

COUNTRY PROFILE REPORT OF ITJ DIVISION

INDIA-INDONESIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Republic of Indonesia consists of a group of about 18,108 islands lying between the mainland of South-East Asia and Australia straddling the equator. The principal islands are Java, Sumatra, Kalimantan (comprising more than two-thirds of the island of Borneo), Sulawesi (Celebes), Papua (formerly Irian Jaya, comprising the western part of the island of New Guinea), Maluku (the Moluccas) and West Timor (comprising part of the island of Timor). Indonesia is a member of the G20 and partner to the ASEAN Free Trade Area.

2. Indonesia is a leading emerging market economy in the world. The country is in transition from an agricultural economy based on the export of raw materials and non-food crops to an economy based on industrial production and services. IMF Executive Board Concluded 2023 Article IV Consultation with Indonesia dated June 25, 2023, expressed that “Indonesian economy is performing strongly, inflationary pressures are moderating, and macroeconomic policies have been appropriately returned to their pre-pandemic settings. The outlook remains favourable, and risks are broadly balanced, but with considerable uncertainty related to the external environment”. Directors of IMF also welcomed Indonesia’s ambitions to increase value added in exports, attract foreign direct investments, and facilitate transfer of skills and technology.

A snapshot of Indonesia’s selected economic indicators is as under.

Indonesia: Selected Economic Indicators, 2020–25

	2020	2021	2022	2023	2024	2025
				Proj.	Proj.	Proj.
Real GDP (percent change)	-2.1	3.7	5.3	5.0	5.1	5.0
Domestic demand	-3.8	2.9	3.8	4.6	5.0	5.1
<i>Of which:</i>						
Private consumption 1/	-2.7	2.0	4.9	4.9	5.1	5.1
Government consumption	2.1	4.2	-4.5	1.0	3.5	3.5
Gross fixed investment	-5.0	3.8	3.9	5.0	5.4	5.4
Change in stocks	-0.7	0.1	0.1	0.0	0.0	0.0
Net exports 2/	1.5	-0.4	0.8	0.6	0.4	0.3
Statistical discrepancy 2/	0.1	1.4	0.9	0.0	0.0	0.0
Output gap (in percent)	-3.4	-2.8	-1.1	-0.2	0.0	0.0
Saving and investment (in percent of GDP)						
Gross investment 3/	32.3	31.4	29.7	29.7	29.8	29.9
Gross national saving	31.9	31.7	30.7	29.5	29.1	28.8
Prices (12-month percent change)						
Consumer prices (end period)	1.7	1.9	5.5	3.2	2.8	2.7
Consumer prices (period average)	2.0	1.6	4.2	4.4	3.0	2.7
Public finances (in percent of GDP)						
General government revenue	12.5	13.6	15.2	14.5	14.5	14.6
General government expenditure	18.6	18.2	17.5	17.1	17.0	17.0
<i>Of which: Energy subsidies</i>	0.7	0.8	0.9	0.8	0.5	0.4
General government balance	-6.1	-4.6	-2.4	-2.6	-2.5	-2.4
Primary balance	-4.1	-2.5	-0.4	-0.6	-0.5	-0.4
General government debt	39.7	41.1	40.1	39.3	39.0	38.7
Money and credit (12-month percent change; end of period)						

Rupiah M2	12.5	14.0	8.4	7.6	6.6	6.3
Base money	0.4	19.3	23.9	8.6	7.4	7.8
Claims on private sector	-0.4	6.1	10.1	10.0	9.8	9.6
One-month interbank rate (period average)	4.5	3.6	4.2	...	...	...
Balance of payments (in billions of U.S. dollars, unless otherwise indicated)						
Current account balance	-4.4	3.5	13.2	-3.8	-11.2	-17.1
In percent of GDP	-0.4	0.3	1.0	-0.3	-0.7	-1.0
Trade balance	28.3	43.8	62.7	42.1	37.8	36.0
<i>Of which: Oil and gas (net)</i>	-5.4	-13.0	-24.8	-25.1	-21.3	-20.5
Inward direct investment	18.6	21.1	22.0	26.3	29.3	31.5
Overall balance	2.6	13.5	4.0	5.3	9.9	6.2
Terms of trade, percent change (excluding oil)	1.4	12.5	21.5	-9.5	-1.9	-0.8
Gross reserves						
In billions of U.S. dollars (end period)	135.9	144.9	137.2	142.5	152.5	158.6
In months of prospective imports of goods and services	7.5	6.4	5.9	5.5	5.3	5.0
As a percent of short-term debt 4/	209	244	206	208	207	198
Total external debt 5/						
In billions of U.S. dollars	416.9	414.0	396.8	403.8	419.1	441.4
In percent of GDP	39.2	34.9	30.1	29.0	27.8	27.1
Exchange rate						
Rupiah per U.S. dollar (period average)	14,529	14,297	14,874	...	...	...
Rupiah per U.S. dollar (end of period)	14,050	14,253	15,568	...	...	...
Memorandum items:						
Jakarta Stock Exchange (12-month percentage change, composite index)	-5.1	10.1	4.1	...	...	...
Oil production (thousands of barrels per day)	806	803	800	797	794	791
Nominal GDP (in trillions of rupiah)	15,443	16,977	19,588	21,459	23,229	25,048
Sources: Data provided by the Indonesian authorities; Bloomberg L.P.; and IMF staff estimates and projections.						
1/ Includes NPISH consumption.						
2/ Contribution to GDP growth (percentage points).						
3/ Includes changes in stocks.						
4/ Short-term debt on a remaining maturity basis.						

FOREIGN TRADE

3. India and Indonesia have a strong and growing trade relationship, with Indonesia being a key trading partner for India within the ASEAN region. Bilateral trade has seen significant growth, reaching USD 29.4 billion in 2023-24. Both countries are working towards a trade target of USD 50 billion by 2025. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Indonesia are China, United States, Japan, India and Singapore. On the other hand five major import partners of Indonesia are China, Singapore, Japan, United States and Malaysia. Major five exported goods of Indonesia are (i) Other coal, not agglomerated, nes. (ii) Palm oil (excl. crude) and liquid fractions, (iii) Ferro-nickel (iv) Bituminous coal, not agglomerated and (v) Copper ores and concentrates. On the other hand major five imported goods are (i) Petroleum oils, etc., (excl. crude); preparation, (ii) Petroleum oils and oils obtained from bituminous, (iii) Transmission apparatus, for radiotelephony incorpo, (iv) Spelt, common wheat and meslin and (v) Oil-cake and other solid residues, of soya-bean.

- Indonesia’s total exports in 2020 were of the order of USD 163,192 million and it was USD 266,330 million in 2024 with 11.44% dip recorded in 2023 over 2022 levels and a rise of 41.87% in 2021 over 2020 levels. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 13.03%.
- Indonesia’s total imports in 2020 were of the order of USD 141,569 million and which was USD 235,200 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of Imports was 13.53%.
- Indonesia runs an overall Balance of Trade surplus from 2020 to 2024 which was quite significant to the tune of USD 54,252 million in 2022.

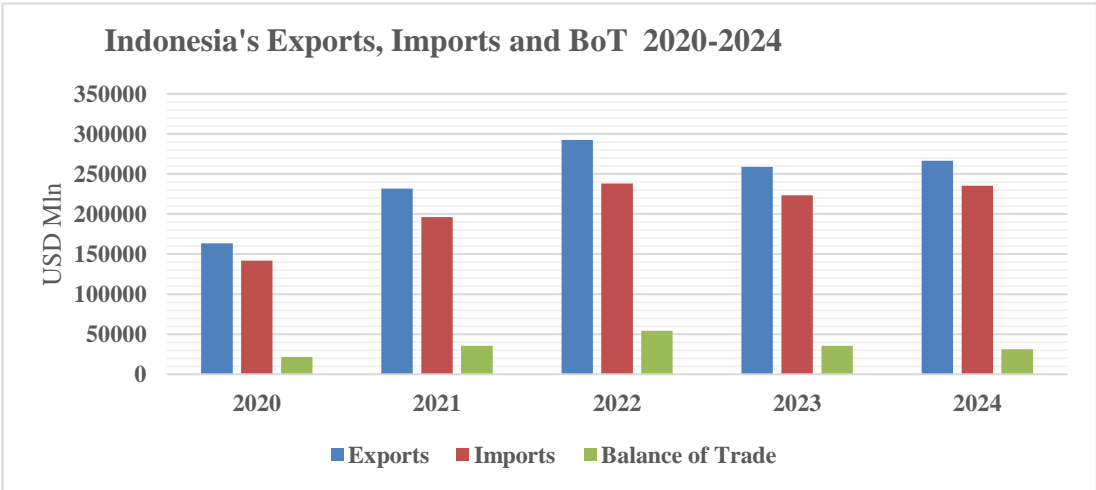
A snapshot of Indonesia’s overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE - 2
INDONESIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)							
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	163192		141569		3,04,761		21623
2021	231522	41.87	196190	38.58	4,27,712	40.34	35332
2022	292187	26.20	237935	21.28	5,30,122	23.94	54252
2023	258774	-11.44	223107	-6.23	4,81,881	-9.10	35667
2024	266330	2.92	235200	5.42	5,01,530	4.08	31130
Annual Compound Growth Rate		13.03			13.53	13.26	

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure – 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Indonesia have traditionally enjoyed a close and economic relationship in Southeast Asia. Indonesia was the 10th largest trading partner of India in FY 2024-25. India's export to Indonesia was 1.23% of India's total export value in FY 2024-25 and in the same financial year imports from Indonesia was 3.21% of India's total import value.

8. The annual compound growth rate of volume of trade during the period from 2020-21 to 2024-25 has been of the order of 12.85%. India's trade relations with Indonesia are significant as Indonesia has emerged as the second largest trading partner of India in the ASEAN region. Indonesia is a key economic partner for India in South-East Asia with bilateral trade (total export plus total import) value at USD 28375.30 million in FY 2024-25 as per DGCI&S database.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with Indonesia. Exports from India to Indonesia increased in FY 2021-22 by 68.57% over FY 2020-21. The annual average compound rate of growth of Exports was 1.71%. On the other hand, imports from Indonesia to India increased by 41.95% in FY 2021-22 over FY 2020-21 and in 2022-23 the increase was by 62.80% over FY 2021-22 levels. During the period from FY 2020-21 to FY 2024-25, the annual average compound rate of growth of Imports was 16.53%.

A snapshot of India's merchandise trade statistics w.r.t. Indonesia is presented in [Table 3 & Figure 2](#)

TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. INDONESIA

FY 2020-21 to FY 2024-25

(Value in USD Million)

Year	Exports from India to Indonesia	Percentage Growth in Exports	Imports from Indonesia to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	5026.57		12470.85		17497.42		-7444.28
2021-22	8473.49	68.57	17702.83	41.95	26176.32	49.60	-9229.34
2022-23	10026.25	18.32	28820.41	62.80	38846.66	48.40	-18794.16
2023-24	5989.39	-40.26	23410.67	-18.77	29400.06	-24.32	-17421.28
2024-25	5379.59	-10.18	22995.71	-1.77	28375.30	-3.49	-17616.12

**Annual
Compound
Growth
Rate**

1.71

16.53

12.85

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2



10. Additionally, from Tables 4 & 5 presented at below the following are stated:

- a. **Petroleum Products, Motor Vehicle/ Car Products and Ship, Boat And Floating Structures** occupied the top three slots in India's exports to Indonesia in FY 2024-25. Petroleum Products occupied 12.87% share of India's total exports to Indonesia in FY 2024-25.
- b. **Coal, coke and briquettes; Vegetable oils and Iron & steel** were the three major commodities in India's imports list from Indonesia in FY 2024-25 with **Coal, Coke & Briquettes** occupying the 36.90% share.

TABLE 4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO INDONESIA
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Products	276.29	2317.34	3876.79	1027.59	692.16	738.73	67.29	-73.49	-32.64
	Share in total export	5.50	27.35	38.67	17.16	12.87				
2	Motor Vehicle/Cars	68.59	270.06	522.97	332.81	317.29	293.73	93.65	-36.36	-4.66
	Share in total export	1.36	3.19	5.22	5.56	5.90				
3	Ship, Boat And Floating Structures	831.48	258.35	400.20	569.29	306.38	-68.93	54.91	42.25	-46.18
	Share in total export	16.54	3.05	3.99	9.50	5.70				
4	Groundnut	239.56	320.63	278.99	268.73	279.05	33.84	-12.99	-3.68	3.84
	Share in total export	4.77	3.78	2.78	4.49	5.19				
5	Auto Components	69.77	146.70	221.42	258.43	239.65	110.26	50.93	16.71	-7.27
	Share in total export	1.39	1.73	2.21	4.31	4.45				
6	Buffalo Meat	305.83	307.51	317.05	253.20	233.08	0.55	3.10	-20.14	-7.95
	Share in total export	6.08	3.63	3.16	4.23	4.33				
7	Indl. Machinery For Dairy Etc.	108.71	163.63	157.69	168.70	184.93	50.52	-3.63	6.98	9.62
	Share in total export	2.16	1.93	1.57	2.82	3.44				
8	Tobacco Un manufactured	21.02	26.09	33.34	87.42	149.12	24.12	27.79	162.21	70.58
	Share in total export	0.42	0.31	0.33	1.46	2.77				
9	IC Engine And Parts	10.16	20.67	73.92	132.07	141.58	103.44	257.62	78.67	7.20
	Share in total export	0.20	0.24	0.74	2.21	2.63				
10	Organic Chemicals	340.42	382.28	283.27	149.03	132.31	12.30	-25.90	-47.39	-11.22
	Share in total export	6.77	4.51	2.83	2.49	2.46				
	Total export to INDONESIA	5026.57	8473.49	10026.25	5989.39	5379.59	68.57	18.32	-40.26	-10.18

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE 5**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM INDONESIA
2020-21 TO 2024-25 AND THEIR GROWTH RATES****(Value in USD Million)**

Sl · No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020- 21	22-23 over 2021- 22	23-24 over 2022- 23	24-25 over 2023- 24
1	Coal, Coke And Briquettes Etc.	4645.22	6579.5 6	14584. 15	9942.26	8484.8 3	41.64	121.66	-31.83	-14.66
	Share in total imports	37.25	37.17	50.60	42.47	36.90				
2	Vegetable Oils	3199.87	4085.7 6	5639.2 8	4476.06	4100.3 2	27.69	38.02	-20.63	-8.39
	Share in total imports	25.66	23.08	19.57	19.12	17.83				
3	Iron And Steel	294.97	1260.0 1	1598.1 4	1722.17	1944.2 9	327.17	26.84	7.76	12.90
	Share in total imports.	2.37	7.12	5.55	7.36	8.46				
4	Bulk Minerals And Ores	310.61	626.68	968.88	1170.94	776.76	101.76	54.61	20.86	-33.66
	Share in total import	2.49	3.54	3.36	5.00	3.38				
5	Cosmetics And Toiletries	383.34	679.16	632.47	431.07	754.78	77.17	-6.87	-31.84	75.09
	Share in total import	3.07	3.84	2.19	1.84	3.28				
6	Gold And Oth. Precs. Metal Jewellery	4.07	0.02	82.48	692.82	650.73	-99.51	41230 0.00	739.99	-6.08
	Share in total import	0.03	0.00	0.29	2.96	2.83				
7	Processed Minerals	145.75	254.68	405.96	432.08	518.45	74.74	59.40	6.43	19.99
	Share in total import	1.17	1.44	1.41	1.85	2.25				
8	Cocoa Products	124.94	173.87	223.06	252.07	499.22	39.16	28.29	13.01	98.05
	Share in total import	1.00	0.98	0.77	1.08	2.17				
9	Organic Chemicals	139.81	284.80	164.26	241.32	357.45	103.71	-42.32	46.91	48.12
	Share in total import	1.12	1.61	0.57	1.03	1.55				
10	Residual Chemicals And Allied Products	143.50	250.07	300.20	222.00	352.06	74.26	20.05	-26.05	58.59
	Share in total import	1.15	1.41	1.04	0.95	1.53				
	Total import from INDONESIA	12470.8 5	17702. 83	28820. 41	23410.6 7	22995. 71	41.95	62.80	-18.77	-1.77

NOTE : Figures relate to each Financial Year (April to March)**SOURCE : DGCI&S, M/o C&I****“NOTICE”**

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