

The background of the slide is a photograph of a busy port. Several large gantry cranes with blue and red structures are visible, extending over a body of water. A large cargo ship with a white upper hull and a blue lower hull is docked at a pier. The sky is blue with some light clouds.

Indonesia Investments

May 2021 Trade Balance

- Indonesia Recorded Another Comfortable USD \$2.36 Billion Trade Surplus in May 2021
- But Indonesia's Imports and Exports Did Drop Significantly Compared to the Preceding Month
- End of Ramadan-Idul Fitri Momentum and the National Holidays Are Believed to Have Hold Back Imports and Exports in May 2021
- International Trade Momentum Persisted in May 2021; Positive Projections on Q2-2021 Global Trade, Although Uncertainties Remain

22 JUNE 2021

Van Der Schaar Investments B.V.
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Indonesia Investments

Update – 22 June 2021

‘May 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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Indonesia's Export and Import Performance Declined in May 2021 on a Month-on-Month Basis

While Indonesia Investments predicted the decline in imports into Indonesia in May 2021 – after Ramadan and Idul Fitri momentum had passed – we were surprised to see a significant drop in the country's exports that same month. Shipments to almost all key export destinations dropped (compared to the preceding month). And since we have not received information and data that indicate or hint at a general decline in global demand in May 2021, the reason behind this decline in Indonesian exports should be found in national holidays.

Most likely, it was the holiday period (the end of the Ramadan and the almost-week-long Idul Fitri holiday that marks the end of Islam's holy fasting month) that caused trade activity in Indonesia to ease in May 2021 (compared to April 2021). Similarly, China had a five-day Labor Day holiday at the start of May that undermined the flow of goods between both countries (China being Indonesia's biggest trading partner).



[...]

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