EJEM
Econ.J.Emerg.Mark.

Economic Journal of Emerging Markets
Available at https://journal.uii.ac.id/jep

Indonesia's export growth decomposition in ASEAN and ASEAN dialogue partners

Nur Rakhman Setyoko[1*], Rofikoh Rokhim[2], Ibrahim Kholilul Rohman[3], Muhammad Syaroni Rofii[4]

[1]Doctoral Program School of Strategic and Global Studies University of Indonesia, Depok, Indonesia
[2]Faculty of Economics and Business University of Indonesia, Depok, Indonesia
[3,4]School of Strategic and Global Studies University of Indonesia, Depok, Indonesia
*Corresponding author: nur.rakhman21@ui.ac.id

Article Info

Article history:
Received 20 June 2024
Accepted 28 October 2024
Published 31 October 2024

JEL Classification Code:
F0, F1, F5, F6.

Authors emails':
rofikoh.rokhim@ui.ac.id
ibrahim.rohman@gmail.com
muhammadsyaroni@ui.ac.id

DOI: 10.20885/ejem.vol16.iss2.art7

Abstract

Purpose — This paper evaluates Indonesia's trade integration efforts and their impact on export competitiveness from 1989 to 2021. It examines the evolution of trade arrangements, starting with the ASEAN Preferential Trade Arrangement (APTA) and progressing to bilateral agreements.

Methods — Based on Leamer and Stern, the Constant Market Share Analysis (CMSA) measures Indonesia's export competitiveness over the study period.

Findings — The results indicate no significant improvement in competitiveness during the analysis period, with export growth primarily driven by the effect of world growth. Although competitiveness did not shift markedly over time, it remained positive overall, suggesting a buffer effect during economic crises.

Implications — The paper suggests that Indonesia should pursue deeper trade integration and unilateral economic reforms. Drawing on Korea's experience, combining export promotion policies with trade agreements could enhance market access and foster internal competitiveness.

Originality — This study provides long-term insights into Indonesia's export competitiveness amid global trade integration efforts and offers policy recommendations informed by the success of Korea's trade reforms.

Keywords — Constant Market Share Analysis, Free Trade Agreement, Competitiveness, Decomposition, Trade Integration.

Introduction

Many economists assert that Indonesia is entering a middle-income trap (Basri et al., 2016; Aswicahyono & Hill, 2016). Trade is one of the essential elements of the economy that endorses economic growth (Samuelson & Nordhaus, 2009). Economic transformation is necessary to escape the middle-income trap (Basri et al., 2016). Trade is also an essential component of a comprehensive strategic economic transformation policy (Pangestu et al., 2015). Despite the changing world challenges and conditions, Indonesia should be able to shift from commodity exporters to manufacturing-based product exporters (Pangestu et al., 2015). Based on Indonesia's Trade Policy Review, Indonesia has implemented several trade reforms, including entering many regional trade arrangements with its trading partners (WTO, 2020).

P ISSN 2086-3128 | E ISSN 2502-180X

Free Trade Agreements (FTA) are tools that endorse trade and market access (Krugman & Obstfeld, 2009). However, FTAs can be a tool for setting and endorsing domestic reforms that may increase competitiveness. Indonesia has been integrating into trade with ASEAN and its ASEAN Dialogue Partners (WTO, 2020). Indonesia has also been conducting bilateral free trade agreements with its trading partners, including Japan, Mozambique, the United Arab Emirates, Chile, and Australia (WTO, 2020). Indonesia is also pursuing FTA negotiations with the European Union, Eurasian Economic Union (EAEU), Peru, and MERCOSUR (Ministry of Trade, Republic of Indonesia, 2022).

This paper is a descriptive analysis of the decomposition of Indonesia's export growth from 1989 to 2022. It attempts to relate the effort of economic transformation to trade liberalisation from 1989 to 2022 and to the development of competitiveness. This paper attempts to answer the question, "Does competitiveness become the main contributor to export growth in the ASEAN and ASEAN Dialogue Partners market?" Therefore, this paper attempts to determine whether Indonesia's export growth in the ASEAN and ASEAN Dialogue Partners' markets has been driven by competitiveness.

The scope of this paper will only be limited to the analysis of export value based on SITC Rev 3 from Indonesia to the ASEAN and ASEAN Dialogue Partners' market. The observation is from 1989 to 2021. This paper will adopt constant-share norms in the shift-share analysis, using Leamer and Stern's Constant Market Share Analysis approach to decompose Indonesia's exports worldwide and to the ASEAN and ASEAN Dialogue Market.

This paper consists of five sub-sections. First, it will provide an introduction, including the study's background of the study, research question, objectives, scope of the research, and a brief description of the methodology. Second, it will elaborate on the review of the development of the literature. Third, it will explain the constant market share approach. Fourth, it will provide the analytical results. This paper will summarise the discussion with a conclusion and policy recommendation.

Trade integration and competitiveness are intertwined (Galovic, 2021). While economists believe that export expansion relates to a country's higher competitiveness of a country, the debate, dating back to Adam Smith and David Ricardo, continues over whether free trade is crucial to determining welfare and a country's competitiveness (Krugman & Obstfeld, 2009). David Ricardo's arguments of comparative advantage have changed the world's point of view on protectionism (Samuelson & Nordhaus, 2009).

However, lobbyists recognise that if trade is free, their goods will lose some profits created by protection. Hence, lobbyists will try to influence governments not to impose unilateral liberalisation. There will be collective action to influence government policy to protect specific lobbyist group sectors at the expense of consumer loss. Consumers tend to be fragmented and unable to act collectively to influence government policy, and protection remains in place. It is tough to pursue unilateral liberalisation even when all governments recognise that free trade will improve welfare and economic competitiveness (Krugman & Obstfeld, 2009).

The economist believes multilateralism will be a suitable venue for liberalisation. However, reaching an agreement under a multilateral trading system is complex (Hoekman et al., 2002). The failure to decide on ministers of trade at the Ministerial Conference in Cancun has diminished hope and created distrust among countries about encouraging further liberalisation through multilateral fora. Baldwin (2006) asserts that the significant impact of MC 5 in Cancun is the proliferation of regional trade agreements among WTO members. Many researchers have started to question the institutional arrangements of the WTO, creating distrust among countries and leading to "complex multilateralism which constitutes heterogeneity, multipolarity, and potentially conflictual" (Narlikar & Wilkinson, 2004; Abbas & Duchesne, 2023).

Regional trade arrangements may impose some costs on the economy. Trade will divert from an efficient country that is not a party to the agreement to a less efficient country that becomes a party to the trade agreement. This is called trade diversion (Balassa, 1976). Some economists argue that regionalism may have become a stepping stone toward multilateralism (Mistry, 1995; Fiorentino et al., 2007). The WTO allows the breach of the Most-Favoured-Nation

(MFN) principle under the framework of regional trade agreements, provided it is more liberal than what has been achieved under a multilateral process (Leal-Arcas, 2011). Multilateralism and regionalism could address this issue (Fiorentino et al., 2007).

Despite the debate over multilateralism versus regionalism, free trade is widely regarded as a vehicle for enhancing competitiveness and welfare. The growing global value chain trend has augmented a country's importance in regional trade agreements (Rahman et al., 2024; Suryanta, 2021). Regional trade agreements should be able to facilitate and increase domestic reform that facilitates the global value chain. RCEP will facilitate backward linkages of GVCs among RCEP countries (Rahman et al., 2024).

The debate continues into a deep agreement (Kim, 2015; Mattoo et al., 2020). There is a growing demand for trade agreements to address more complex global problems and challenges, such as environmental, labour, and gender issues (Mattoo et al., 2020). At the same time, some economists believe that trade agreements could serve as a political signal to their partners to endorse friend-shoring (Reiterer & Houng, 2023; Blanga-Gubbay & Rubinuva, 2023). Trade agreements can signify that two countries are allies (Blanga-Gubbay & Rubinuva, 2023). Exploration of trade integration and competitiveness has been conducted by various researchers (Petrović et al., 2008; Stojanovic et al., 2013). However, empirical studies have been conducted by many scholars in Indonesia (Aswicahyono & Rafitrandi, 2018; Rahmadi & Ichihashi, 2012; Widodo, 2010). Widodo (2010) and Rahmadi and Ichihashi (2012) attempted to decompose Indonesia's exports and ASEAN's exports.

Methods

Data

Trade data is secondary data obtained from WITS UNCTAD from 1989 to 2021. The data is described under SITC Revision 3. Based on the work of Lall (2000), we could translate SITC Revision 3 into a technological category of primary, resource-based, low-technology, medium-technology, and high-technology products.

Constant Market Share Analysis

According to the Armington demand approach, the quantity demanded is a function of the relative price of goods and services.

$$\frac{q_1}{q_2} = f(\frac{p_1}{p_2}) \quad (1)$$

where q and p are the quantity demanded and the price of exports. Subscripts 1 and 2 will denote country 1 and country 2, respectively. Equation 1 is a relationship that ascribes elasticity of substitution. This is a substantial critique of Richardson (1971): it will only occur when the Armington elasticity is unity (1) (Fagerberg & Sollie, 1987; Balassa, 1977). However, Widodo (2010) asserts that the usefulness of this approach has led many researchers to adopt it.

By multiplying both sides by $\frac{p_1}{p_2}$Then, we will have the following.

$$\frac{p_1 q_1}{p_2 q_2} = \frac{p_1}{p_2} x\, f(\frac{p_1}{p_2}) \quad (2)$$

We may recalibrate equation 2 into the following

$$\frac{p_1 q_1}{p_1 q_1 + p_2 q_2} = \frac{p_1}{p_2} x\, f(\frac{p_1}{p_2}) \quad (3)$$

This implies:

$$\frac{p_1 q_1}{p_1 q_1 + p_2 q_2} = \left[1 + \frac{p_2 q_2}{p_1 q_1}\right]^{-1}$$

$$\frac{p_1 q_1}{p_1 q_1 + p_2 q_2} = \left[1 + \left[\frac{p_1 f(\frac{p_1}{p_2})}{p_1}\right]^{-1}\right]^{-1}$$

$$\frac{p_1 q_1}{p_1 q_1 + p_2 q_2} = g\left[\frac{p_1}{p_2}\right] \quad (4)$$

This indicates that the export share will remain constant unless the price ratio between the two countries changes. This creates the foundation of "constant share norms" to decompose the growth of exports (Leamer & Stern, 1970).

Leamer and Stern (1970) wrote about constant market share identity to decompose export growth the following:

$$X^{kw\prime} - X^{kw} = rX^{kw} + \sum_{i=1}^{n}(r_i - r)X_i^{kw} + \sum_i^n \sum_j^m (r_{il} - r_i)X_i^{kl} + \sum_i^n \sum_j^m (X_i^{kl\prime} - X_i^{kl} - r_{il}X_i^{kl}) \quad (5)$$

(WGE) (CE) (ME) (COMPE)

$X^{kw}(X^{kw\prime})$: country's *k* export to world (*w*) period 0 (period 1)
$X_i^{kl}(X_i^{kl\prime})$: country's *k* export to country l for commodity *i* period 0 (period 1)
X_i^{kw} $(X_i^{kw\prime})$: Country's *k* export to world (w) for commodity *i*
R : Percentage growth in total world exports from period 0 to period 1
r_i : Percentage growth in total world export for commodity *i* from period 0 to period 1
r_{il} : Percentage growth in world export for commodity *i* to country *i* from period 0 to period 1

The term rX^{kw} in the Equation 5 reveals the world growth effect (WGE), which implies that any change in actual exports is related to world exports.

The term $\sum_{i=1}^{n}(r_i - r)X_i^{kw}$ represent the commodity composition effect. The commodity composition Effect (CE) measures whether the growth of a commodity's world export is higher (lower) than that of the growth of total exports. If it is positive, the growth of that commodity exceeds the growth of total world exports.

The term $\sum_i^n \sum_j^m (r_{il} - r_i)X_i^{kl}$ represent market distribution effects. Market Distribution Effect (ME) measures.

The term $\sum_i^n \sum_j^m (X_i^{kl\prime} - X_i^{kl} - r_{il}X_i^{kl})$ represent the residual or competitiveness of a country's k export.

The caveats of this analysis have been provided by Richardson (1971) and mainly by Fagerberg and Sollie (1987). The most critical critique of constant market share analysis is mainly on the dynamicity of the analysis. Richardson (1971) and Tyszynski (1951) explain that constant market share analysis is discrete. This method is sensitive to the establishment of an observation period (Richardson, 1971). It is also recognised by Fagerberg and Sollie (1987) and Richardson (1971) that the establishment of observation and choosing the base year will alter the results. Constant market share analysis is also sensitive to commodity identification under observation. Commodity aggregate under a particular HS Code will alter the result (Richardson, 1971). The conclusion and the analysis fully recognise the caveats of this method. This method is a discrete method and sensitive to the point of observation.

Results and Discussion

This paper has provided a computation of competitiveness by using Leamer and Stern's (1970) approach to constant market share analysis in the world market, ASEAN, and ASEAN Dialogue Partners' markets.

Indonesia's Competitiveness in ASEAN

The ASEAN Market is a good reflection of Indonesia. 1989 – 1992 was a good combination of domestic reform and a free trade agreement. Indonesian products' competitiveness increased by USD 49 million in 1989-1992. Then competitiveness tends to decrease from USD 49 million during 1989-1992 to about USD 2.3 million during 1992-1997. The same phenomenon happened during 2004-2009. ASEAN leaders agreed to establish the ASEAN Economic Community (AEC) during the ASEAN Leaders Summit 2003. Soesilo Bambang Yudhoyono implemented a series of domestic reforms, including removing fuel subsidies, establishing the Indonesian National Single Window (INSW), establishing a dedicated export development team, enacting trade laws, and implementing various trade facilitation measures (WTO, 2007; Boediono, 2016). Competitiveness rose to USD 1.2 billion during 2004 – 2009. After this period, competitiveness reduces through time until 2021.

Table 1. Constant Market Share for Indonesia's Export Growth to the ASEAN Market

		ASEAN's MARKET					World Market				
No	Products	WGE	CE	ME	COMPE	TE	WGE	CE	ME	COMPE	TE
1	Primary Prods	678.561,32	- 456.917,78	- 100.701,24	4.888,37	125.830,68	3.532.358,46	6.833.115,06	120.496,82	- 9.335.529,15	1.150.441,19
2	ResourceBased	393.958,78	- 103.513,80	- 105.577,31	7.668,38	192.536,05	3.116.063,52	2.666.789,67	58.248,47	- 2.597.084,62	3.244.017,04
3	LowTech	247.124,00	130.050,45	464.961,04	-	842.135,49	1.045.013,43	717.416,95	176.345,98	3.032.020,26	4.970.796,63
4	MediumTech	201.417,00	50.547,70	523.212,19	37.074,04	812.250,94	323.438,16	- 48.425,00	151.269,35	1.417.535,44	1.843.817,95
5	HighTech	29.594,22	5.514,59	183.928,27	64,43	219.101,52	56.906,16	26.551,17	10.302,81	636.039,43	729.799,56
Total	**1989-1992**	**1.550.655,33**	**- 374.318,84**	**965.822,96**	**49.695,23**	**2.191.854,68**	**8.073.779,73**	**10.195.447,85**	**516.663,43**	**- 6.847.018,64**	**11.938.872,37**
1	PrimaryProds	1.093.110,49	- 394.443,84	409.161,13	139,20	1.107.966,98	5.274.511,39	- 2.395.467,18	208.297,32	461.161,76	3.548.503,29
2	ResourceBased	752.751,64	- 292.715,48	145.396,42	19.766,33	625.198,92	5.742.793,31	60.229,67	140.633,45	4.953.778,61	10.897.435,04
3	LowTech	1.185.295,22	- 873.378,14	- 67.348,59	1.237,44	245.805,93	3.824.359,04	- 759.592,34	- 179.661,34	- 1.705.384,87	1.179.720,49
4	MediumTech	1.090.500,94	- 722.414,44	- 86.002,11	8.540,46	290.624,86	1.332.944,44	- 460.087,25	- 34.294,56	1.114.786,44	1.953.349,07
5	HighTech	258.843,30	193.619,29	666.003,11	61,94	1.118.527,64	432.728,53	187.546,80	210.175,09	1.067.140,24	1.897.590,67
Total	**1992-1997**	**4.380.501,59**	**- 2.089.332,60**	**1.067.209,96**	**29.745,37**	**3.388.124,33**	**16.607.336,71**	**- 3.367.370,29**	**345.149,96**	**5.891.482,19**	**19.476.598,56**
1	PrimaryProds	- 342.582,80	- 52.091,91	2.049,74	399,98	- 392.225,00	2.782.948,38	7.585.866,84	- 1.105.814,85	- 11.320.320,03	- 2.057.319,66
2	ResourceBased	- 214.591,25	2.273,61	289.706,94	1.981,52	79.370,83	4.395.420,43	8.581.930,01	277.890,58	- 19.590.989,86	- 6.335.748,84
3	LowTech	- 223.591,32	- 380.691,73	306.104,37	1,84	- 298.176,85	1.747.377,92	- 1.268.505,79	- 571.638,14	2.606.046,09	2.513.280,08
4	MediumTech	- 215.687,65	- 45.113,76	362.463,96	- 0,00	101.662,55	908.393,06	- 422.956,24	- 261.355,73	251.905,79	475.986,88
5	HighTech	- 213.616,79	73.773,21	598.099,07	-	458.255,49	540.159,27	371.441,96	- 524.156,08	238.195,26	625.640,41
Total	**1997-1999**	**- 1.210.069,83**	**- 401.850,57**	**1.558.424,08**	**2.383,34**	**- 51.112,98**	**10.374.299,07**	**14.847.776,78**	**- 2.185.074,22**	**- 27.815.162,75**	**- 4.778.161,13**
1	PrimaryProds	1.022.288,93	1.096.539,10	- 482.999,64	2.707,68	1.638.536,06	7.453.423,29	4.177.311,27	436.418,49	- 5.130.345,86	6.936.807,19
2	ResourceBased	822.786,97	362.402,46	- 114.590,77	71.318,71	1.141.917,38	9.898.584,00	3.524.660,76	164.166,69	- 6.539.001,92	7.048.409,53
3	LowTech	643.534,67	- 67.406,99	- 531.345,58	- 0,00	44.782,10	6.989.567,36	- 1.416.869,09	- 124.837,20	- 3.578.576,14	1.869.284,95
4	MediumTech	839.274,06	70.643,54	163.188,48	15,74	1.073.121,82	3.129.447,07	- 58.876,89	- 27.851,83	675.205,83	3.717.924,18
5	HighTech	1.031.895,53	- 299.534,51	421.518,38	- 0,00	1.153.879,40	2.068.828,24	- 1.056.052,67	188.370,42	2.143.476,80	3.344.622,79
Total	**1999-2004**	**4.359.780,16**	**1.162.643,60**	**- 544.229,12**	**74.042,13**	**5.052.236,77**	**29.539.849,96**	**5.170.173,39**	**636.266,57**	**- 12.429.241,28**	**22.917.048,64**
1	PrimaryProds	1.612.097,82	1.691.399,15	1.283.638,91	- 0,00	4.587.135,89	8.921.254,74	9.278.353,49	204.649,03	3.498.253,15	21.902.510,41
2	ResourceBased	1.215.093,45	763.035,22	725.686,05	1.268.088,79	3.971.903,50	10.843.248,94	6.998.498,03	178.222,21	- 4.499.549,28	13.520.419,89
3	LowTech	555.107,85	320.532,45	- 312.856,99	0,00	562.783,32	6.213.811,11	- 2.032.775,84	370.153,83	- 1.494.462,80	3.056.726,29
4	MediumTech	1.196.727,39	56.083,86	860.620,15	- 0,00	2.113.431,41	4.119.652,70	- 1.328.874,17	262.655,56	3.323.107,19	6.376.541,29
5	HighTech	1.394.262,38	- 954.438,82	- 412.558,55	0,00	27.265,02	3.135.128,26	- 787.511,63	- 482.572,86	- 1.793.717,99	71.325,78
Total	**2004-2009**	**5.973.288,90**	**1.876.611,87**	**2.144.529,58**	**1.268.088,79**	**11.262.519,13**	**33.233.095,75**	**12.127.689,87**	**533.107,77**	**- 966.369,73**	**44.927.523,66**
1	PrimaryProds	6.474.540,51	- 1.617.141,61	- 2.993.649,73	0,00	1.863.749,16	2.741.138,50	- 10.046.569,76	5.519.991,67	12.667.948,37	10.882.508,78
2	ResourceBased	5.293.973,13	12.248.049,16	- 8.946.390,97	19.249,98	8.614.881,31	2.458.334,09	- 2.453.584,98	16.443.524,55	11.096.312,83	27.544.586,49
3	LowTech	1.411.389,69	778.238,23	- 1.439.857,25	105,97	749.876,65	1.096.028,03	2.839.720,26	1.454.601,73	4.548.524,61	9.938.874,64
4	MediumTech	3.766.981,50	- 567.382,11	149.093,96	- 0,00	3.348.693,35	1.016.637,35	- 102.724,35	2.440.503,63	5.657.517,49	9.011.934,13
5	HighTech	2.429.622,55	- 935.061,61	- 1.354.672,03	- 0,00	139.888,91	454.934,00	365.573,92	1.156.349,09	171.441,50	2.148.298,52
Total	**2009-2014**	**19.376.507,38**	**9.906.702,06**	**- 14.585.476,02**	**19.355,95**	**14.717.089,38**	**7.767.071,98**	**- 9.397.584,91**	**27.014.970,67**	**34.141.744,81**	**59.526.202,55**
1	PrimaryProds	1.441.284,40	1.426.700,63	- 2.391.406,22	4,08	476.582,90	5.298.182,42	- 4.480.897,72	2.019.972,46	- 9.619.868,97	- 6.782.611,81
2	ResourceBased	2.209.676,03	- 3.220.293,10	- 2.574.600,45	1.744,28	- 3.583.473,24	6.563.596,04	- 7.871.253,15	880.529,70	- 7.591.799,25	- 8.018.926,66
3	LowTech	364.153,73	103.176,35	521.650,57	- 0,00	988.980,65	2.687.743,14	- 3.563.097,87	262.498,56	3.913.175,90	3.300.319,73
4	MediumTech	1.167.848,60	187.561,08	551.671,24	0,00	1.907.080,92	2.471.964,35	- 871.610,93	771.754,16	1.285.040,43	3.657.148,01
5	HighTech	459.489,10	632.363,62	- 972.133,31	0,00	119.719,41	914.178,03	336.899,60	- 84.625,75	- 1.675.580,35	- 509.128,47
Total	**2014-2019**	**5.642.451,86**	**- 870.491,42**	**- 4.864.818,18**	**1.748,37**	**- 91.109,37**	**17.935.663,98**	**- 16.449.960,07**	**3.850.129,12**	**- 13.689.032,24**	**- 8.353.199,21**
1	PrimaryProds	1.928.273,54	550.494,73	1.763.206,61	48,09	4.242.022,98	15.183.834,70	30.563.286,58	- 5.283.730,58	- 20.289.328,30	20.174.062,40
2	ResourceBased	2.155.443,74	- 433.381,20	1.451.159,56	0,00	3.173.222,10	18.939.151,24	31.125.182,74	- 11.204.678,01	- 19.905.859,73	18.953.796,25
3	LowTech	648.431,57	21.289,91	- 633.478,26	- 0,00	36.243,22	9.966.279,08	1.186.999,25	- 526.676,15	- 1.530.432,13	9.096.170,05
4	MediumTech	1.844.780,84	- 711.171,19	- 613.157,52	- 0,00	520.452,14	9.374.950,18	- 54.226,69	- 1.394.445,33	5.196.690,37	13.122.968,52
5	HighTech	608.763,12	- 4.641,28	- 432.084,61	- 0,00	172.037,22	2.841.921,31	1.253.069,68	- 800.043,83	- 802.481,38	2.492.465,78
Total	**2019-2021**	**7.185.692,82**	**- 577.409,04**	**1.535.645,79**	**48,09**	**8.143.977,66**	**56.306.136,51**	**64.074.311,56**	**- 19.209.573,90**	**- 37.331.411,17**	**63.839.463,00**

Source: Own computation

Indonesia's Competitiveness in ASEAN Dialogue Partners' Market

Japanese Market

The competitiveness of Indonesian products in Japan is showing positive signs, but with minimal contribution to the total growth of exports. Indonesia's competitiveness remained positive from 1989 to 2022. During the Asian economic crisis, Indonesia's export growth to Japan amounted to USD 2 billion, and competitiveness contributed to USD 4.8 million during 1997- 1999. Medium-tech competitiveness significantly contributed to Indonesia's competitiveness in the Japanese market before the Asian Economic Crisis of 1998. However, medium-tech competitiveness declined alongside Japanese investment diversification in ASEAN (Aslam & Yee, 2023). One interesting observation that is taken into consideration is from 2009 to 2014. There was a significant jump in competitiveness from 2009 to 2014, following the entry into force of the IJEPA in 2008. IJEPA contributed to Indonesia's increased competitiveness in the Japanese market. However, competitiveness tends to reduce to USD 17 thousand during 2019-2021.

Table 2. Constant Market Share for Indonesia's Export Growth to the Japanese Market

		Japan's Market					World Market				
No	**Products**	**WGE**	**CE**	**ME**	**COMPE**	**TE**	**WGE**	**CE**	**ME**	**COMPE**	**TE**
1	PrimaryProds	1.001.615,08	426.468,74	- 1.241.901,71	21,21	186.203,32	3.532.358,46	6.833.115,06	- 3.491.099,27	- 5.723.933,06	1.150.441,19
2	ResourceBased	1.019.052,32	1.160.527,33	- 1.401.656,45	5.788,43	783.711,63	3.116.063,52	2.666.789,67	- 1.211.025,45	- 1.327.810,70	3.244.017,04
3	LowTech	85.611,11	- 8.672,80	289.475,92	12,61	366.426,85	1.045.013,43	717.416,95	- 10.322,08	3.218.688,33	4.970.796,63
4	MediumTech	17.891,16	- 2.067,25	5.388,64	5.147,41	26.359,96	323.438,16	- 48.425,00	5.465,89	1.563.338,90	1.843.817,95
5	HighTech	6.297,70	8.873,30	77.711,22	2.202,71	95.084,93	56.906,16	26.551,17	2.961,07	643.381,17	729.799,56
Total	**1989 - 1992**	**2.130.467,38**	**1.585.129,33**	**- 2.270.982,38**	**13.172,36**	**1.457.786,69**	**8.073.779,73**	**10.195.447,85**	**- 4.704.019,84**	**- 1.626.335,36**	**11.938.872,37**
1	PrimaryProds	2.230.884,86	- 1.214.611,74	- 1.177.812,17	1.576,02	- 159.963,03	5.274.511,39	- 2.395.467,18	6.843,82	662.615,25	3.548.503,29
2	ResourceBased	2.560.469,96	- 1.147.663,28	- 1.000.253,84	727.638,99	1.140.191,83	5.742.793,31	60.229,67	- 1.570.571,89	6.664.983,95	10.897.435,04
3	LowTech	362.169,70	111.940,47	- 329.727,62	3,01	144.385,56	3.824.359,04	- 759.592,34	81.429,14	- 1.966.475,35	1.179.720,49
4	MediumTech	51.118,21	10.265,60	245.930,95	17.387,93	324.702,70	1.332.944,44	- 460.087,25	6.988,85	1.073.503,04	1.953.349,07
5	HighTech	59.974,68	104.451,01	110.627,56	81,14	275.134,39	432.728,53	187.546,80	62.571,29	1.214.744,04	1.897.590,67
Total	**1992 - 1997**	**5.264.617,41**	**- 2.135.617,95**	**- 2.151.235,12**	**746.687,10**	**1.724.451,45**	**16.607.336,71**	**- 3.367.370,29**	**- 1.412.738,79**	**7.649.370,93**	**19.476.598,56**
1	PrimaryProds	- 113.287,89	1.716.880,02	- 2.305.880,96	168,89	- 702.119,93	2.782.948,38	7.585.866,84	- 1.211.050,36	- 11.215.084,52	- 2.057.319,66
2	ResourceBased	- 164.110,13	- 920.764,35	- 561.900,45	2.805,67	- 1.643.969,26	4.395.420,43	8.581.930,01	- 4.572.427,92	- 14.740.671,36	- 6.335.748,84
3	LowTech	- 22.777,91	- 54.064,64	140.661,44	445,91	64.264,80	1.747.377,92	- 1.268.505,79	- 83.214,74	2.117.622,69	2.513.280,08
4	MediumTech	- 11.050,81	6.603,18	103.996,39	850,08	100.398,84	908.393,06	- 422.956,24	- 50.374,51	40.924,57	475.986,88
5	HighTech	- 10.240,60	35.288,00	68.017,09	591,36	93.655,85	540.159,27	371.441,96	- 76.285,56	- 209.675,26	625.640,41
Total	**1997 - 1999**	**- 321.467,34**	**783.942,21**	**- 2.555.106,48**	**4.861,91**	**- 2.087.769,70**	**10.374.299,07**	**14.847.776,78**	**- 5.993.353,09**	**- 24.006.883,88**	**- 4.778.161,13**
1	PrimaryProds	1.678.397,50	650.367,39	- 764.523,39	1.524,81	1.565.766,31	7.453.423,29	4.177.311,27	- 365.366,68	- 4.328.560,69	6.936.807,19
2	ResourceBased	2.146.806,36	2.593.573,08	- 2.192.585,04	4.238,68	2.552.033,08	9.898.584,00	3.524.660,76	508.292,42	- 6.883.127,65	7.048.409,53
3	LowTech	430.709,99	- 73.628,40	- 127.551,15	0,10	229.530,54	6.989.567,36	- 1.416.869,09	- 8.870,10	- 3.694.543,23	1.869.284,95
4	MediumTech	240.380,54	175.108,17	344.966,41	91,16	760.546,28	3.129.447,07	- 58.876,89	34.885,52	612.468,48	3.717.924,18
5	HighTech	223.037,13	- 72.304,39	306.318,76	-	457.051,51	2.068.828,24	- 1.056.052,67	62.623,26	2.269.223,95	3.344.622,79
Total	**1999 - 2004**	**4.719.331,52**	**3.273.115,85**	**- 2.433.374,41**	**5.854,75**	**5.564.927,72**	**29.539.849,96**	**5.170.173,39**	**231.564,43**	**- 12.024.539,14**	**22.917.048,64**
1	PrimaryProds	590.791,84	- 474.054,33	2.887.168,48	0,01	3.003.905,99	8.921.254,74	9.278.353,49	- 3.351.741,03	7.054.643,22	21.902.510,41
2	ResourceBased	817.325,36	2.629.967,95	- 3.842.691,93	0,00	- 395.398,63	10.843.248,94	6.998.498,03	- 676.727,95	- 3.644.599,12	13.520.419,89
3	LowTech	132.271,88	77.880,42	- 186.468,93	0,00	23.683,38	6.213.811,11	- 2.032.775,84	- 106.458,03	- 1.017.850,94	3.056.726,29
4	MediumTech	144.809,56	75.159,99	150.352,59	29,60	370.351,75	4.119.652,70	- 1.328.874,17	- 172.747,62	3.758.510,37	6.376.541,29
5	HighTech	106.455,26	- 150.517,41	- 346.106,07	246,87	- 389.921,34	3.135.128,26	- 787.511,63	- 273.224,82	- 2.003.066,03	71.325,78
Total	**2004 - 2009**	**1.791.653,92**	**2.158.436,62**	**- 1.337.745,86**	**276,47**	**2.612.621,15**	**33.233.095,75**	**12.127.689,87**	**- 4.580.899,45**	**4.147.637,49**	**44.927.523,66**
1	PrimaryProds	3.969.074,42	- 831.738,80	- 2.132.916,79	6,53	1.004.425,36	2.741.138,50	- 10.046.569,76	3.481.431,39	14.706.508,66	10.882.508,78
2	ResourceBased	3.306.030,00	5.488.945,45	- 8.184.907,57	856.534,26	1.466.602,15	2.458.334,09	- 2.453.584,98	8.579.643,37	18.960.194,01	27.544.586,49
3	LowTech	577.122,29	- 41.629,46	511.040,34	0,14	1.046.533,32	1.096.028,03	2.839.720,26	241.364,32	5.761.762,02	9.938.874,64
4	MediumTech	797.180,30	234.410,48	- 497.484,90	0,15	534.106,03	1.016.637,35	- 102.724,35	662.077,00	7.435.944,13	9.011.934,13
5	HighTech	268.132,25	- 24.310,63	256.869,87	0,00	500.691,49	454.934,00	365.573,92	115.945,20	1.211.845,39	2.148.298,52
Total	**2009 - 2014**	**8.917.539,27**	**4.825.677,03**	**- 10.047.399,04**	**856.541,07**	**4.552.358,34**	**7.767.071,98**	**- 9.397.584,91**	**13.080.461,28**	**48.076.254,20**	**59.526.202,55**
1	PrimaryProds	- 373.884,22	- 1.620.500,97	- 2.214.978,05	1.104,25	- 4.208.258,98	5.298.182,42	- 4.480.897,72	- 1.603.861,52	- 5.996.034,99	- 6.782.611,81
2	ResourceBased	- 336.829,32	- 2.976.852,46	794,12	16.590,12	- 3.296.297,55	6.563.596,04	- 7.871.253,15	- 1.005.698,83	- 5.705.570,72	- 8.018.926,66
3	LowTech	- 90.676,56	89.134,60	87.120,04	39,57	85.617,65	2.687.743,14	- 3.563.097,87	- 67.825,39	4.243.499,85	3.300.319,73
4	MediumTech	- 88.496,64	190.529,66	449.593,84	211,68	551.838,53	2.471.964,35	- 871.610,93	48.811,07	2.007.983,52	3.657.148,01
5	HighTech	- 42.712,02	- 104.865,71	- 109.237,41	88,24	- 256.726,90	914.178,03	336.899,60	- 80.676,74	- 1.679.529,36	- 509.128,47
Total	**2014 - 2019**	- 932.598,76	- 4.422.554,87	- 1.786.707,47	18.033,85	- 7.123.827,25	17.935.663,98	- 16.449.960,07	- 2.709.251,41	- 7.129.651,70	- 8.353.199,21
1	PrimaryProds	462.937,37	349.776,24	1.438.501,29	17,60	2.251.232,50	15.183.834,70	30.563.286,58	4.122.677,67	- 29.695.736,55	20.174.062,40
2	ResourceBased	462.302,34	- 394.364,94	- 858.992,98	- 0,00	- 791.055,59	18.939.151,24	31.125.182,74	- 2.488.069,77	- 28.622.467,97	18.953.796,25
3	LowTech	213.412,25	- 269.266,44	- 24.080,53	- 0,00	- 79.934,73	9.966.279,08	1.186.999,25	- 201.790,22	- 1.855.318,06	9.096.170,05
4	MediumTech	251.094,54	- 73.783,46	274.074,45	- 0,00	451.385,53	9.374.950,18	- 54.226,69	- 402.798,99	4.205.044,03	13.122.968,52
5	HighTech	73.366,46	- 13.745,83	- 39.100,63	0,00	20.520,00	2.841.921,31	1.253.069,68	- 133.197,98	- 1.469.327,23	2.492.465,78
Total	**2019 - 2021**	**1.463.112,95**	**- 401.384,42**	**790.401,59**	**17,60**	**1.852.147,71**	**56.306.136,51**	**64.074.311,56**	**896.820,71**	**- 57.437.805,79**	**63.839.463,00**

Source: Own computation

Korean Market

Table 3. Constant Market Share for Indonesia's Export Growth to the Korean Market

		Korea's Market					World Market				
No	**Products**	**WGE**	**CE**	**ME**	**COMPE**	**TE**	**WGE**	**CE**	**ME**	**COMPE**	**TE**
1	PrimaryProds	80.329,70	140.265,44	304.889,97	1.629,71	527.114,82	3.532.358,46	6.833.115,06	38.609,68	- 9.253.642,01	1.150.441,19
2	ResourceBased	145.167,16	366.677,90	14.760,30	27.311,74	553.917,10	3.116.063,52	2.666.789,67	80.282,57	- 2.619.118,72	3.244.017,04
3	LowTech	22.851,73	- 24.448,97	47.155,82	2.781,31	48.339,88	1.045.013,43	717.416,95	- 14.942,27	3.223.308,52	4.970.796,63
4	MediumTech	3.234,02	784,27	23.044,25	2.935,14	29.997,67	323.438,16	- 48.425,00	- 2.255,17	1.571.059,96	1.843.817,95
5	HighTech	389,38	21,16	2.903,65	1.689,56	5.003,75	56.906,16	26.551,17	1.370,00	644.972,24	729.799,56
Total	**1989-1992**	**251.971,98**	**483.299,80**	**392.753,99**	**36.347,45**	**1.164.373,23**	**8.073.779,73**	**10.195.447,85**	**103.064,79**	**- 6.433.420,00**	**11.938.872,37**
1	PrimaryProds	651.542,21	- 389.727,40	148.719,59	305,30	410.839,70	5.274.511,39	- 2.395.467,18	41.930,38	627.528,69	3.548.503,29
2	ResourceBased	860.698,51	706.945,88	- 785.793,65	156.623,44	938.474,18	5.742.793,31	60.229,67	790.591,98	4.303.820,08	10.897.435,04
3	LowTech	104.617,27	151.257,53	- 281.856,44	7.607,80	- 18.373,84	3.824.359,04	- 759.592,34	143.075,14	- 2.028.121,35	1.179.720,49
4	MediumTech	33.203,48	- 4.916,28	- 32.674,69	36.480,29	32.092,81	1.332.944,44	- 460.087,25	- 5.751,13	1.086.243,01	1.953.349,07
5	HighTech	5.103,67	3.503,46	7.289,07	20,40	15.916,60	432.728,53	187.546,80	- 7.666,86	1.284.982,19	1.897.590,67
Total	**1992-1997**	**1.655.165,15**	**467.063,19**	**- 944.316,11**	**201.037,23**	**1.378.949,45**	**16.607.336,71**	**- 3.367.370,29**	**962.179,52**	**5.274.452,63**	**19.476.598,56**
1	PrimaryProds	- 158.655,71	110.750,47	- 17.833,85	430,27	- 65.308,82	2.782.948,38	7.585.866,84	- 1.127.704,46	- 11.298.430,42	- 2.057.319,66
2	ResourceBased	- 260.596,26	24.177,23	5.326,48	10.587,25	- 220.505,29	4.395.420,43	8.581.930,01	- 1.203.852,81	- 18.109.246,47	- 6.335.748,84
3	LowTech	- 14.604,03	- 7.539,21	153.161,81	170,51	131.189,09	1.747.377,92	- 1.268.505,79	2.062,37	2.032.345,59	2.513.280,08
4	MediumTech	- 9.523,23	- 4.304,69	28.109,84	3.114,86	17.396,78	908.393,06	- 422.956,24	5.738,13	- 15.188,08	475.986,88
5	HighTech	- 2.879,53	5.870,34	- 8.463,81	284,20	- 5.188,80	540.159,27	371.441,96	9.319,03	- 295.279,85	625.640,41
Total	**1997-1999**	**- 446.258,75**	**128.954,14**	**160.300,48**	**14.587,08**	**- 142.417,04**	**10.374.299,07**	**14.847.776,78**	**- 2.314.437,74**	**- 27.685.799,23**	**- 4.778.161,12**
1	PrimaryProds	1.007.089,95	- 315.499,96	24.618,09	782,78	716.990,85	7.453.423,29	4.177.311,27	- 359.079,59	- 4.334.847,78	6.936.807,19
2	ResourceBased	1.556.336,81	1.091.617,81	- 2.100.937,27	11.345,70	558.363,05	9.898.584,00	3.524.660,76	833.747,30	- 7.208.582,53	7.048.409,53
3	LowTech	211.244,23	- 104.428,65	- 53.135,19	287,52	53.967,90	6.989.567,36	- 1.416.869,09	- 34.874,36	- 3.668.538,97	1.869.284,95
4	MediumTech	78.868,14	- 15.668,44	- 21.988,31	37.142,66	78.354,06	3.129.447,07	- 58.876,89	- 28.461,74	675.815,74	3.717.924,18
5	HighTech	14.819,16	16.541,70	69.478,15	1.854,45	102.693,45	2.068.828,24	- 1.056.052,67	- 10.870,45	2.342.717,66	3.344.622,79
Total	**1999-2004**	**2.868.358,28**	**672.562,47**	**- 2.081.964,54**	**51.413,11**	**1.510.369,31**	**29.539.849,96**	**5.170.173,39**	**400.461,16**	**- 12.193.435,87**	**22.917.048,64**
1	PrimaryProds	911.649,45	1.690.791,62	101.249,78	2.272,35	2.705.963,21	8.921.254,74	9.278.353,49	870.609,97	2.832.292,22	21.902.510,41
2	ResourceBased	1.142.670,05	480.271,13	- 1.517.307,23	48.244,16	153.878,10	10.843.248,94	6.998.498,03	174.684,98	- 4.496.012,06	13.520.419,89
3	LowTech	144.530,29	- 58.234,08	56.139,05	-	142.435,26	6.213.811,11	- 2.032.775,84	4.985,56	- 1.129.294,53	3.056.726,29
4	MediumTech	82.146,48	- 60.829,98	287.201,28	- 0,00	308.517,78	4.119.652,70	- 1.328.874,17	- 20.623,94	3.606.386,69	6.376.541,29
5	HighTech	58.035,36	23.222,24	- 77.026,91	1,95	4.232,63	3.135.128,26	- 787.511,63	43.095,67	- 2.319.386,51	71.325,78
Total	**2004-2009**	**2.339.031,63**	**2.075.220,92**	**- 1.149.744,04**	**50.518,46**	**3.315.026,98**	**33.233.095,75**	**12.127.689,87**	**1.072.752,24**	**- 1.506.014,20**	**44.927.523,66**
1	PrimaryProds	2.903.172,95	- 1.953.291,20	- 2.027.809,22	3.173,38	- 1.074.754,08	2.741.138,50	- 10.046.569,76	1.255.038,48	16.932.901,57	10.882.508,78
2	ResourceBased	1.590.309,44	2.795.154,99	- 1.534.750,51	51.386,72	2.902.100,66	2.458.334,09	- 2.453.584,98	3.659.909,40	23.879.927,98	27.544.586,49
3	LowTech	278.954,15	84.913,11	10.935,25	3,10	374.805,60	1.096.028,03	2.839.720,26	136.026,05	5.867.100,30	9.938.874,64
4	MediumTech	302.527,14	- 159.813,93	- 21.956,26	310,43	121.067,38	1.016.637,35	- 102.724,35	68.929,72	8.029.091,41	9.011.934,13
5	HighTech	78.503,84	20.107,40	39.134,82	304,77	138.050,84	454.934,00	365.573,92	17.654,65	1.310.135,95	2.148.298,52
Total	**2009-2014**	**5.153.467,53**	**787.070,38**	**- 3.534.445,91**	**55.178,40**	**2.461.270,40**	**7.767.071,98**	**- 9.397.584,91**	**5.137.558,29**	**56.019.157,19**	**59.526.202,55**
1	PrimaryProds	117.264,80	417.074,26	- 1.679.680,06	6.513,33	- 1.138.827,67	5.298.182,42	- 4.480.897,72	160.012,79	- 7.759.909,30	- 6.782.611,81
2	ResourceBased	180.734,13	- 2.212.437,22	- 871.929,44	181.641,50	- 2.721.991,03	6.563.596,04	- 7.871.253,15	- 6.458,93	- 6.704.810,62	- 8.018.926,66
3	LowTech	27.222,12	96.400,68	294.915,68	0,00	418.538,48	2.687.743,14	- 3.563.097,87	68.823,73	4.106.850,73	3.300.319,73
4	MediumTech	19.997,59	- 9.237,42	32.280,43	658,70	43.699,31	2.471.964,35	- 871.610,93	- 55.986,88	2.112.781,47	3.657.148,01
5	HighTech	8.747,93	- 37.885,01	55.567,38	80,90	26.511,19	914.178,03	336.899,60	- 7.689,58	- 1.752.516,52	- 509.128,47
Total	**2014-2019**	**353.966,57**	**- 1.746.084,70**	**- 2.168.846,00**	**188.894,43**	**- 3.372.069,71**	**17.935.663,98**	**- 16.449.960,07**	**158.701,13**	**- 9.997.604,24**	**- 8.353.199,21**
1	PrimaryProds	577.670,71	- 133.027,38	216.952,20	985,21	662.580,74	15.183.834,70	30.563.286,58	2.618.983,64	- 28.192.042,52	20.174.062,40
2	ResourceBased	655.182,18	- 338.357,99	240.972,26	206,46	558.002,90	18.939.151,24	31.125.182,74	1.156.580,58	- 32.267.118,32	18.953.796,25
3	LowTech	300.207,68	- 247.801,15	- 105.509,99	119,62	- 52.983,84	9.966.279,08	1.186.999,25	- 181.422,27	- 1.875.686,01	9.096.170,05
4	MediumTech	156.379,27	17.225,64	- 72.677,84	16,06	100.943,13	9.374.950,18	- 54.226,69	82.343,28	3.719.901,76	13.122.968,52
5	HighTech	70.206,68	17.468,58	389.889,60	-	477.564,85	2.841.921,31	1.253.069,68	- 83.517,69	- 1.519.007,52	2.492.465,78
Total	**2019-2021**	**1.759.646,51**	**- 684.492,31**	**669.626,23**	**1.327,35**	**1.746.107,78**	**56.306.136,51**	**64.074.311,56**	**3.592.967,53**	**- 60.133.952,61**	**63.839.463,00**

Source: Own computation

Competitiveness remains positive from this period forward. Indonesia's competitiveness in the Korean market has not contributed significantly to export growth from 1989 to 2021. Along with positive competitiveness, Indonesia benefited from the transformation of the Korean Trade Policy. Starting with a shift to an export promotion policy in the 1960s–1980s, Korea has implemented consistent policies that include liberalisation as part of an economic reform package (Haggard et al., 1991; Amsden, 2007). South Korea's export-oriented trade policy in the 1960s-1980s is a successful economic development model through strategic trade promotion (Amsden, 2007). A combination of domestic reform and trade liberalisation has endorsed Korea's competitiveness (Amsden, 2007; Haggard et al., 1991)

In 2014 – 2019, Indonesia's exports to Korea dropped significantly. Competitiveness became a positive contributor, preventing further declines in exports. Competitiveness was USD 188 million, and the total change of value was USD 3 billion in 2014 – 2019. This is when FTA is effective as a built-in stabiliser (Suryanta, 2021).

Chinese Market

ASEAN-China FTA integrated Indonesia and China. At the beginning of the implementation period of ACFTA, there was a large demonstration and political pressure on the domestic industry (Suryanta, 2021).

Table 4. Constant Market Share for Indonesia's Export Growth to the Chinese Market

		China's MARKET					World Market				
No	Products	WGE	CE	ME	COMPE	TE	WGE	CE	ME	COMPE	TE
1	PrimaryProds	186.711,73	528.198,57	- 316.447,18	16.620,74	415.083,86	3.532.358,46	6.833.115,06	227.557,99	- 9.442.590,32	1.150.441,19
2	ResourceBased	151.506,25	246.816,61	- 19.605,99	48.515,05	427.231,91	3.116.063,52	2.666.789,67	170.475,24	- 2.709.311,39	3.244.017,04
3	LowTech	9.436,67	- 13.085,88	10.318,75	4.272,28	10.941,81	1.045.013,43	717.416,95	- 22.513,07	3.230.879,31	4.970.796,63
4	MediumTech	35.643,41	- 24.398,39	- 44.579,09	8.364,45	- 24.969,62	323.438,16	- 48.425,00	- 1.797,91	1.570.602,70	1.843.817,95
5	HighTech	58,71	21,39	- 93,27	32,17	19,00	56.906,16	26.551,17	- 1.532,53	647.874,77	729.799,56
Total	**1989 - 1992**	**383.356,76**	**737.552,30**	**- 370.406,79**	**77.804,69**	**828.306,96**	**8.073.779,73**	**10.195.447,85**	**372.189,72**	**- 6.702.544,92**	**11.938.872,37**
1	PrimaryProds	742.391,58	280.787,81	- 737.193,41	44.996,85	330.982,84	5.274.511,39	- 2.395.467,18	647.711,14	21.747,94	3.548.503,29
2	ResourceBased	699.437,76	- 630.443,95	134.398,33	138.722,93	342.115,07	5.742.793,31	60.229,67	- 168.665,57	5.263.077,62	10.897.435,04
3	LowTech	26.750,19	- 2.107,15	- 11.680,79	6.518,02	19.480,27	3.824.359,04	- 759.592,34	- 55.220,09	- 1.829.826,12	1.179.720,49
4	MediumTech	29.890,83	9.332,59	78.554,58	13.789,58	131.567,58	1.332.944,44	- 460.087,25	- 36.271,02	1.116.762,91	1.953.349,07
5	HighTech	113,75	107,44	2.268,93	6.261,90	8.752,02	432.728,53	187.546,80	- 3.675,47	1.280.990,81	1.897.590,67
Total	**1992 - 1997**	**1.498.584,12**	**- 342.323,26**	**- 533.652,37**	**210.289,28**	**832.897,77**	**16.607.336,71**	**- 3.367.370,29**	**383.878,99**	**5.852.753,16**	**19.476.598,56**
1	PrimaryProds	22.304,46	- 81.396,90	- 227.605,66	8.152,02	- 278.546,09	2.782.948,38	7.585.866,84	- 1.249.380,79	- 11.176.754,09	- 2.057.319,66
2	ResourceBased	21.674,34	- 39.808,89	- 57.680,49	15.047,74	- 60.767,30	4.395.420,43	8.581.930,01	113.012,12	- 19.426.111,40	- 6.335.748,84
3	LowTech	968,42	- 6.338,68	50.200,22	1.440,82	46.270,78	1.747.377,92	- 1.268.505,79	- 4.206,44	2.038.614,39	2.513.280,08
4	MediumTech	3.476,63	3.267,30	41.835,72	10.865,75	59.445,41	908.393,06	- 422.956,24	4.731,81	- 14.181,75	475.986,88
5	HighTech	193,17	5.454,53	6.558,22	973,04	13.178,96	540.159,27	371.441,96	9.703,55	- 295.664,37	625.640,41
Total	**1997 - 1999**	**48.617,03**	**- 118.822,64**	**- 186.692,00**	**36.479,37**	**- 220.418,25**	**10.374.299,07**	**14.847.776,78**	**- 1.126.139,76**	**- 28.874.097,21**	**- 4.778.161,13**
1	PrimaryProds	1.777.464,77	581.960,87	- 1.628.795,18	654,08	731.284,53	7.453.423,29	4.177.311,27	1.216.506,75	- 5.910.434,12	6.936.807,19
2	ResourceBased	2.228.587,38	- 803.900,79	- 450.072,86	8.088,00	982.701,73	9.898.584,00	3.524.660,76	669.360,89	- 7.044.196,11	7.048.409,53
3	LowTech	216.569,96	- 100.852,43	22.454,49	1.201,05	139.373,07	6.989.567,36	- 1.416.869,09	13.667,01	- 3.717.080,34	1.869.284,95
4	MediumTech	522.728,30	186.014,36	- 185.589,45	8.526,32	531.679,53	3.129.447,07	- 58.876,89	375.458,20	271.895,80	3.717.924,18
5	HighTech	52.631,90	1.873,63	156.226,98	46,26	210.778,77	2.068.828,24	- 1.056.052,67	- 97.538,41	2.429.385,63	3.344.622,79
Total	**1999 - 2004**	**4.797.982,30**	**- 134.904,36**	**- 2.085.776,02**	**18.515,71**	**2.595.817,63**	**29.539.849,96**	**5.170.173,39**	**2.177.454,43**	**- 13.970.429,14**	**22.917.048,64**
1	PrimaryProds	1.427.730,77	2.309.042,04	- 209.555,04	185.521,70	3.712.739,47	8.921.254,74	9.278.353,49	1.409.752,29	2.293.149,89	21.902.510,41
2	ResourceBased	1.853.775,63	1.267.672,86	- 380.560,59	234,97	2.741.122,86	10.843.248,94	6.998.498,03	1.393.513,92	- 5.714.840,99	13.520.419,89
3	LowTech	222.601,67	- 164.224,18	- 15.266,14	0,00	43.111,34	6.213.811,11	- 2.032.775,84	10.776,64	- 1.135.085,62	3.056.726,29
4	MediumTech	726.242,51	- 328.320,71	- 58.475,23	123,29	339.569,86	4.119.652,70	- 1.328.874,17	25.434,37	3.560.328,38	6.376.541,29
5	HighTech	225.276,95	- 89.303,57	- 77.922,77	-	58.050,62	3.135.128,26	- 787.511,63	- 5.481,79	- 2.270.809,05	71.325,78
Total	**2004 - 2009**	**4.455.627,53**	**2.994.866,44**	**- 741.779,78**	**185.879,96**	**6.894.594,15**	**33.233.095,75**	**12.127.689,87**	**2.833.995,43**	**- 3.267.257,39**	**44.927.523,66**
1	PrimaryProds	3.814.501,18	1.851.848,25	- 3.199.594,12	8,73	2.466.764,04	2.741.138,50	- 10.046.569,76	3.073.570,58	15.114.369,46	10.882.508,78
2	ResourceBased	3.423.868,55	4.897.761,87	- 6.338.886,96	430,24	1.983.173,70	2.458.334,09	- 2.453.584,98	7.511.316,70	20.028.520,67	27.544.586,49
3	LowTech	200.834,21	101.210,29	392.944,88	5,73	694.995,11	1.096.028,03	2.839.720,26	24.735,28	5.978.391,06	9.938.874,64
4	MediumTech	801.474,28	- 329.625,08	417.807,61	1.368,59	891.025,40	1.016.637,35	- 102.724,35	201.913,88	7.896.107,25	9.011.934,13
5	HighTech	213.850,60	- 147.627,13	4.402,28	33,18	70.658,94	454.934,00	365.573,92	- 89.735,88	1.417.526,48	2.148.298,52
Total	**2009 - 2014**	**8.454.528,82**	**6.373.568,20**	**- 8.723.326,30**	**1.846,47**	**6.106.617,19**	**7.767.071,98**	**- 9.397.584,91**	**10.721.800,56**	**50.434.914,92**	**59.526.202,55**
1	PrimaryProds	2.897.903,65	- 376.962,60	348.209,65	23,08	2.869.173,78	5.298.182,42	- 4.480.897,72	- 164.889,13	- 7.435.007,38	- 6.782.611,81
2	ResourceBased	2.513.698,40	- 1.716.183,90	3.270.636,79	14.701,12	4.082.852,41	6.563.596,04	- 7.871.253,15	- 317.467,34	- 6.393.802,21	- 8.018.926,66
3	LowTech	366.508,45	306.215,79	420.654,56	7,92	1.093.386,72	2.687.743,14	- 3.563.097,87	412.594,13	3.763.080,33	3.300.319,73
4	MediumTech	749.986,51	- 505.506,37	2.100.356,78	7.576,98	2.352.413,90	2.471.964,35	- 871.610,93	- 180.805,66	2.237.600,25	3.657.148,01
5	HighTech	136.860,06	9.096,96	- 187.841,16	- 0,00	- 41.884,14	914.178,03	336.899,60	- 253.319,89	- 1.506.886,21	- 509.128,47
Total	**2014 - 2019**	**6.664.957,06**	**- 2.283.340,12**	**5.952.016,63**	**22.309,10**	**10.355.942,67**	**17.935.663,98**	**- 16.449.960,07**	**- 503.887,89**	**- 9.335.015,22**	**- 8.353.199,21**
1	PrimaryProds	3.026.113,00	1.506.569,95	5.284.149,82	12,03	9.816.844,80	15.183.834,70	30.563.286,58	1.892.886,28	- 27.465.945,17	20.174.062,40
2	ResourceBased	3.083.268,24	- 147.955,37	2.564.427,84	44,69	5.499.785,40	18.939.151,24	31.125.182,74	- 3.218.189,44	- 27.892.348,30	18.953.796,25
3	LowTech	592.774,13	- 135.148,57	1.566.488,48	0,00	2.024.114,04	9.966.279,08	1.186.999,25	- 227.095,08	- 1.830.013,20	9.096.170,05
4	MediumTech	1.246.065,66	1.880.433,71	5.247.748,23	206,12	8.374.453,72	9.374.950,18	- 54.226,69	734.813,62	3.067.431,42	13.122.968,52
5	HighTech	91.909,27	- 43.588,86	56.492,99	6,03	104.819,43	2.841.921,31	1.253.069,68	- 203.460,04	- 1.399.065,17	2.492.465,78
Total	**2019 - 2021**	**8.040.130,30**	**3.060.310,85**	**14.719.307,35**	**268,87**	**25.820.017,38**	**56.306.136,51**	**64.074.311,56**	**- 1.021.044,66**	**- 55.519.940,41**	**63.839.463,00**

Source: Own computation

One of the findings of this computation is that Indonesia gained from China's accession to the WTO in 2001. After 2001, Indonesia's exports to China increased rapidly. However, China's liberalisation does not alter the competitiveness of Indonesia's exports to China. Since the implementation of the ASEAN-China Free Trade Agreement in 2005, Indonesia's export growth to China has been driven by world growth. Exports grew rapidly from 2004 to 2021.

Indian Market

Indonesia's export competitiveness to the Indian market remains buoyant and consistent from 1989 to 2021. Various factors favour Indonesia's products in the Indian market. India's trade policy shift from protectionism to trade liberalisation after 1991 seems to favour Indonesia's export growth to India. India has liberalised its market since 1991. Prime Minister Rao (Rajagopalan, 2021) asserts that the result of trade reform in India has increased income per capita by sevenfold. Indonesia's exports to India are growing, and there was a positive competitiveness effect from 1992 to 1997.

Table 5. Constant Market Share for Indonesia's Export Growth to the Indian Market

		India's Market					World Market				
No	Products	WGE	CE	ME	COMPE	TE	WGE	CE	ME	COMPE	TE
1	PrimaryProds	- 435,30	79.660,82	- 80.257,23	15.119,46	14.087,75	3.532.358,46	6.833.115,06	68.864,09	- 9.283.896,42	1.150.441,19
2	ResourceBased	- 2.864,78	- 4.436,93	8.257,01	5.546,12	6.501,42	3.116.063,52	2.666.789,67	- 11.196,44	- 2.527.639,71	3.244.017,04
3	LowTech	- 113,86	1.769,09	- 2.075,50	352,24	- 68,03	1.045.013,43	717.416,95	3.702,16	3.204.664,08	4.970.796,63
4	MediumTech	- 482,35	- 1.194,86	- 1.846,01	2.163,83	- 1.359,39	323.438,16	- 48.425,00	- 2.772,06	1.571.576,85	1.843.817,95
5	HighTech	- 11,20	- 55,78	- 52,72	181,32	61,63	56.906,16	26.551,17	732,06	645.610,18	729.799,56
Total	**1989-1992**	**- 3.907,49**	**75.742,35**	**- 75.974,44**	**23.362,97**	**19.223,38**	**8.073.779,73**	**10.195.447,85**	**59.329,80**	**- 6.389.685,01**	**11.938.872,37**
1	PrimaryProds	19.539,05	19.369,70	32.682,47	13.908,53	85.499,75	5.274.511,39	- 2.395.467,18	475,16	668.983,92	3.548.503,29
2	ResourceBased	43.015,65	106.279,58	227.932,45	3.687,94	380.915,61	5.742.793,31	60.229,67	19.927,65	5.074.484,41	10.897.435,04
3	LowTech	1.385,64	- 77,87	17.271,64	3.032,98	21.612,39	3.824.359,04	- 759.592,34	- 4.137,29	- 1.880.908,92	1.179.720,49
4	MediumTech	4.806,77	6.377,75	54.641,31	16.269,68	82.095,51	1.332.944,44	- 460.087,25	16.119,89	1.064.372,00	1.953.349,07
5	HighTech	204,11	570,61	1.164,62	6.038,07	7.977,41	432.728,53	187.546,80	- 2.006,66	1.279.321,99	1.897.590,67
Total	**1992-1997**	**68.951,21**	**132.519,77**	**333.692,49**	**42.937,20**	**578.100,67**	**16.607.336,71**	**- 3.367.370,29**	**30.378,74**	**6.206.253,40**	**19.476.598,56**
1	PrimaryProds	21.101,53	34.286,44	14.550,67	1.819,04	71.757,67	2.782.948,38	7.585.866,84	- 85.810,50	- 12.340.324,38	- 2.057.319,66
2	ResourceBased	85.111,10	196.159,18	- 88.761,58	15.456,95	207.965,66	4.395.420,43	8.581.930,01	94.411,57	- 19.407.510,85	- 6.335.748,84
3	LowTech	4.615,81	2.072,69	26.661,70	882,11	34.232,31	1.747.377,92	- 1.268.505,79	1.527,60	2.032.880,35	2.513.280,08
4	MediumTech	17.441,05	- 40.102,96	- 26.009,78	2.724,62	- 45.947,07	908.393,06	- 422.956,24	- 33.205,88	23.755,93	475.986,88
5	HighTech	1.641,64	- 2.179,44	- 3.917,22	3.383,62	- 1.071,40	540.159,27	371.441,96	1.142,54	- 287.103,36	625.640,41
Total	**1997-1999**	**129.911,12**	**190.235,90**	**- 77.476,20**	**24.266,34**	**266.937,17**	**10.374.299,07**	**14.847.776,78**	**- 21.934,66**	**- 29.978.302,31**	**- 4.778.161,13**
1	PrimaryProds	180.245,19	142.886,16	57.787,60	283,47	381.202,42	7.453.423,29	4.177.311,27	35.590,07	- 4.729.517,44	6.936.807,19
2	ResourceBased	644.019,41	- 514.119,45	597.091,49	448,32	727.439,77	9.898.584,00	3.524.660,76	- 241.142,54	- 6.133.692,68	7.048.409,53
3	LowTech	58.309,19	21.296,63	- 43.291,63	1.093,43	37.407,62	6.989.567,36	- 1.416.869,09	41.458,26	- 3.744.871,60	1.869.284,95
4	MediumTech	41.756,24	6.301,94	23.304,84	1.619,26	72.982,27	3.129.447,07	- 58.876,89	22.909,91	624.444,09	3.717.924,18
5	HighTech	7.244,39	4.255,84	22.232,62	898,97	34.631,82	2.068.828,24	- 1.056.052,67	- 12.119,08	2.343.966,29	3.344.622,79
Total	**1999-2004**	**931.574,41**	**- 339.378,87**	**657.124,92**	**4.343,45**	**1.253.663,91**	**29.539.849,96**	**5.170.173,39**	**- 153.303,38**	**- 11.639.671,33**	**22.917.048,64**
1	PrimaryProds	984.852,25	391.093,68	959.636,05	104,41	2.335.686,39	8.921.254,74	9.278.353,49	323.779,83	3.379.122,35	21.902.510,41
2	ResourceBased	2.399.130,49	- 68.120,22	254.953,43	19.971,43	2.605.935,12	10.843.248,94	6.998.498,03	67.733,65	- 4.389.060,72	13.520.419,89
3	LowTech	167.007,95	- 31.024,26	- 118.703,46	3,03	17.283,26	6.213.811,11	- 2.032.775,84	63.058,91	- 1.187.367,88	3.056.726,29
4	MediumTech	201.107,17	- 20.636,58	1.244,92	32.428,09	214.143,60	4.119.652,70	- 1.328.874,17	46.623,01	3.539.139,74	6.376.541,29
5	HighTech	73.656,79	- 22.688,10	31.663,49	38,73	82.670,92	3.135.128,26	- 787.511,63	- 16.349,94	- 2.259.940,91	71.325,78
Total	**2004-2009**	**3.825.754,65**	**248.624,52**	**1.128.794,43**	**52.545,69**	**5.255.719,29**	**33.233.095,75**	**12.127.689,87**	**484.845,45**	**- 918.107,42**	**44.927.523,66**
1	PrimaryProds	1.597.670,33	580.830,94	1.524.719,14	74.812,04	3.778.032,44	2.741.138,50	- 10.046.569,76	1.287.540,33	16.900.399,71	10.882.508,78
2	ResourceBased	2.189.384,82	- 150.945,19	- 1.592.939,46	4.600,64	450.100,81	2.458.334,09	- 2.453.584,98	873.354,57	26.666.482,81	27.544.586,49
3	LowTech	61.796,88	22.121,40	- 19.100,04	0,00	64.818,24	1.096.028,03	2.839.720,26	17.611,33	5.985.515,02	9.938.874,64
4	MediumTech	181.151,79	43.014,62	42.599,43	69.205,35	335.971,19	1.016.637,35	- 102.724,35	131.393,97	7.966.627,16	9.011.934,13
5	HighTech	68.688,59	- 31.463,42	98.965,50	-	136.190,67	454.934,00	365.573,92	13.729,51	1.314.061,08	2.148.298,52
Total	**2009-2014**	**4.098.692,41**	**463.558,34**	**54.244,57**	**148.618,03**	**4.765.113,35**	**7.767.071,98**	**- 9.397.584,91**	**2.323.629,70**	**58.833.085,78**	**59.526.202,55**
1	PrimaryProds	951.724,26	957.541,28	- 2.751.122,30	240.946,57	- 600.910,19	5.298.182,42	- 4.480.897,72	612.190,39	- 8.212.086,89	- 6.782.611,81
2	ResourceBased	629.887,37	- 1.256.853,83	- 264.958,62	24.717,21	- 867.207,87	6.563.596,04	- 7.871.253,15	- 110.114,49	- 6.601.155,06	- 8.018.926,66
3	LowTech	25.212,91	7.045,57	623.593,11	577,08	656.428,67	2.687.743,14	- 3.563.097,87	- 19.473,96	4.195.148,42	3.300.319,73
4	MediumTech	94.730,47	- 12.935,88	327.343,73	2.878,58	412.016,90	2.471.964,35	- 871.610,93	- 39.938,08	2.096.732,67	3.657.148,01
5	HighTech	37.174,64	63.957,40	- 106.631,97	0,97	- 5.498,96	914.178,03	336.899,60	- 10.146,65	- 1.750.059,45	- 509.128,47
Total	**2014-2019**	**1.738.729,66**	**- 241.245,46**	**- 2.171.776,05**	**269.120,40**	**- 405.171,45**	**17.935.663,98**	**- 16.449.960,07**	**432.517,19**	**- 10.271.420,30**	**- 8.353.199,21**
1	PrimaryProds	1.414.080,54	- 821.934,33	- 718.252,00	65,79	- 126.040,00	15.183.834,70	30.563.286,58	- 1.337.180,35	- 24.235.878,54	20.174.062,40
2	ResourceBased	826.533,19	1.095.494,34	- 782.117,05	63,05	1.139.973,53	18.939.151,24	31.125.182,74	2.301.960,81	- 33.412.498,55	18.953.796,25
3	LowTech	194.068,61	32.441,42	- 279.703,99	- 0,00	- 53.193,96	9.966.279,08	1.186.999,25	- 124.211,61	- 1.932.896,67	9.096.170,05
4	MediumTech	250.652,43	143.228,21	134.375,64	828,43	529.084,71	9.374.950,18	- 54.226,69	- 78.495,42	3.880.740,46	13.122.968,52
5	HighTech	59.420,74	62.713,71	- 138.264,12	0,75	- 16.128,92	2.841.921,31	1.253.069,68	26.661,16	- 1.629.186,37	2.492.465,78
Total	**2019-2021**	**2.744.755,50**	**511.943,35**	**- 1.783.961,52**	**958,02**	**1.473.695,36**	**56.306.136,51**	**64.074.311,56**	**788.734,59**	**- 57.329.719,67**	**63.839.463,00**

Source: Own computation

Australian Market

Based on the Constant Market Share computation, the world growth effect dominates the contribution from 1989 to 2022. Competitiveness remained positive before and after the implementation of AANZFTA and IA CEPA. There is no fundamental shift in terms of competitiveness due to liberalisation. However, the effects of market and commodity composition fluctuated in different periods from 1989 to 2022. During both financial crises, market effects tended to be negative, so Australia prefers to import products from other sources than Indonesia.

However, it will not happen during 2019 – 2021. Market effects tended to be positive. Australian importers are sensitive to the security of transactions. They will shift their sources to a more secure market when trade risk is high. It is essential to build confidence in the banking system for international transactions.

Table 6. Constant Market Share for Indonesia's Export Growth to the Australian Market

		Australia's Market					World Market				
No	Products	WGE	CE	ME	COMPE	TE	WGE	CE	ME	COMPE	TE
1	PrimaryProds	14.091,38	244.208,41	- 53.297,29	8.106,09	213.108,58	3.532.358,46	6.833.115,06	- 96.476,45	- 9.118.555,88	1.150.441,19
2	ResourceBased	3.132,78	11.090,51	20.569,86	2.734,22	37.527,37	3.116.063,52	2.666.789,67	8.495,95	- 2.547.332,10	3.244.017,04
3	LowTech	3.273,12	9.817,39	67.540,86	2.380,43	83.011,80	1.045.013,43	717.416,95	- 10.812,76	3.219.179,00	4.970.796,63
4	MediumTech	1.451,93	- 126,94	24.349,49	1.084,46	26.758,93	323.438,16	- 48.425,00	- 6.699,51	1.575.504,30	1.843.817,95
5	HighTech	262,21	- 60,97	2.268,41	849,05	3.318,71	56.906,16	26.551,17	- 1.450,79	647.793,03	729.799,56
Total	**1989-1992**	**22.211,42**	**264.928,39**	**61.431,33**	**15.154,25**	**363.725,40**	**8.073.779,73**	**10.195.447,85**	**- 106.943,56**	**- 6.223.411,65**	**11.938.872,37**
1	PrimaryProds	210.177,07	- 86.305,48	182.153,54	162,83	306.187,97	5.274.511,39	- 2.395.467,18	52.701,65	616.757,43	3.548.503,29
2	ResourceBased	42.182,94	- 4.002,54	6.513,29	274.020,94	318.714,62	5.742.793,31	60.229,67	24.910,12	5.069.501,93	10.897.435,04
3	LowTech	64.275,84	- 18.607,90	46.289,55	1.985,95	93.943,44	3.824.359,04	- 759.592,34	- 10.912,37	- 1.874.133,84	1.179.720,49
4	MediumTech	23.870,24	- 313,89	18.279,21	1.499,31	43.334,87	1.332.944,44	- 460.087,25	1.905,30	1.078.586,58	1.953.349,07
5	HighTech	3.612,64	- 113,63	5.491,22	141,87	9.132,11	432.728,53	187.546,80	- 16,82	1.277.332,16	1.897.590,67
Total	**1992-1997**	**344.118,74**	**- 109.343,44**	**258.726,81**	**277.810,90**	**771.313,00**	**16.607.336,71**	**- 3.367.370,29**	**68.587,88**	**6.168.044,26**	**19.476.598,56**
1	PrimaryProds	42.914,40	395.103,02	- 510.032,90	8.915,63	- 63.099,86	2.782.948,38	7.585.866,84	- 795.317,90	- 11.630.816,98	- 2.057.319,66
2	ResourceBased	23.103,79	- 28.603,16	- 87.518,69	10.073,11	- 82.944,95	4.395.420,43	8.581.930,01	- 228.651,54	- 19.084.447,74	- 6.335.748,84
3	LowTech	13.141,20	5.266,03	41.251,91	2.453,94	62.113,09	1.747.377,92	- 1.268.505,79	- 2.055,69	2.036.463,64	2.513.280,08
4	MediumTech	5.356,06	- 16.856,93	58.413,91	331,94	47.244,98	908.393,06	- 422.956,24	- 22.799,09	13.349,15	475.986,88
5	HighTech	955,58	992,31	2.073,73	36,84	4.058,46	540.159,27	371.441,96	4.144,95	- 290.105,78	625.640,41
Total	**1997-1999**	**85.471,03**	**355.901,27**	**- 495.812,04**	**21.811,45**	**- 32.628,30**	**10.374.299,07**	**14.847.776,78**	**- 1.044.679,26**	**- 28.955.557,71**	**- 4.778.161,13**
1	PrimaryProds	443.288,18	508.887,46	- 846.029,07	167,27	106.313,83	7.453.423,29	4.177.311,27	433.386,07	- 5.127.313,44	6.936.807,19
2	ResourceBased	207.584,91	85.875,93	- 147.058,34	192,13	146.594,63	9.898.584,00	3.524.660,76	106.723,90	- 6.481.559,13	7.048.409,53
3	LowTech	187.403,75	- 67.172,87	- 119.686,35	0,63	545,17	6.989.567,36	- 1.416.869,09	- 15.212,35	- 3.688.200,98	1.869.284,95
4	MediumTech	90.292,83	- 23.380,50	26.149,63	2.646,93	95.708,90	3.129.447,07	- 58.876,89	- 14.171,92	661.525,92	3.717.924,18
5	HighTech	13.336,61	- 4.861,91	44.940,87	-	53.415,58	2.068.828,24	- 1.056.052,67	350,93	2.331.496,28	3.344.622,79
Total	**1999-2004**	**941.906,28**	**499.348,11**	**- 1.041.683,25**	**3.006,96**	**402.578,11**	**29.539.849,96**	**5.170.173,39**	**511.076,63**	**- 12.304.051,34**	**22.917.048,64**
1	PrimaryProds	389.353,24	- 95.298,67	587.383,12	62,58	881.500,26	8.921.254,74	9.278.353,49	- 296.379,32	3.999.281,50	21.902.510,41
2	ResourceBased	229.146,25	515.991,58	- 574.269,80	88,29	170.956,32	10.843.248,94	6.998.498,03	313.124,42	- 4.634.451,50	13.520.419,89
3	LowTech	143.130,00	29.046,59	- 74.980,43	- 0,00	97.196,16	6.213.811,11	- 2.032.775,84	51.374,01	- 1.175.682,98	3.056.726,29
4	MediumTech	115.120,26	- 34.362,91	58.447,96	291,68	139.496,99	4.119.652,70	- 1.328.874,17	- 12.448,76	3.598.211,51	6.376.541,29
5	HighTech	35.999,51	467,81	50.865,58	382,15	87.715,04	3.135.128,26	- 787.511,63	5.679,16	- 2.281.970,00	71.325,78
Total	**2004-2009**	**912.749,26**	**415.844,39**	**47.446,43**	**824,69**	**1.376.864,76**	**33.233.095,75**	**12.127.689,87**	**61.349,50**	**- 494.611,46**	**44.927.523,66**
1	PrimaryProds	773.113,62	610.886,85	- 1.489.389,06	772,30	- 104.616,29	2.741.138,50	- 10.046.569,76	1.861.350,53	16.326.589,51	10.882.508,78
2	ResourceBased	295.558,50	- 171.597,06	- 121.096,32	1.625,08	4.490,20	2.458.334,09	- 2.453.584,98	- 180.689,02	27.720.526,40	27.544.586,49
3	LowTech	180.218,01	46.538,94	763.879,82	-	990.636,77	1.096.028,03	2.839.720,26	75.844,81	5.927.281,54	9.938.874,64
4	MediumTech	173.059,39	- 57.347,04	624.868,23	66,92	740.647,50	1.016.637,35	- 102.724,35	64.759,55	8.033.261,58	9.011.934,13
5	HighTech	74.329,28	- 79.806,68	72.547,52	0,00	67.070,12	454.934,00	365.573,92	- 7.016,99	1.334.807,58	2.148.298,52
Total	**2009-2014**	**1.496.278,79**	**348.675,01**	**- 149.189,80**	**2.464,31**	**1.698.228,30**	**7.767.071,98**	**- 9.397.584,91**	**1.814.248,87**	**59.342.466,61**	**59.526.202,55**
1	PrimaryProds	- 22.145,17	- 728.230,82	- 474.456,88	6.448,36	- 1.218.384,52	5.298.182,42	- 4.480.897,72	- 394.698,54	- 7.205.197,97	- 6.782.611,81
2	ResourceBased	- 9.088,73	- 55.091,10	195.844,26	6.592,31	138.256,74	6.563.596,04	- 7.871.253,15	- 12.981,34	- 6.698.288,21	- 8.018.926,66
3	LowTech	- 19.370,90	- 328.483,24	- 475.326,16	0,00	- 823.180,29	2.687.743,14	- 3.563.097,87	- 378.902,31	4.554.576,77	3.300.319,73
4	MediumTech	- 15.652,83	- 88.329,27	- 569.051,63	1,17	- 673.032,56	2.471.964,35	- 871.610,93	- 173.206,37	2.230.000,96	3.657.148,01
5	HighTech	- 3.208,77	- 7.593,98	- 46.759,27	75,48	- 57.486,54	914.178,03	336.899,60	- 8.339,67	- 1.751.866,43	- 509.128,47
Total	**2014-2019**	**- 69.466,40**	**- 1.207.728,41**	**- 1.369.749,68**	**13.117,32**	**- 2.633.827,16**	**17.935.663,98**	**- 16.449.960,07**	**- 968.128,23**	**- 8.870.774,88**	**- 8.353.199,21**
1	PrimaryProds	73.150,11	- 96.208,42	127.500,76	30,69	104.473,14	15.183.834,70	30.563.286,58	- 146.729,51	- 25.426.329,38	20.174.062,40
2	ResourceBased	158.439,39	72.977,20	- 254.539,66	418,70	- 22.704,37	18.939.151,24	31.125.182,74	109.331,58	- 31.219.869,32	18.953.796,25
3	LowTech	112.787,65	44.942,12	258.729,37	- 0,00	416.459,15	9.966.279,08	1.186.999,25	28.481,47	- 2.085.589,75	9.096.170,05
4	MediumTech	89.558,99	78.487,18	120.945,36	4,03	288.995,56	9.374.950,18	- 54.226,69	3.196,07	3.799.048,97	13.122.968,52
5	HighTech	34.551,22	6.322,77	65.832,46	414,34	107.120,79	2.841.921,31	1.253.069,68	41.646,43	- 1.644.171,64	2.492.465,78
Total	**2019-2021**	**468.487,35**	**106.520,87**	**318.468,29**	**867,76**	**894.344,26**	**56.306.136,51**	**64.074.311,56**	**35.926,04**	**- 56.576.911,12**	**63.839.463,00**

Source: Own computation

New Zealand Market

Table 7. Constant Market Share for Indonesia's Export Growth to the New Zealand Market

		New Zealand's Market					World Market				
No	Products	WGE	CE	ME	COMPE	TE	WGE	CE	ME	COMPE	TE
1	PrimaryProds	3.765,64	- 9.537,89	- 33.534,10	872,46	- 38.433,89	3.532.358,46	6.833.115,06	- 59.279,69	- 9.155.752,64	1.150.441,19
2	ResourceBased	159,55	- 74,27	1.805,68	2.141,97	4.032,92	3.116.063,52	2.666.789,67	- 1.453,33	- 2.537.382,82	3.244.017,04
3	LowTech	399,79	- 149,76	13.611,60	541,88	14.403,51	1.045.013,43	717.416,95	846,89	3.207.519,36	4.970.796,63
4	MediumTech	193,35	- 122,06	2.250,96	393,23	2.715,48	323.438,16	- 48.425,00	- 244,39	1.569.049,18	1.843.817,95
5	HighTech	85,94	- 79,06	37,73	149,79	194,40	56.906,16	26.551,17	- 354,19	646.696,43	729.799,56
Total	**1989-1992**	**4.604,26**	**- 9.963,05**	**- 15.828,13**	**4.099,33**	**- 17.087,58**	**8.073.779,73**	**10.195.447,85**	**- 60.484,71**	**- 6.269.870,49**	**11.938.872,37**
1	PrimaryProds	3.995,37	5.967,07	- 1.232,04	716,38	9.446,78	5.274.511,39	- 2.395.467,18	- 811,44	670.270,52	3.548.503,29
2	ResourceBased	3.860,92	- 69,73	1.573,08	31.681,51	37.045,77	5.742.793,31	60.229,67	2.032,86	5.092.379,20	10.897.435,04
3	LowTech	12.477,24	- 2.847,03	- 12.899,71	753,24	- 2.516,26	3.824.359,04	- 759.592,34	- 925,70	- 1.884.120,51	1.179.720,49
4	MediumTech	3.262,67	- 2.392,48	- 818,89	2.305,22	2.356,52	1.332.944,44	- 460.087,25	- 428,39	1.080.920,28	1.953.349,07
5	HighTech	789,93	- 136,72	- 797,56	1.200,51	1.056,15	432.728,53	187.546,80	263,58	1.277.051,76	1.897.590,67
Total	**1992-1997**	**24.386,12**	**521,10**	**- 14.175,12**	**36.656,86**	**47.388,96**	**16.607.336,71**	**- 3.367.370,29**	**130,90**	**6.236.501,24**	**19.476.598,56**
1	PrimaryProds	- 153,50	- 2.987,84	5.018,68	438,30	2.315,65	2.782.948,38	7.585.866,84	- 3.259,54	- 12.422.875,34	- 2.057.319,66
2	ResourceBased	- 423,48	1.226,67	- 9.228,09	946,59	- 7.478,31	4.395.420,43	8.581.930,01	- 6.604,22	- 19.306.495,06	- 6.335.748,84
3	LowTech	- 163,79	325,13	17.771,16	320,49	18.252,99	1.747.377,92	- 1.268.505,79	147,93	2.034.260,02	2.513.280,08
4	MediumTech	- 72,54	- 1.071,16	7.884,60	2.517,83	9.258,74	908.393,06	- 422.956,24	123,59	- 9.573,53	475.986,88
5	HighTech	- 22,35	430,60	812,93	96,30	1.317,49	540.159,27	371.441,96	1.391,48	- 287.352,31	625.640,41
Total	**1997-1999**	**- 835,66**	**- 2.076,60**	**22.259,29**	**4.319,52**	**23.666,55**	**10.374.299,07**	**14.847.776,78**	**- 8.200,75**	**- 29.992.036,22**	**- 4.778.161,13**
1	PrimaryProds	13.105,86	29.195,14	- 28.952,40	12.004,79	25.353,39	7.453.423,29	4.177.311,27	27.941,12	- 4.721.868,48	6.936.807,19
2	ResourceBased	25.998,76	8.393,11	- 6.766,02	50,53	27.676,38	9.898.584,00	3.524.660,76	9.544,49	- 6.384.379,71	7.048.409,53
3	LowTech	25.546,64	- 7.238,87	- 16.038,60	165,22	2.434,39	6.989.567,36	- 1.416.869,09	289,82	- 3.703.703,15	1.869.284,95
4	MediumTech	12.174,87	- 1.612,31	6.074,39	268,56	16.905,52	3.129.447,07	- 58.876,89	- 1.362,53	648.716,53	3.717.924,18
5	HighTech	2.626,39	- 636,91	1.775,85	2.583,48	6.348,82	2.068.828,24	- 1.056.052,67	- 198,36	2.332.045,57	3.344.622,79
Total	**1999-2004**	**79.452,53**	**28.100,17**	**- 43.906,77**	**15.072,57**	**78.718,50**	**29.539.849,96**	**5.170.173,39**	**36.214,54**	**- 11.829.189,25**	**22.917.048,64**
1	PrimaryProds	3.544,88	24.635,02	86.451,12	24.842,45	139.473,47	8.921.254,74	9.278.353,49	- 5.544,45	3.708.446,63	21.902.510,41
2	ResourceBased	5.177,99	- 5.985,91	- 2.980,55	371,41	- 3.417,06	10.843.248,94	6.998.498,03	- 6.976,44	- 4.314.350,64	13.520.419,89
3	LowTech	3.058,16	1.294,80	- 7.989,45	140,08	- 3.496,41	6.213.811,11	- 2.032.775,84	- 4.961,10	- 1.119.347,87	3.056.726,29
4	MediumTech	2.748,18	- 2.813,88	- 5.727,35	1.423,95	- 4.369,10	4.119.652,70	- 1.328.874,17	- 6.007,56	3.591.770,31	6.376.541,29
5	HighTech	814,34	3.237,98	28.798,44	1.248,81	34.099,57	3.135.128,26	- 787.511,63	197,72	- 2.276.488,57	71.325,78
Total	**2004-2009**	**15.343,54**	**20.368,02**	**98.552,21**	**28.026,69**	**162.290,46**	**33.233.095,75**	**12.127.689,87**	**- 23.291,82**	**- 409.970,14**	**44.927.523,66**
1	PrimaryProds	123.641,56	29.804,42	- 97.154,28	1.899,18	58.190,87	2.741.138,50	- 10.046.569,76	178.902,68	18.009.037,36	10.882.508,78
2	ResourceBased	40.430,41	- 7.400,25	3.500,15	4.330,75	40.861,06	2.458.334,09	- 2.453.584,98	12.845,72	27.526.991,66	27.544.586,49
3	LowTech	22.878,22	- 174,97	1.937,91	-	24.641,16	1.096.028,03	2.839.720,26	3.588,80	5.999.537,55	9.938.874,64
4	MediumTech	19.728,87	- 6.507,59	986,57	511,85	14.719,70	1.016.637,35	- 102.724,35	- 965,79	8.098.986,92	9.011.934,13
5	HighTech	29.796,78	- 15.799,53	- 20.454,43	-	- 6.457,18	454.934,00	365.573,92	9.186,11	1.318.604,48	2.148.298,52
Total	**2009-2014**	**236.475,84**	**- 77,92**	**- 111.184,09**	**6.741,78**	**131.955,62**	**7.767.071,98**	**- 9.397.584,91**	**203.557,52**	**60.953.157,96**	**59.526.202,55**
1	PrimaryProds	3.868,08	- 10.044,92	- 54.556,30	87,11	- 60.646,03	5.298.182,42	- 4.480.897,72	- 17.649,80	- 7.582.246,71	- 6.782.611,81
2	ResourceBased	1.615,41	2.020,89	691,22	3.321,78	7.649,29	6.563.596,04	- 7.871.253,15	1.384,84	- 6.712.654,39	- 8.018.926,66
3	LowTech	938,50	6.062,82	17.496,41	0,04	24.497,77	2.687.743,14	- 3.563.097,87	400,42	4.175.274,04	3.300.319,73
4	MediumTech	704,47	- 3.085,83	- 4.833,16	352,84	- 6.861,67	2.471.964,35	- 871.610,93	- 2.792,47	2.059.587,06	3.657.148,01
5	HighTech	603,34	3.618,65	- 2.783,65	18,01	1.456,34	914.178,03	336.899,60	- 1.436,95	- 1.758.769,15	- 509.128,47
Total	**2014-2019**	**7.729,79**	**- 1.428,38**	**- 43.985,49**	**3.779,77**	**- 33.904,31**	**17.935.663,98**	**- 16.449.960,07**	**- 20.093,95**	**- 9.818.809,16**	**- 8.353.199,21**
1	PrimaryProds	33.136,53	44.057,01	99.462,58	- 0,00	176.656,12	15.183.834,70	30.563.286,58	- 19.492,97	- 25.553.565,92	20.174.062,40
2	ResourceBased	19.900,54	12.634,18	10.528,57	283,49	43.346,79	18.939.151,24	31.125.182,74	19.983,15	- 31.130.520,89	18.953.796,25
3	LowTech	15.247,95	6.680,18	2.580,04	807,44	25.315,61	9.966.279,08	1.186.999,25	1.032,08	- 2.058.140,36	9.096.170,05
4	MediumTech	6.803,95	6.127,11	7.266,15	1.074,72	21.271,94	9.374.950,18	- 54.226,69	2.876,06	3.799.368,98	13.122.968,52
5	HighTech	7.175,17	3.906,14	- 6.459,85	-	4.621,46	2.841.921,31	1.253.069,68	7.455,67	- 1.609.980,88	2.492.465,78
Total	**2019-2021**	**82.264,14**	**73.404,62**	**113.377,50**	**2.165,66**	**271.211,92**	**56.306.136,51**	**64.074.311,56**	**11.854,00**	**- 56.552.839,08**	**63.839.463,00**

Source: Own computation

Based on CMSA computation, there is a substantial shift in competitiveness between product categories. Resource-based product export competitiveness was the most significant contributor to overall competitiveness before the Asian Economic Crisis. However, some manufacturing products started to contribute more to overall competitiveness, except from 2014 to 2019. It is a good sign that Indonesia has developed competitiveness in manufacturing products for export to New Zealand.

Conclusion

Indonesia has been integrating trade with its region and the rest of the world. The path of trade integration began with APTA later expanded into bilateral arrangements. However, based on CMSA computation, there has been no significant change in competitiveness between 1989 and 2021. However, the conclusion is entirely drawn from the results of the CMSA methods, which mutually recognise its caveats. The result showed that the world growth effect dominated the fluctuation of export growth. Theoretically, when barriers are relieved, market access and exports will increase. Competitiveness remained unchanged because domestic reform did not accompany the establishment of a free trade agreement, so market openness did not foster further structural change or enhance domestic competitiveness.

However, it is argued that even though competitiveness did not shift over time from 1989 to 2021, it remained positive overall. This is consistent with this study, which reconfirms that trade integration with a reciprocal approach will prevent a country from further economic crisis. Even when the composition and market effects do not consistently contribute to growth during a crisis, competitiveness will prevent them from falling further. The observation is evident across all decompositions of Indonesian export growth to ASEAN and Dialogue Partners markets. The market effect tends to be negative for Indonesian export products during the financial crisis in the dialogue partners' markets. During the financial crisis, the confidence of importers in those countries affected by it is lower. Indonesia suffered from a banking crisis in 1997 – 1999, which had a negative market effect during that period.

This paper recommends that Indonesia encourage further trade integration reforms through trade agreements and unilateral measures, including by providing a better venue for technological transfer and innovation. Building internal competitiveness through trade integration is imperative. Using the steps of Korea, Korea has managed to reform its economy by using a unilateral export promotion policy and combining it with trade agreements to gain better market access and open the economy.

Reference

ASEAN Secretariat. (2023). RCEP, https://asean.org/our-communities/economic-community/integration-with-global-economy/the-regional-comprehensive-economic-partnership-rcep/ (downloaded 31 October 2023)

Abbas, M., Duchesne, E. (2023). Beyond the Failure of the WTO: Resilience of Trade Multilateralism. In: Guilbaud, A., Petiteville, F., Ramel, F. (eds) *Crisis of Multilateralism? Challenges and Resilience. The Sciences Po Series in International Relations and Political Economy*. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-031-39671-7_10

Amsden, A. H. (2007). *Why Korea Switched: From Import Substitution to Export-Led Growth*. Oxford: Oxford University Press.

Aslam, M., & Yee, L. S. (2023). The Role of Japanese Foreign Direct Investment in Growth and Trade Development of ASEAN Economies. *Journal of Management & Training for Industries*, *10*(2). http://dx.doi.org/10.12792/JMTI.10.2.37

Aswicahyono, H., & Hill, H. (2016). *Is Indonesia trapped in the middle?. In Asia and the Middle-Income Trap*. Routledge. 101-125.

Aswicahyono, H., & Rafitrandi, D. (2018). A review of Indonesia's economic competitiveness. *Centre for Strategic and International Studies*.

Balassa, B. (1976). Types of Economic Integration. In: Machlup, F. (eds) *Economic Integration: Worldwide, Regional, Sectoral. International Economic Association Series*. Palgrave Macmillan, London. https://doi.org/10.1007/978-1-349-02571-8_2

Balassa, B. (1977). 'Revealed' comparative advantage revisited: An analysis of relative export shares of the industrial countries, 1953–1971. *The Manchester School, 45(4),* 327-344. https://doi.org/10.1111/j.1467-9957.1977.tb00701.x

Baldwin, R. E. (2006). Failure of the World Trade Ministerial Conference at Cancun: Reason and Remedies. *World Economy*, *29 (6*), 677 – 696. https://doi.org/10.1111/j.1467-9701.2006.00815.x

Basri, M. C., Rahardja, S., & Fitrania, S. N. (2016). Not a trap, but slow transition? Indonesia's pursuit to high income status. *Asian Economic Papers*, *15(2),* 1-22. https://doi.org/10.1162/ASEP_a_00422

Blanga-Gubbay, M. B., & Rubinova, S. (2023). Is the global economy fragmenting?. *WTO Staff Working Paper*, Economic Research and Statistics Division, WTO. https://hdl.handle.net/10419/280428

Boediono. (2016). *Ekonomi Indonesia dalam lintasan sejarah*. Mizan.

Fagerberg, J., & Sollie, G. (1987). The method of constant market shares analysis reconsidered. *Applied Economics*, *19*(12), 1571-1583. https://doi.org/10.1080/00036848700000084

Fiorentino, R. V., Verdeja, L., & Toqueboeuf, C. (2007). *The changing landscape of regional trade agreements: 2006 update* (No. 12). WTO discussion paper. https://hdl.handle.net/10419/107047

Galovic, T. (2021). International competitiveness of ASEAN regional integration. *Ekonomski vjesnik/Econviews-Review of Contemporary Business, Entrepreneurship and Economic Issues, 34*(1). https://doi.org/10.51680/ev.34.1.2

Haggard, S., Kim, B. K., & Moon, C. I. (1991). The transition to export-led growth in South Korea: 1954–1966. *The Journal of Asian Studies*, *50*(4), 850-873. https://doi.org/10.2307/2058544

Hoekman, B., Mattoo, A., & English, P. (2002). *Development, Trade, and the WTO: A Handbook*. Italy: World Bank.

Kim, S. Y. (2015). Deep integration and regional trade agreements. *The Oxford handbook of the political economy of international trade*, 360-379.

Krugman, P. R., & Obstfeld, M., (2009). *International economics: Theory and Policy*. 6th Edition, Pearson Education.

Lall, S. (2000). The Technological structure and performance of developing country manufactured exports, 1985-98. *Oxford development studies*, *28*(3), 337-369. https://doi.org/10.1080/713688318

Leal-Arcas, R. (2011). Proliferation of Regional Trade Agreements: Complementing or Supplanting Multilateralism?. *Chicago Journal of International Law, 11*(2). https://chicagounbound.uchicago.edu/cjil/vol11/iss2/23

Leamer, E.E. & Stern, R.M. (1970). *Quantitative International Economics.* Aldine Publishing Co. Chicago.

Mattoo, A., Rocha, N., & Ruta, M. (2020). *The evolution of deep trade agreements*. Washington, DC: World Bank.

Ministry of Trade Republic of Indonesia. (2022). Ministry of Trade Republic of Indonesia. *Peluncuran Perundingan Perjanjian Perdagangan Bebas Indonesia dan Persatuan Ekonomi Eurasia*. https://www.kemendag.go.id/berita/foto/peluncuran-perjanjian-perdagangan-bebas-indonesia-dan-persatuan-ekonomi-eurasia.

Mistry, P. S. (1995). Open regionalism: Stepping stone or millstone toward an improved multilateral system?. *Regionalism and the Global Economy: The Case of Latin America and the Caribbean*, 1-15.

Narlikar, A., & Wilkinson, R. (2004). Collapse at the WTO: A Cancun Post-Modern. *Third World Quarterly, 25 (3),* 447 – 460. https://doi.org/10.1080/0143659042000191375

Pangestu, M., Rahardja, S., & Ing, L. Y. (2015). Fifty years of trade policy in Indonesia: New world trade, old treatments. *Bulletin of Indonesian Economic Studies, 51(2),* 239-261. https://doi.org/10.1080/00074918.2015.1061915

Petrović, P., Antevski, M., & Vesić, D. (2008). The international competitiveness and economic integration. *Facta Universitatis Series: Economics and Organization*. *5*(1), 1-8.

Rahmadi, R., & Ichihashi, M. (2012). How do export structure and competitiveness evolve since trade liberalization? An overview and assessment of Indonesian manufacturing export performance. *International Journal of Trade, Economics and Finance. 3*(4), 272-280. https://doi.org/10.7763/IJTEF.2012.V3.213

Rahman, N., Rahman, M. N., Manini, M. M., & Sharma, K. (2024). Determinants of global value chain participation in regional trade agreements: the case of Regional Comprehensive Economic Partnership (RCEP). *Journal of Industrial and Business Economics. 51*(1), 111-134. https://doi.org/10.1007/s40812-023-00281-1

Rajagopalan, S. (2021). The 1991 Reforms and the Quest for Economic Freedom in India. *Capitalism & Society*. *15*(1). https://ssrn.com/abstract=3985599

Reiterer, M., & Houng, L. I. (2023). The Economic Security Tightrope: EU Economic Security Strategy, Friend-Shoring, and European Relations with Indo-Pacific States. *Institute for National Security Strategy*. 169.

Richardson, J. D. (1971). Some sensitivity tests for a" constant-market-shares" analysis of export growth. *The Review of Economics and Statistics*, 300-304. https://doi.org/10.2307/1937978

Samuelson, P. A., & Nordhaus, W. D., (2009). *Economics*. McGraw-Hill Education.

Stojanovic, Z., Mitrovic, R. D., & Petrovic, I. P. (2013). Serbia's food trade competitiveness and PTAs in the EU integration process. *Research in Agricultural & Applied Economics*. http://dx.doi.org/10.22004/ag.econ.160512

Suryanta, B. (2021). Indonesia's integration into the regional and global economies. https://static1.squarespace.com/static/6073e7bd03c5b9274751137e/t/6440ccbd42648732a27501a5/1681968331454/Suryanta_Thesis_2021.pdf

Tyszynski, H. (1951). World trade in manufactured commodities, 1899-1950[1]. *The Manchester School, 19*(3), 272-304. https://doi.org/10.1111/j.1467-9957.1951.tb00012.x

Widodo, T. (2010). Market dynamics in the EU, NAFTA, North East Asia and ASEAN: the method of constant market shares (CMS) analysis. *Journal of Economic Integration*, 480-500. https://www.jstor.org/stable/23000869

WTO Secretariat, (2007). Trade Policy Review: Indonesia Secretariat Report, https://docs.wto.org/dol2fe/Pages/FE_Search/MultiDDFDocuments/19103/Q:/WT/TPR/S184-00.pdf;Q:/WT/TPR/S184-01.pdf;Q:/WT/TPR/S184-

02.pdf;Q:/WT/TPR/S184-03.pdf;Q:/WT/TPR/S184-04.pdf;Q:/WT/TPR/S184-05.pdf/

WTO Secretariat, (2020). Trade Policy Review: Indonesia Secretariat Report, https://www.wto.org/english/tratop_e/tpr_e/tp501_e.htm