsApp).