

Improving Indonesia's Trade Balance with the United States: Factors Affecting Bilateral Trade



Ade Famalika¹, Tri Agriana Sari², Dheo Rimban³, A. Ghany Firmansyah⁴, and Bambang Hadi Purnomo⁵

^{1,2,3,4,5} Universitas Bina Insan Kota Lubuklinggau, Indonesia

ABSTRACT: This research is based on a systematic review approach that differs from reflects the findings in that it is transparent, accessible, and enables a union between the scientific community and practitioners, resulting in an overall synthesis. According to the research findings based on the systematic analysis, the factors influencing Indonesia to engage in bilateral trade with the United States to improve the trade balance fall into two categories: those related to international trade and those unrelated to international trade. Globalization of bilateral commerce, open markets, disparities in natural and human resources, and disparities in natural resources are aspects of bilateral trade. Meanwhile, variables unrelated to bilateral trade include bilateral agreements, trade performance, trade potential, trade balance, and trade relations. As a legal basis for providing legal certainty in commercial cooperation relationships, the Republic of Indonesia and other nations must enter into bilateral agreements.

KEYWORDS: Bilateral Trade, Trade Balance, and Economic Cooperation

I. INTRODUCTION

Trade cooperation between nations and regions is required to speed up trade operations due to the liberalization of global commerce. The Indonesian Government also does this to follow the flow of free commerce. Indonesia engages in bilateral, regional, multilateral, and international cooperation in trade. The United States and Indonesia will sign an Agreement on Maritime Cooperation, Education, and Exchange Programs as part of one of Indonesia's trade cooperation initiatives (Nugraha W, 2022; Gleser M, et al. 2022). To combat all types of terrorism, Indonesia and the United States engage in bilateral cooperation. Numerous national and international parties are worried about the recent proliferation of terrorism and acts of terror. Terrorist attacks diminish the community's security and the government's authority as a body that should give protection and safety to the community. Terrorism is no longer viewed as a common violent crime but as a crime against the peace and security of humanity due to the magnitude of its effects (Mack A, 2005; Fourie, J., Rosselló-Nadal, J., & Santana-Gallego, M. 2020).

The United States has a successful plan to solve this challenge related to the security sector, particularly in fighting terrorism. The United States and Indonesia have engaged in bilateral collaboration by developing the Indonesia-United States Security Dialog (IUSSD) initiative and anti-terrorism support following the September 11, 2001, terrorist attacks (ATA). In addition, the United States provides aid in the areas of law enforcement, intelligence, police, financial assistance, both social assistance and for the military, and other technical cooperation about anti-terrorism. Additionally, it increases its support for Islamic education schools in Indonesia (Aronson, S. L. 2011; Susanto, S et al., 2022) In addition to all efforts to enhance bilateral cooperation between the two nations, Indonesia should handle the issue of terrorism proportionately. In other words, securing Indonesian interests must take precedence above American hegemonic goals. Our position in defending national interests is superior to that of the United States in Southeast Asia, both in strength and scope (Simpson, B. R. 2008; Anwar, D. F. 2020).

This Memorandum of Understanding will establish a cooperative connection and stimulate and enhance bilateral collaboration in the clean and renewable energy field in Indonesia. It will include CCUS, cybersecurity, SMR technology, geothermal, bioethanol, and smart city technologies for the future National Capital. This partnership will also supplant the 2015 Power Working Group Memorandum of Understanding. The Indonesian Government will utilize the Working Group to support Indonesia's electrification and power development goals, with a particular focus on assisting Indonesia in achieving a 23 percent renewable energy mix by 2025 and Net Zero Emissions (NZE) by 2060 or sooner (Maulidia, M et al., 2019; Zhong, S et al. 2022). The Indonesian government welcomes U.S. companies to partner on investment and improve Indonesia's energy transition technology. Regarding regulations, he stated that Presidential Regulation No. 112 of 2022 has been adopted as evidence of the government's commitment to

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accelerating the national growth of EBT. In addition to EBT development, mineral commodities play a crucial role in the energy shift. The Indonesian government would also prioritize native mineral commodities for energy transition projects, such as energy storage facilities, electric car batteries, and mining industries downstream (Church, C., & Crawford, A. 2018; Humphries, M. 2019). The areas of cooperation covered by the MoU Clean Energy Working Group are super grid and smart grid, diesel generation reduction, Small Modular Reactor (SMR) Technology, cyber security, Carbon Capture and Utilization Storage (CCUS); microgrid, digitalization, energy storage, smart city, power plant efficiency, bioethanol, and geothermal energy. Through the signing of this cooperation, Indonesia and the United States agreed to strengthen cooperation in the following ways: (1) Exchange of academic staff, lecturers, students, and teachers; (2) Facilitation of degree and non-degree scholarships; (3) Enhancement of language teaching programs; (4) Supporting ongoing professional development, including training opportunities for teachers and education staff; and (5) Facilitating individual linkages between schools, vocational ed programs, and higher education institutions.

On July 15, 1992, the Minister of Foreign Affairs of the Republic of Indonesia, Ali Alatas, and the American Ambassador to Indonesia, John C. Monjo, signed the America-Indonesia Educational and Cultural Agreement between the Government of the United States of America and the Government of the Republic of Indonesia. The present value of trade connections between Indonesia and the United States, around USD 30 billion, has the potential to rise. This amount is less than the bilateral trade volume between the United States and other ASEAN nations (Kaminsky, G. L., & Reinhart, C. M. 2000; Widjaja, J. N. 2022). Ambassador of the United States to Indonesia, H.E. Sung Kim, thinks both nations have critical interests and obligations. In the virtual Courtesy Call that the Coordinating-Minister for Economic Affairs received, Airlangga Hartarto highlighted measures to improve bilateral economic cooperation, combat the COVID-19 epidemic, and boost Economic Recovery (PEN).

The United States is worried about Indonesia's predicament due to the Covid-19 outbreak. The United States will shortly provide 4 million doses of the Moderna vaccine, additional technical and medical aid, and oxygen (Mascellino, M. T, 2022; Onyeaka H et al. 2021). The U.S. Ambassador anticipates that economic links between the two nations, particularly trade, and investment, will continue to expand. Numerous investment opportunities exist for U.S. corporations interested in Indonesia. Given that Indonesia is the largest economy in ASEAN, we can double or treble the trade value. There is much space for commerce between the two nations.

Table 1. Balance of Trade between the United States to Indonesia

United States (Million US\$)			
Year	Export	Import	Trade Balance
2018	18.439	10.176	8.263
2019	17.844	9.261	8.583
2020	18.622	8.580	10.042
2021	25.774	11.249	14.525

Source: <https://www.bps.go.id>, 2023

According to the preceding table, economic activity (exports, imports, and trade balance) changes annually, allowing the State of Indonesia to execute bilateral trade agreements with the United States to promote the welfare of the Indonesian people. The trade balance is affected by foreign revenue, domestic income, and the actual exchange rate. Increased foreign income will increase local product demand.

II. METHOD

This research is based on a systematic review methodology that differs from conventional reviews in that it is transparent and accessible. It allows for a union between the research community and practitioners, leading to an overall synthesis (Thorpe et al., 2005). This systematic literature review utilized the process used by Klewitz and Hansen (2014), which consists of six procedural steps as follows:

1. Identifying keywords for the search obtained from the theoretical review;
2. A systematic review may include different types of publications. The analysis in this study concentrated on reviewed academic journal articles written in Bahasa Indonesia to ensure quality and reduce the sample to a manageable number as in other literature. Therefore, this review covers academic papers published from 2000 to 2023;
3. This review includes the following primary research databases: Scopus, Emerald Insight, Google Scholar, Publish or Perish, Zotero, and Science Direct. Each of these databases and search engines work differently. Thus, the search was customized as needed;

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4. For descriptive analysis, articles were grouped by categories such as year of publication, journal, article classification, methodology, findings, and theory; and
5. According to Arnold (2006), thematic analysis is a method for identifying, analyzing, and reporting patterns or themes in data. It can therefore organize and describe data in detail to interpret various aspects of the research topic. This synthesis process is inductive and interpretative.

III. RESULTS

Descriptive Analysis Results

According to Rimbano et al, (2022), descriptive analysis is a statistical technique used to examine data by describing the acquired facts, without drawing broad inferences or generalizations. Ten of the forty articles compiled earlier were published in 2022. This is the most significant number compared to other years; publications in 2018 with five articles come in second; publications in 2017 with four articles; publications in 2019 with three articles; publications in 2015, 2014, 2013, 2012, 2011, 2010, 2007 with two articles; publications in 2023, 2020, 2016, 2008 with one article. Figure 1 depicts in further depth the distribution of these articles.

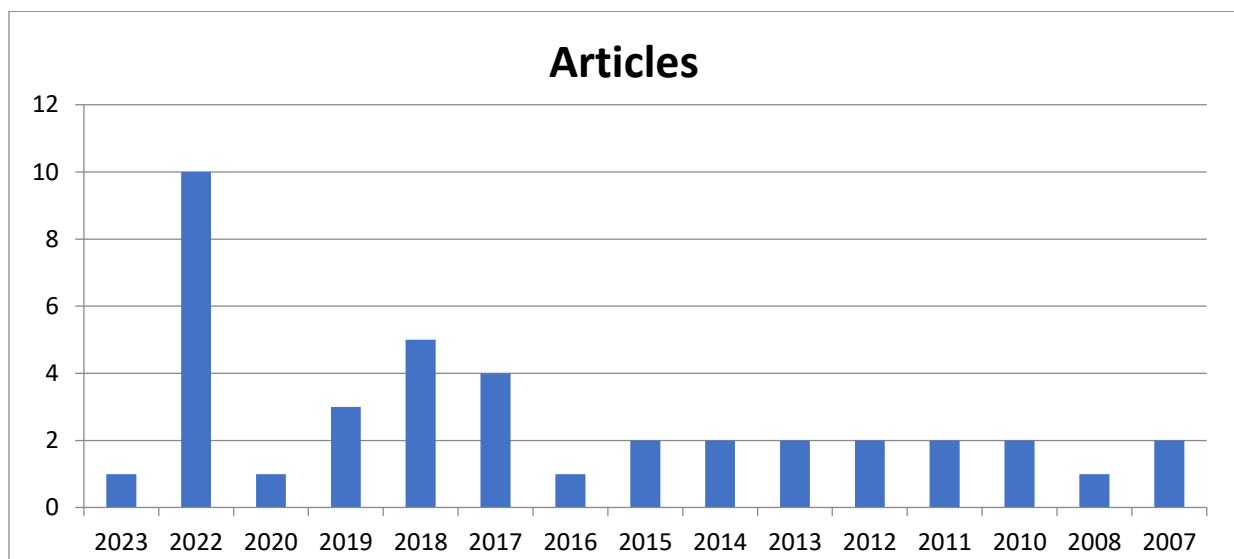


Figure 1. Distribution of Articles Based on Year of Publication
(Source: Data Processed, 2023)

All papers evaluated for this study have some theoretical context. However, most articles also allude to supplementary ideas concerning trade relations, performance, potential, and contracts. These results highlight bilateral trade with bilateral agreements to enhance knowledge of the elements influencing Indonesia's bilateral commerce with the United States, improving the trade balance.

Thematic Analysis Result

According to Guest, G. et al, (2011), thematic analysis is a method for analyzing qualitative data that seeks to comprehend social phenomena or symptoms by focusing on the phenomenon as a whole rather than breaking it down into connected components and carrying it out methodically. The selected articles have been categorized based on two criteria using the inductive technique. The first categorization centered on elements associated with bilateral commerce, a system of trade done by many nations without geographical boundaries and, thus, having a broader scope of trade. The second taxonomy considers enablers, variables unrelated to bilateral trade, including bilateral agreements, trade performance, trade potential, trade balance, and trade ties. Table 1 displays the systematic division of these two taxonomies.

Table 2. Taxonomy of Research Focus

No.	Researcher	Focus	Findings
1.	HESTI, D. (2023).	Bilateral Trade Cooperation	The results concluded that Indonesia's fisheries trade with Fiji found a potentially profitable market because Indonesia's fisheries exports were more remarkable than its imports in the 2016-2020 period.

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No.	Researcher	Focus	Findings
2.	Syahira, D. R., & Wiwitan, T. (2022)	Bilateral Trade Cooperation	BritCham Indonesia, through British Am Business Center, Provides Business Support Services as a forum for bilateral trade cooperation between the U.K. and Indonesia that is carried out as a business communication strategy using the context of interpersonal communication, organizational communication, group communication, and mass communication to accommodate and assist clients in achieving goals.
3.	Hennessy, A., & Winanti, P. S. (2022).	International Trade Agreements	Regarding offensive interests, market access available through IA-CEPA and RCEP does not seem to be a priority for Indonesian businesses for several reasons, both because of the size of the domestic market that is still promising, as well as the existence of several non-tariff barriers that they face.
4.	Sari, F. F. (2022).	Trade cooperation	The contribution of PT Indofood Sukses Makmur Tbk in conducting Indomie gastro diplomacy in Nigeria has impacted increasing trade cooperation between Indonesia and Nigeria.
5.	Putra, et al (2022).	Bilateral Trade	The results of this study describe that Indonesia's participation in the official G20 forum has a significant effect on Indonesia's opportunities to increase both international cooperation and bilateral in the economic sector, especially trade, namely with the IJEPA (Indonesia-Japan Economic Partnership Agreement) agreement, which benefits both countries.
6.	W Imam (2022)	Bilateral Trade	The results show that the exchange rate and country distance variables negatively and significantly affect Indonesia's bilateral trade performance. The output level variable positively and significantly affects Indonesia's bilateral trade performance. LCS and COVID-19 policy variables do not significantly affect Indonesia's bilateral trade performance.
7.	R.N. Efendi (2022)	Bilateral Trade	Based on the research and discussion that have been done, Indonesia's economic distance from Australia in the long term has a significant effect on Indonesia's total exports. Moreover, the short term only significantly affects Indonesia's total exports.
8.	PE WIDY (2022)	International Trade	This study found that the offer of payment mechanisms using LCS is more efficient than the previous settlement of transactions carried out through cross-currency rates to the U.S. dollar and can only be carried out from rupiah to the local currency of the partner country or vice versa.
9.	DA Susanto (2019)	Indo-Aus Trade	The results show that Australia is an important trading partner for Indonesia and vice versa.
10.	DG Waskito (2018)	Bilateral Trade	From the research conducted, it can be found that factors such as non-tariff barriers (NTBs) and tariff barriers (T.B.s) applied by Canada to Indonesia's primary strategic commodities and President Joko Widodo's statist-nationalist policies become obstacles and contribute to a significant decline in Indonesia-Canada bilateral trade.
11.	DA Puspitaningrum, YF Ningsih (2018)	Bilateral Trade	The intensity of intra-industry textile trade between Indonesia and China, 2000-2013, based on the ISIC 321 category (textile industry), obtained results between Indonesia and China in the category of intra-industry trade because the overall intra-industry trade index is 53.9%.
12.	BAS Wibisono (2017)	Bilateral Trade	The standards of behavior the South Korean Government sets fall under Egoistic self-interest. They are issuing policies to implement alternative power development and pursue the fulfillment of the interests and rights of the country and affecting trade between Indonesia and South Korea because Indonesia's leading commodity to South Korea is oil and gas products. If the construction of alternative power is completed, South Korea can meet its oil and gas fuel needs without importing from Indonesia.
13.	SS Sabaruddin (2017)	Bilateral Trade	RI-Yemen trade liberalization with zero tariffs positively impacts the Indonesian economy and is quite optimistic for the Yemeni economy. This assessment anticipates possible policy changes when Yemen's political, economic, and security situation has recovered.
14.	B Maulana (2017)	Bilateral Trade	They concluded that Russian investors are increasingly interested in investing in Indonesia. New investment interest from Russia reached US\$1.9 billion (equivalent to Rp25.65 trillion at an exchange rate of Rp13,500 per U.S. dollar); BKPM encourages these investors to take advantage of the three-hour investment permit service to realize their investment in the future.

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No.	Researcher	Focus	Findings
15.	AP Alhayat (2012)	Bilateral Trade	The results show that the trade pattern between the two countries was relatively the same before and after ACFTA. Meanwhile, many of Indonesia's leading export commodities are still based on natural resources, so trade policies that support increased product-added value are needed.
16.	SE Grisvia Agustin (2014)	International Trade	The results of this study prove empirically that in Indonesia, foreign direct investment is not a driving factor for economic growth in international trade. Because the amount and impact of foreign direct investment are minimal. However, comparative advantage greatly influences increasing economic growth in international trade in the ASEAN region.
17.	I AGUSTIAN (2019)	Bilateral Trade	The analysis results show that exchange rate volatility significantly negatively affects the short- and long-term trade balance. Other macroeconomic variables, such as foreign and domestic Gross Domestic Product (GDP), show that domestic GDP has a significant adverse effect on the trade balance in the long run and an insignificant negative effect in the short run.
18.	E Wijaya (2020)	Bilateral Trade	The results stated that the J-curved and Marshall Lerner Condition phenomena only occurred in bilateral trade between Indonesia and Singapore. In contrast, bilateral trade between Indonesia and China and Indonesia and Japan did not occur.
19.	UA Bastian (2022)	Bilateral Trade	The results showed that the imported variable from the UAE significantly positively affected Indonesia's economic growth, while imports from Indonesia affected economic growth. Negative insignificant to the economic growth of the United Arab Emirates. This shows that the role of Indonesian exports to the United Arab Emirates is more significant than Indonesia's imports from that country.
20.	D Yuniarti (2007)	Bilateral Trade	Based on the estimation results, it can be concluded that the gravity model can explain Indonesia's bilateral trade with ten major trading partners, which is indicated by the effect of the national income variables of trading partners, both exporters and importers, importer population, similarity in economic size, and distance of trading partners. The relative differences in factor endowment and membership in a free trade area do not affect bilateral trade.
21.	NM Prameswari (2016)	Bilateral Trade	Bilateral cooperation between the city of Probolinggo and the city of Helsingborg in waste management through symbiotics has improved environmental quality in the city of Probolinggo. The cooperation between Probolinggo and Helsingborg involves many parties, not only from the city government but also from the institutions involved and the role of the community.
22.	AW Hapsari, H Haqqi (2015)	Bilateral Trade	The Indonesian Trade Promotion Center (ITPC) Chicago contributes to bilateral trade between Indonesia and the U.S. ITPC Chicago can bridge the relationship between Indonesian buyers and suppliers with the placement destination country (Chicago, United States).
23.	TZN Nerina (2017)	Bilateral Trade	Making bilateral agreements to regulate border trade between the Indonesian state and other countries will be beneficial for providing legal certainty and conducting trade transactions between communities in the border areas of the Republic of Indonesia and other countries.
24.	TS Putro, I Maulana (2015)	Bilateral Trade	In terms of the commercial value of Indonesia and Malaysia in 2003–2012, the average Indonesian trade exchange rate was 100 percent, which means that the states of Indonesia and Malaysia are still in mutually beneficial bilateral import and export trade business in the midst of economic turmoil.
25.	SS Sabaruddin (2013)	Bilateral Trade	The results of the scenario analysis of the impact of RI-China trade liberalization in 2009 on people's welfare with complete tariff dismantlement, by utilizing the analysis of changes in Consumer Surplus and a decrease in Deadweight Loss, can be concluded that RI-China trade liberalization with zero tariffs has a positive impact on the welfare of the Indonesian people.
26.	I Ibrahim, MI Permata, WA Wibowo (2010)	Bilateral Trade	From the GTAP model results, overall, Indonesia has a net trade creation of 2% which comes from the impact of trade creation from ACFTA members of 10.3% and trade diversion with ROW trading partners of -1.5%. Although the ACFTA cooperation agreement harms the decline in Indonesia's overall trade

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No.	Researcher	Focus	Findings
			balance by 2.3%, the results of further analysis of international export commodities (tradable) show a positive impact of 0.5%.
27.	JS Usman, M Tambunan, et al (2011)	Indonesia's Trade in Asia	Indonesia's trade with countries in Asia can still be increased, meaning that it has yet to be exhausted. Our international trade is still inter-industry, and industrial products still have many low TCI Trade Conformity Index values and the Grubel Lloyd Index. Generally, international trade is influenced by the GDP size, the exchange rate, distance, and the trade conformity index.
28.	MA Nurcahyo (2022)	Balance of Trade	Based on the results of the difference test on the value of imports before and after the enactment of IC CEPA, it is known that there is a difference in the value of imports between before and after IC CEPA. It can be concluded that there is a positive growth in the value of Indonesia's imports from Chile.
29.	E Serukhina (2018)	Bilateral Relationship	This research results that Indonesia, as a Non-Aligned country, became the first axis of Russia's approach. Indonesia also provides more support to Russia in its existence in the global realm. However, the Pancasila ideology that state officials have deeply embedded makes Indonesia a new axis country that has its strength in diplomacy.
30.	AR Salam, S Rayadiani, et al (2012)	Trade Performance	The utilization of SKA Form IJ-EPA is relatively lower compared to other free trade agreements signed and implemented in Indonesia.
31.	WSPY Ismail (2018)	Bilateral Agreements	Research findings have shown that Reducing carbon emissions is the solution to the climate change problem. This solution can be achieved through cooperation between countries as mandated by the Kyoto Protocol and the Paris Agreement, and Japan has done it.
32.	AP Alhayat (2011)	Trade Potential	The facts show that Indonesia and Turkey's bilateral trade value is still low, in addition to high trade concentration on several products. Indonesia's primary export commodities to Turkey are natural rubber products and textile raw materials, while Indonesia's most extensive import products from Turkey are petroleum and wheat flour.
33.	DM Rahmawati (2014)	Trade Balance	The results show that the model is usually distributed, free from heteroscedasticity and autocorrelation. The t-test statistic shows that the variable Rupiah exchange rate per U.S. Dollar significantly affected Indonesia's Trade Balance from 1980–2012. Meanwhile, Gross Domestic Product (GDP) significantly affected Indonesia's Trade Balance from 1980 to 2012.
34.	AP Siwi (2013)	Trade Relationships	This research concludes that Indonesia continues to implement the ACFTA agreement because it improves Indonesia's trade relations through free trade between Indonesia and China (bilateral free trade) as its trading partner. The increase in Indonesia-China trade relations is influenced by the economic cooperation agreement on free trade made by ASEAN with China.
35.	G Agustin (2012)	Savings Balance Sheet	Based on the regression conducted on the model, the results show that variable Z has a significant and negative influence on variable Y because Indonesia's positive savings-investment balance (where the value of savings is greater than the value of investment) inhibits Indonesia's imports, thereby increasing the surplus or lowering the deficit of Indonesia's bilateral trade balance.
36.	FN Irbah (2019)	Trading Performance	The results show that in Indonesia's exports to Malaysia, the real exchange rate of IDR/US\$ volatility is negatively and insignificantly related to Indonesia's exports to Malaysia in the short run. However, in the long run, the relationship between the two changes to positive and remains insignificant.
37.	AS Kurnia (2018)	Trade Balance	It is concluded that the J-curve phenomenon, in the long run, occurs in the model of Indonesia's trade balance with Japan, China, South Korea, and India.
38.	I Zuhroh, D Kaluge (2007)	Trade Balance	Real rupiah exchange rate growth surprises have a meager contribution to explaining the growth of the trade balance. However, the effect is significant with the response that resembles the operation of the J-curve. In contrast, the exchange rate growth shock is responded to very significantly by real output growth until the fourth quarter.
39.	G AGUSTIN (2008)	Trade Balance	From the regression results, it is known that the budget balance ratio variable and the savings-investment balance ratio variable have a significant and negative effect on Indonesia's bilateral trade balance (as hypothesized), with

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No.	Researcher	Focus	Findings
			an adjusted R2 value of 0.996562, which means that the independent variable can explain 99.65627% of the variation in the dependent variable.
40.	AA Widyasanti (2010)	Regional Free Trade	The results show that Indonesia is in good shape and has increased its market share for some products. However, some policy strategies are needed for these products, especially vegetables that have lost their opportunity in the ASEAN market.

IV. DISCUSSION

The second analytical finding of this systematic literature review addresses the drivers of bilateral trade: globalization, free markets, natural resource differences, and human resource disparities. Globalization makes it nearly difficult for a nation to exist independently. All nations comprise a single, indivisible global village. With the adoption of the free market by several nations, international trade is made much more straightforward. Each nation's natural resources vary because of its unique geographical characteristics. For instance, Indonesia has gold mines while Singapore has not. They import gold from Indonesia due to Singapore's need for precious metals. This human-resources discrepancy may be attributable to number or quality. For instance, Indonesia requires additional expertise to run specific technology, necessitating the importation of foreign professionals. In terms of quantity, it can also occur when a country's population is tiny. At the same time, the work prospects there are better, necessitating the importation of labor from other nations.

The article's investigation of unconnected aspects associated with bilateral trade employs an inductive methodology, separated into five sections: bilateral agreements, trade performance, trade potential, trade balance, and trade relations. Bilateral agreements to regulate border trade between the Indonesian state and other countries will be beneficial for providing legal certainty and conducting trade transactions between communities in the Republic of Indonesia's border regions and other nations the results of this study suggest that in the equation of Indonesia's exports to Malaysia, the volatility of the real exchange rate of Rp/U.S. \$ is adversely and insignificantly connected to Indonesia's exports to Malaysia in the near run. On the other hand, the link between the two becomes positive and becomes unimportant with time. The results demonstrate that the value of bilateral commerce between Indonesia and Turkey still needs to be higher, in addition to the high concentration of trade in some items. Natural rubber goods and textile raw materials are Indonesia's leading exports to Turkey, while petroleum and wheat flour are Indonesia's principal imports from Turkey.

The results demonstrate that the model is usually distributed, devoid of heteroscedasticity, and free of autocorrelation. The t-test demonstrates that the Rupiah-to-Dollar exchange rate considerably impacts Indonesia's Trade Balance between 1980 and 2012. Between 1980 and 2012, the Gross Domestic Product (GDP) considerably impacted Indonesia's Trade Balance. AP This study suggests. Indonesia continues to execute the ACFTA agreement because it strengthens Indonesia's commercial ties through bilateral free trade with China as its trading partner. ASEAN's economic cooperation pact on free trade with China influences the expansion of trade connections between Indonesia and China. Based on a systematic investigation, the variables that drive Indonesia to engage in bilateral trade with the United States to improve the trade balance have been categorized into international trade-related factors and non-international trade-related factors. Factors associated with bilateral commerce include globalization of bilateral trade, free markets, differences in natural and human resources, and differences in natural resources. Moreover, bilateral agreements, trade performance, trade potential, trade balance, and trade relations are unrelated to bilateral trade.

Globalization of the economy is a requirement for all nations. It entails opening a nation's economy to international commerce, financial flows, and foreign investment. A nation can grow its market share regarding international commerce and investment through economic globalization. Globalization of the economy encourages all nations to engage in economic integration to boost their standing in the international community. Economic integration between nations is typically followed by cooperation or agreements in the economic, political, social, and cultural spheres. Several cooperation agreements, both bilateral and regional, especially in the economic field, have been made to achieve more robust economic integration. Along with the progress of science and technology in international trade economics, it provides many benefits for running the national economy. If analyzed from the definition of trade, it means activities related to selling and purchasing goods and services at a particular time to obtain profit. There can be both tariff and non-tariff barriers to international commerce. Government laws such as customs taxes and import quotas are examples of obstacles to international trade. A customs tariff is a rule established by the government to govern the import charge of imported goods. The government implements import quotas by international norms to safeguard domestic businesses from foreign competition. Theme analysis is a method for evaluating qualitative data that aims to explain social phenomena or symptoms by focusing on the phenomenon as a whole instead of breaking it down into interconnected components and conducting it systematically. The selected articles have been categorized using the inductive method based on two criteria.

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The initial classification focuses on aspects connected with bilateral commerce, a trading system conducted by several nations without geographical limits, thus, having a greater scope of trade. The second taxonomy incorporates enablers and variables unrelated to bilateral trade, such as bilateral agreements, trade performance, trade potential, trade balance, and trade links. Table 3 demonstrates the classification of these two taxonomies, the country's market. Import prices will be affected by customs duties and import quotas.

Bilateral trade is unrelated to bilateral agreements, trade performance, trade potential, trade balance, and trade relations. As a consequence of this analysis, Indonesia, a Non-Aligned nation, became the first axis of Russia's strategy. Russia's worldwide presence is bolstered by Indonesia's assistance as well. Nonetheless, the Pancasila doctrine, which state officials have profoundly ingrained, makes Indonesia a new axis nation with its diplomatic might. The results noted that the actual exchange rate growth shock contributes little to the trade balance expansion. Nevertheless, the effect is strong with a response that resembles the functioning of the J curve. In contrast, output growth until the fourth quarter greatly mitigated the exchange rate shock. As a legal basis for providing legal certainty in commercial cooperation relationships, the Republic of Indonesia and other nations must enter into bilateral agreements. Legal clarity within bilateral agreements will guarantee the protection of rights and the fulfillment of responsibilities for parties in the Republic of Indonesia and other nations. The conclusion of bilateral agreements in the field of border trade between the Republic of Indonesia and other nations will significantly facilitate trade transactions between groups of people residing in the border regions of the Republic of Indonesia and other nations, thereby promoting economic growth in the border regions and enhancing people's well-being.

Because examining trade balance as an exchange rate effect yields variable results (not consistently following the J-curve phenomena), it is necessary to undertake several research along similar lines. This relates to the interests of emerging nations, who are always caught in the issue of current account deficits since their primary component, namely the trade balance, cannot attain the desired surplus. In addition to the ratio of international to local prices, the real exchange rate's key component, the exchange rate, reveals a country's competitiveness. A decreasing currency rate is anticipated to indicate increased exports and decreased imports. This effect must be examined, particularly in the case of Indonesia, to determine whether devaluation always has it.

V. CONCLUSION

Bilateral agreements, performance, trade potential, trade balance, and trade relations are the missing aspects in bilateral trade. Globalization of the economy is an absolute requirement for all nations. This increases a country's economic openness to international commerce, international financial flows, and foreign investment. Making bilateral agreements controlling border commerce and implementing them involves coordination and synchronization between the Ministry of Trade and other ministries involved in bilateral trade matters. The ratification of trade agreements between Indonesia and other countries must be conducted by Indonesian laws and regulations in bilateral trade for the ratification to be conducted effectively and efficiently; this can be achieved through presidential regulations.

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