

# Indonesia Investments

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## June 2021 Trade Balance

- Palm Oil and Coal Remain the Most Lucrative Foreign Exchange Earners for Indonesia
- Indonesia's Current Account Deficit Likely to Be Lower than Initially Projected in Full-Year 2021
- Indonesia Recorded a Trade Surplus of USD \$1.32 Billion in June 2021
- Promising Is the Jump in Imports of Capital Goods and Raw Materials in June 2021
- Especially Indonesia's Import Performance Could Be Derailed by Tougher Restrictions in July 2021

**21 JULY 2021**

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**Van Der Schaar Investments B.V.**  
**CV Indonesia Investments**

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Update – 21 July 2021

**‘June 2021 Trade Balance of Indonesia’**



# 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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# Trade Balance of Indonesia: Strong Performance in June 2021

Before we delve into Indonesia's June 2021 trade statistics, we first take a quick look at Indonesia's full-year 2020 trade performance as Indonesia's Statistical Agency (in Indonesian: *Badan Pusat Statistik*, or BPS) released its annual 'Indonesian Foreign Trade Statistics – 2020' report in the first week of July 2021. While the report does not contain new information, it is worth copy-pasting the table showing Indonesia's biggest export products in 2020:

## Biggest Export Products of Indonesia in 2020:

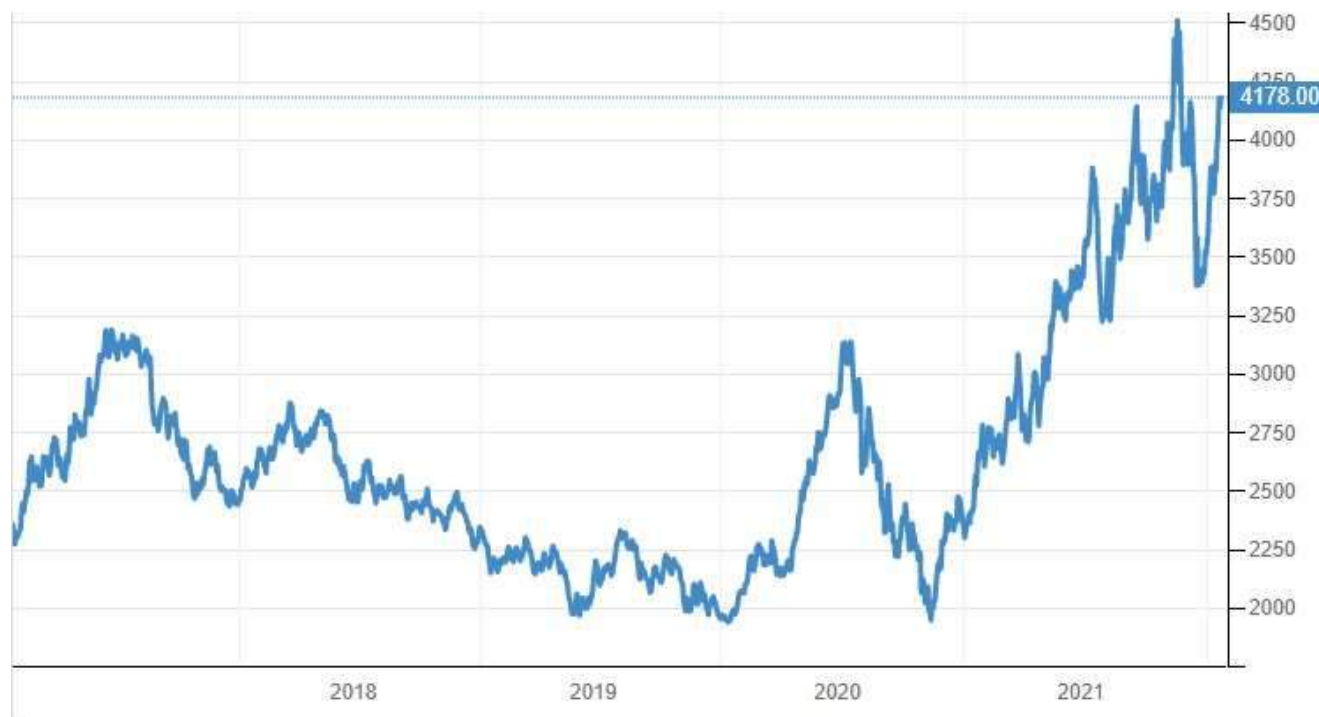
Export Product	Free-on-Board Value (in USD million)	Year-on-Year Growth (%)
Palm Oil	18,444.0	+18.4
Coal	14,534.0	-20.7
Iron & Steel	11,285.8	+42.6
Precious Base Metals	6,715.7	+45.5
Garment	5,856.5	-17.2
Gas	5,397.7	-34.7
Electrical Equipment	5,111.3	-8.9

Source: Indonesia Foreign Trade Statistics 2020 (Badan Pusat Statistik, BPS)

The two biggest foreign exchange earners for Indonesia in 2020 were palm oil and coal (this should be no surprise as both are, traditionally, the biggest export items of Indonesia). While environmentalists may not be happy about this (as the cultivation of palm oil is directly related to deforestation, while the burning of coal is directly related to carbon dioxide emissions), they are important items for the economic and social development of Indonesia.

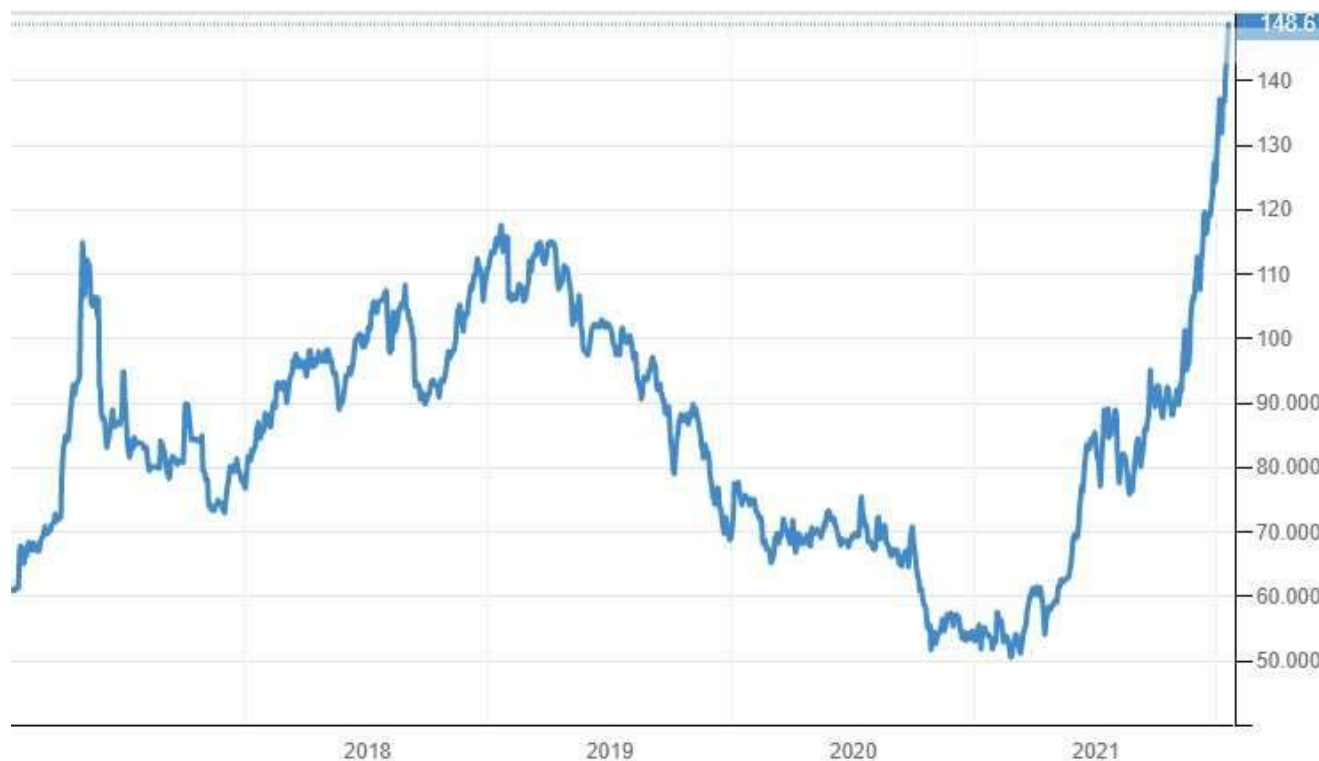
Moreover, the great impact of palm oil and coal exports on Indonesia's overall trade balance has continued into 2021 as both the palm oil and coal price have soared so far in 2021 (see the charts below), touching record highs this year.

#### **Palm Oil Futures (in Malaysian Ringgit per Metric Ton):**



Source: [www.tradingeconomics.com/commodity/palm-oil](http://www.tradingeconomics.com/commodity/palm-oil)

## Coal Futures (in USD per Metric Ton):



Source: [www.tradingeconomics.com/commodity/coal](http://www.tradingeconomics.com/commodity/coal)

[...]

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