

# 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 Concludes 2023 Article IV Consultation with Indonesia dated June 25, 2023, expresses 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:</i> Energy subsidies	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 Malaysia. On the other hand five major import partners of Indonesia are China, Singapore, Japan, Malaysia and Korea, Rep. 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) Spelt, common wheat and meslin, (iv) Gold in unwrought forms non-monetary and (v) Parts of electrical apparatus for line telephone.

4. Indonesia's total exports in 2019 were of the order of USD 167,683 million and USD 258,774 million in 2023 with 11.37% dip recorded in 2023 and pick-up 41.87% in 2021. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 11.46%.

5. Indonesia's total imports in 2019 were of the order of USD 171,276 million and USD 221,886 million mark in 2023 after having experienced a major shrink of 17.34% in 2020 pandemic hit-year. During the period from 2019 to 2023, the annual average compound rate of growth of Imports was 6.69%.

6. Indonesia runs an overall Balance of Trade surplus from 2020 to 2023 which was quite significant to the tune of USD 54,532 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 2019 TO 2023**

(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
2019	167683		171276		3,38,959		-3593
2020	163192	-2.68	141569	-17.34	3,04,761	-10.09	21623
2021	231522	41.87	196190	38.58	4,27,712	40.34	35332
2022	291979	26.11	237447	21.03	5,29,426	23.78	54532
2023	258774	-11.37	221886	-6.55	4,80,660	-9.21	36888

**Annual  
Compound  
Growth  
Rate**

**11.46**

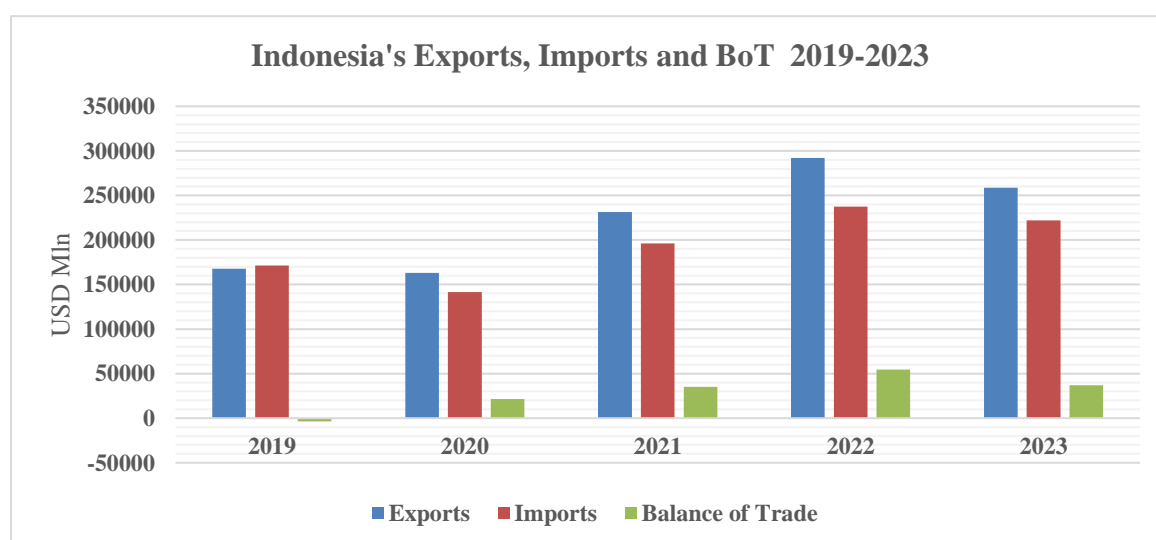
**6.69**

**9.12**

**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 growing economic relationship in Southeast Asia. Indonesia was the 10th highest 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) clocked at USD 28375.30 million in FY 2023-24 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 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 2020-21 and in 2022-23 the increase was by 62.80% over 2021-22 levels. During the period from 2020-21 to 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 2020-2021 to 2024-2025**

**(Value in USD Million)**

<b>Year</b>	<b>Exports from India to Indonesia</b>	<b>Percentage Growth in Exports</b>	<b>Imports from Indonesia to India</b>	<b>Percentage Growth in Imports</b>	<b>Volume of Trade</b>	<b>Percentage Growth in Vol. of Trade</b>	<b>Balance of Trade</b>
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
<b>Annual Compound Growth Rate</b>		<b>1.71</b>		<b>16.53</b>		<b>12.85</b>	

**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:

- Petroleum **Products**, **Motor Vehicle/ Cars Products** and **Ship, Boat and Floating Structures** are occupying the top three slots in India's exports to Indonesia in FY 2024-25. Petroleum Products had occupied 12.87% share of India's total exports to Indonesia in FY 2024-25.
- Coal, coke and briquettes**; **Vegetable oils** and **Iron & steel** are 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  
2020-2021 TO 2024-2025 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
<b>1</b>	<b>Petroleum Products</b>	<b>276.29</b>	<b>2317.34</b>	<b>3876.79</b>	<b>1027.59</b>	<b>692.16</b>	<b>738.73</b>	<b>67.29</b>	<b>-73.49</b>	<b>32.64</b>
	Share in total export	5.50	27.35	38.67	17.16	12.87				
<b>2</b>	<b>Motor Vehicle/Cars</b>	<b>68.59</b>	<b>270.06</b>	<b>522.97</b>	<b>332.81</b>	<b>317.29</b>	<b>293.73</b>	<b>93.65</b>	<b>-36.36</b>	<b>-4.66</b>
	Share in total export	1.36	3.19	5.22	5.56	5.90				
<b>3</b>	<b>Ship, Boat and Floating Structures</b>	<b>831.48</b>	<b>258.35</b>	<b>400.20</b>	<b>569.29</b>	<b>306.38</b>	<b>-68.93</b>	<b>54.91</b>	<b>42.25</b>	<b>-</b>
	Share in total export	16.54	3.05	3.99	9.50	5.70				
<b>4</b>	<b>Groundnut</b>	<b>239.56</b>	<b>320.63</b>	<b>278.99</b>	<b>268.73</b>	<b>279.05</b>	<b>33.84</b>	<b>-12.99</b>	<b>-3.68</b>	<b>3.84</b>
	Share in total export	4.77	3.78	2.78	4.49	5.19				
<b>5</b>	<b>Auto Components</b>	<b>69.77</b>	<b>146.70</b>	<b>221.42</b>	<b>258.43</b>	<b>239.65</b>	<b>110.26</b>	<b>50.93</b>	<b>16.71</b>	<b>-7.27</b>
	Share in total export	1.39	1.73	2.21	4.31	4.45				
<b>6</b>	<b>Buffalo Meat</b>	<b>305.83</b>	<b>307.51</b>	<b>317.05</b>	<b>253.20</b>	<b>233.08</b>	<b>0.55</b>	<b>3.10</b>	<b>-20.14</b>	<b>-7.95</b>
	Share in total export	6.08	3.63	3.16	4.23	4.33				
<b>7</b>	<b>Indl. Machinery For Dairy Etc.</b>	<b>108.71</b>	<b>163.63</b>	<b>157.69</b>	<b>168.70</b>	<b>184.93</b>	<b>50.52</b>	<b>-3.63</b>	<b>6.98</b>	<b>9.62</b>
	Share in total export	2.16	1.93	1.57	2.82	3.44				
<b>8</b>	<b>Tobacco Unmanufactured</b>	<b>21.02</b>	<b>26.09</b>	<b>33.34</b>	<b>87.42</b>	<b>149.12</b>	<b>24.12</b>	<b>27.79</b>	<b>162.21</b>	<b>70.58</b>
	Share in total export	0.42	0.31	0.33	1.46	2.77				
<b>9</b>	<b>IC Engine and Parts</b>	<b>10.16</b>	<b>20.67</b>	<b>73.92</b>	<b>132.07</b>	<b>141.58</b>	<b>103.44</b>	<b>257.62</b>	<b>78.67</b>	<b>7.20</b>
	Share in total export	0.20	0.24	0.74	2.21	2.63				
<b>10</b>	<b>Organic Chemicals</b>	<b>340.42</b>	<b>382.28</b>	<b>283.27</b>	<b>149.03</b>	<b>132.31</b>	<b>12.30</b>	<b>-25.90</b>	<b>-47.39</b>	<b>-</b>
	Share in total export	6.77	4.51	2.83	2.49	2.46				
	<b>Total export to INDONESIA</b>	<b>5026.57</b>	<b>8473.49</b>	<b>10026.25</b>	<b>5989.39</b>	<b>5379.59</b>	<b>68.57</b>	<b>18.32</b>	<b>-40.26</b>	<b>10.18</b>

**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  
2020-2021 TO 2024-2025 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
<b>1</b>	<b>Coal, Coke and Briquettes Etc.</b>	<b>4645.22</b>	<b>6579.5 6</b>	<b>14584. 15</b>	<b>9942.2 6</b>	<b>8484.8 3</b>	<b>41.64</b>	<b>121.66</b>	<b>-31.83</b>	<b>-14.66</b>
	Share in total imports	37.25	37.17	50.60	42.47	36.90				
<b>2</b>	<b>Vegetable Oils</b>	<b>3199.87</b>	<b>4085.7 6</b>	<b>5639.2 8</b>	<b>4476.0 6</b>	<b>4100.3 2</b>	<b>27.69</b>	<b>38.02</b>	<b>-20.63</b>	<b>-8.39</b>
	Share in total imports	25.66	23.08	19.57	19.12	17.83				
<b>3</b>	<b>Iron and Steel</b>	<b>294.97</b>	<b>1260.0 1</b>	<b>1598.1 4</b>	<b>1722.1 7</b>	<b>1944.2 9</b>	<b>327.17</b>	<b>26.84</b>	<b>7.76</b>	<b>12.90</b>
	Share in total imports	2.37	7.12	5.55	7.36	8.46				
<b>4</b>	<b>Bulk Minerals and Ores</b>	<b>310.61</b>	<b>626.68</b>	<b>968.88</b>	<b>1170.9 4</b>	<b>776.76</b>	<b>101.76</b>	<b>54.61</b>	<b>20.86</b>	<b>-33.66</b>
	Share in total import	2.49	3.54	3.36	5.00	3.38				
<b>5</b>	<b>Cosmetics and Toiletries</b>	<b>383.34</b>	<b>679.16</b>	<b>632.47</b>	<b>431.07</b>	<b>754.78</b>	<b>77.17</b>	<b>-6.87</b>	<b>-31.84</b>	<b>75.09</b>
	Share in total import	3.07	3.84	2.19	1.84	3.28				
<b>6</b>	<b>Gold And Oth. Precs. Metal Jewellery</b>	<b>4.07</b>	<b>0.02</b>	<b>82.48</b>	<b>692.82</b>	<b>650.73</b>	<b>-99.51</b>	<b>412300. 00</b>	<b>739.99</b>	<b>-6.08</b>
	Share in total import	0.03	0.00	0.29	2.96	2.83				
<b>7</b>	<b>Processed Minerals</b>	<b>145.75</b>	<b>254.68</b>	<b>405.96</b>	<b>432.08</b>	<b>518.45</b>	<b>74.74</b>	<b>59.40</b>	<b>6.43</b>	<b>19.99</b>
	Share in total import	1.17	1.44	1.41	1.85	2.25				
<b>8</b>	<b>Cocoa Products</b>	<b>124.94</b>	<b>173.87</b>	<b>223.06</b>	<b>252.07</b>	<b>499.22</b>	<b>39.16</b>	<b>28.29</b>	<b>13.01</b>	<b>98.05</b>
	Share in total import	1.00	0.98	0.77	1.08	2.17				
<b>9</b>	<b>Organic Chemicals</b>	<b>139.81</b>	<b>284.80</b>	<b>164.26</b>	<b>241.32</b>	<b>357.45</b>	<b>103.71</b>	<b>-42.32</b>	<b>46.91</b>	<b>48.12</b>
	Share in total import	1.12	1.61	0.57	1.03	1.55				
<b>10</b>	<b>Residual Chemicals and Allied Products</b>	<b>143.50</b>	<b>250.07</b>	<b>300.20</b>	<b>222.00</b>	<b>352.06</b>	<b>74.26</b>	<b>20.05</b>	<b>-26.05</b>	<b>58.59</b>
	Share in total import	1.15	1.41	1.04	0.95	1.53				
	<b>Total import from INDONESIA</b>	<b>12470.8 5</b>	<b>17702. 83</b>	<b>28820. 41</b>	<b>23410. 67</b>	<b>22995. 71</b>	<b>41.95</b>	<b>62.80</b>	<b>-18.77</b>	<b>-1.77</b>

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

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

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