



Indonesia Investments

January 2021 Trade Balance

- Indonesia Posts USD \$1.96 Billion Trade Surplus In January 2021
- Improvement in Indonesia's Export Performance Persists; Import Performance Lags Behind
- After Hitting Peak in December 2020, Imports into Indonesia Drop Again in January 2021
- Indonesian Exports Remain Too Dependent on Volatile Swings in Commodity Prices
- Outlook for International Trade in 2021 Plagued by COVID-19-Vaccine-Related Uncertainty

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Van Der Schaar Investments B.V.
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Update – 17 February 2021

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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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January 2021 Trade Data Brings Renewed Concerns Over Indonesia's Import Performance

Indonesia started the year with another comfortable trade surplus. In January 2021 the country posted a trade surplus of USD \$1.96 billion. Since May 2020 Indonesia has been recording an impressive series of big trade surpluses, each month. This is a positive matter for the country's current account balance and the rupiah rate (and thus also supports risk appetite in the capital markets).

However, to quote English playwright William Shakespeare: "all that glitters is not gold". Ever since the beginning of the COVID-19 crisis in Indonesia (starting around March-April 2020), Indonesia Investments has emphasized that the significant drop in imports into Indonesia is quite alarming. Ideally, an increase in non-oil and gas exports (especially processed high value goods) is what triggers a surplus. However, in the case of Indonesia the recent wide trade surpluses are primarily caused by the collapse of imports (involving capital goods, raw materials, and consumer goods).



[...]

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Price Overview: Weekly Updates + Monthly Reports:

Length	Rupiah	US Dollar	Euro
One month	200,000	15	15
Three months	570,000	41	35
Six months	1,080,000	77	65
One year	2,040,000	146	124