

CHAPTER III

Indonesia's Advantages by Joining the Trans-Pacific Partnership

This chapter contains the analysis given by the writer regarding the advantages of Indonesia by joining TPP, trade opportunity, investment in Indonesia and Indonesia's multilateral relations with 11 other member states. This chapter also discusses why TPP – as the biggest trade deal in history – is the most important trade agreement to join. Not only in a way to achieve economic benefits, but to strengthen the relations between countries. The Indonesian trade development which 'involved' countries is discussed in this chapter as well.

"I wish to also welcome the strategic partnership as symbol of the enhancement of the bilateral cooperation between Indonesia and United States" - Joko Widodo, President of Indonesia.¹

International trade has an important role in country's economic and welfare improvement, because everyone agrees that there is no country standing without international trade. Therefore, economy caused every country struggles to achieve economic surplus in its balance of trade which means the greater surplus achieved, the bigger foreign exchange comes in to the country and becomes national income that in the end it can be used to fund the development.

¹ Remarks by President Obama and President Widodo of the Republic of Indonesia After Bilateral Meeting, White House, US, October 2015. Retrieved 13 April 2017, from <https://id.usembassy.gov/remarks-by-president-obama-and-president-widodo-of-the-republic-of-indonesia-after-bilateral-meeting/>.

In Indonesia's economy, international trade has promoted a crucial and important role for the country by giving a direct-impact in the sector of trade to contribute in providing jobs. So, export is one of the important national income sources and as a tool to maintain economic stability and implementation of development. However, In international trade, relations between involved countries have not always been running smoothly. There are obstacles that influence international trade activities, they are:

1. Export and Import Policy by government

Export-import policy is hampering and limiting the goods from getting in other countries because each of them is trying to protect its local products, such as import quota or banning specified goods. The process of import and export is considered quite complicated and it has a long process to follow and requirements that have to be met by sending or receiving country. Thus, it could be hampering international trade.

2. Rule and Regulation differences of country

Every country has provisions and regulations to conduct and regulate trade activity with other countries and each country has different provisions and regulations. The reason why it is one of Indonesia's obstacles because 'sending party' has to follow every single rule implemented by the receiving country, otherwise it is the same.

Aforementioned are some of the factors that slow down the process of international trade. Indonesia for example, Indonesia's ranks as the largest coffee

producers in the world continues to decline, then ranked 4th as the largest producer after Brazil, Vietnam and Colombia in 2015.² According to Manager of PT Taman Delta Indonesia, one of exporter coffee companies, in 2011 Indonesia ranked 3rd and even 2nd as the largest producers in the world.³ Therefore, the chance for Indonesia to be the largest coffee producer remains widely opened. However, the farmers need to be educated. In Vietnam, the government fully supports coffee farming, moreover, the system of farming is well-organized thus made their productivity high. Sowing, seeding, implantation, waters' volume, drying system and etc, are fully supervised. Vietnam is one of the members of TPP. That is obvious if Indonesia does not join this agreement, our products within those countries could not compete with Vietnamese products because they will place taxes, tariffs and quotas or even worse like banning some specified products.

² CNN. *Tantangan Indonesia Menjadi Produsen Kopi Terbesar di Dunia*. (n.d.). Retrieved 28 January 2017, from <http://www.cnnindonesia.com/gaya-hidup/20151002142142-262-82364/tantangan-indonesia-menjadi-produsen-kopi-terbesar-di-dunia/>.

³ Ibid.

A. Economic Advantages

As TPP ease the flow of goods and services than ever before, Indonesia as developing country gets the advantages the most. In the field of trade, Indonesia will gain exports and have its market extended to the member countries which means more national income coming in. By expanding Indonesian market and introducing Indonesian products with zero taxes and tariffs placed on the products, Indonesian products can compete on international level. In the field of tourism and culture, some Indonesia's remote islands could be well-funded because investors are highly interested in this promising investment. In the field of technology, there is an easier access to bring in foreign employees or experts to Indonesia in which they can share or exchange knowledges and experiences.

It is in line with what has been mentioned on the first chapter that the president Joko Widodo has cut thousands of regulations – more than 3.143 regulations – to ease foreign investment to invest in Indonesia. The president wants business licenses and permits in Indonesia to be made easier and not convoluted, so Indonesia can compete with other countries. At the moment, there are at least 42.000 regulations related to business licenses and permits which are under review because Indonesia nowadays does not need regulations to hamper investing processes. Therefore, cutting these regulations is a necessity.⁴

⁴ Detik. *Ada 42.000 Aturan Birokrasi Pemerintahan, Jokowi: Hapuskan!* (n.d). retrieved 5 October 2016, from <https://finance.detik.com/industri/3125067/ada-42000-aturan-birokrasi-pemerintahan-jokowi-hapuskan>.

Below are the lists of Indonesia's trade development with TPP member countries:

Table 3.1 Indonesia's Balance of Trade with Australia

Balance of Trade with Australia									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	10.759.599,0	10.203.060,7	9.408.648,6	10.595.876,1	8.518.102,1	-4,20	8.518.102,1	8.459.865,5	-0,68
OIL & GAS	2.507.538,1	1.766.129,1	1.605.897,7	1.408.558,8	851.030,7	-21,24	851.030,7	1.270.007,8	49,23
NON OIL & GAS	8.252.061,0	8.436.931,6	7.802.750,9	9.187.317,3	7.667.071,4	-0,62	7.667.071,4	7.189.857,8	-6,22
EXPORT	5.582.530,0	4.905.413,1	4.370.482,1	4.948.373,7	3.702.307,6	-7,81	3.702.307,6	3.199.006,5	-13,59
OIL & GAS	2.504.078,6	1.546.948,1	1.397.221,1	1.251.831,1	707.665,2	-23,96	707.665,2	538.276,0	-23,94
NON OIL & GAS	3.078.451,5	3.358.465,0	2.973.261,0	3.696.542,7	2.994.642,3	0,41	2.994.642,3	2.660.730,5	-11,15
IMPORT	5.177.069,0	5.297.647,6	5.038.166,5	5.647.502,4	4.815.794,5	-0,80	4.815.794,5	5.260.859,0	9,24
OIL & GAS	3.459,5	219.181,0	208.676,6	156.727,7	143.365,4	103,67	143.365,4	731.731,8	410,40
NON OIL & GAS	5.173.609,5	5.078.466,7	4.829.489,9	5.490.774,6	4.672.429,1	-1,25	4.672.429,1	4.529.127,2	-3,07
BALANCE OF TRADE	405.461,0	-392.234,6	-667.684,3	-699.128,6	-1.113.487,0	0,00	-1.113.487,0	-2.061.852,5	-85,17
OIL & GAS	2.500.619,1	1.327.767,2	1.188.544,5	1.095.103,4	564.299,8	-27,17	564.299,8	-193.455,8	-134,28
NON OIL & GAS	-2.095.158,1	-1.720.001,7	-1.856.228,9	-1.794.232,0	-1.677.786,7	-3,94	-1.677.786,7	-1.868.396,7	-11,36

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Australia in period of January-December 2016 amounted to over US\$8,4 billion, declined by 0,68% in comparison with the same period in 2015, in the amount of US\$8,5 billion. The total trade, consisting of Indonesia's export to Australia US\$3,1 billion, declined by 13,59% in comparison with the same period in 2015, that is US\$3,7 billion, and Indonesia's import from Australia in the amount of US\$5,2 billion, increased by 9,24% compared with the previous same period in 2015, in the amount of US\$4,8 billion. Therefore, in the period of January-December 2016, Indonesia experienced deficit in its balance of trade with Australia, in the amount of US\$2,06 billion.⁵

⁵ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=311>.

Table 3.2 Indonesia's Balance of Trade with Brunei Darussalam

Balance of Trade with Brunei Darussalam									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	1.100.080,7	501.549,0	768.088,1	694.598,8	222.667,0	-24,94	222.667,0	176.394,0	-20,78
OIL & GAS	1.004.933,6	405.080,1	638.973,3	568.140,0	104.697,7	-34,20	104.697,7	79.786,0	-23,79
NON OIL & GAS	95.147,1	96.469,0	129.114,8	126.458,8	117.969,2	7,26	117.969,2	96.608,0	-18,11
EXPORT	81.689,4	81.755,3	122.695,9	100.296,0	91.229,7	4,34	91.229,7	88.667,3	-2,81
OIL & GAS	0,0	0,4	9,6	8,3	0,8	0,00	0,8	54,5	6.422,74
NON OIL & GAS	81.689,4	81.754,9	122.686,3	100.287,7	91.228,9	4,34	91.228,9	88.612,8	-2,87
IMPORT	1.018.391,3	419.793,7	645.392,2	594.302,7	131.437,2	-31,25	131.437,2	87.726,7	-33,26
OIL & GAS	1.004.933,6	405.079,6	638.963,7	568.131,7	104.696,9	-34,20	104.696,9	79.731,5	-23,85
NON OIL & GAS	13.457,8	14.714,1	6.428,5	26.171,0	26.740,3	21,52	26.740,3	7.995,2	-70,10
BALANCE OF TRADE	-936.702,0	-338.038,5	-522.696,4	-494.006,7	-40.207,5	-44,66	-40.207,5	940,6	102,34
OIL & GAS	-1.004.933,6	-405.079,2	-638.954,1	-568.123,4	-104.696,1	-34,20	-104.696,1	-79.677,1	23,90
NON OIL & GAS	68.231,6	67.040,8	116.257,7	74.116,7	64.488,6	-0,12	64.488,6	80.617,6	25,01

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Brunei in period of January-December 2016 amounted to over US\$176,3 million, declined by 20,78% in comparison with the same period in 2015, in the amount of US\$222,6 million. The total trade, consisting of Indonesia's export to Brunei US\$88,6 million, declined by 2,81% in comparison with the same period in 2015, that is US\$91,2 million, and Indonesia's import from Brunei in the amount of US\$87,7 million, declined by 33,26% compared to the previous same period in 2015, in the amount of US\$131,4 million. Therefore, in the period of January-December 2016, Indonesia experienced surplus in its balance of trade with Australia, in the amount of US\$940,6 thousand.⁶

⁶ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=127>.

Table 3.3 Indonesia's Balance of Trade with Canada

Balance of Trade with Canada									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	2.976.111,6	2.603.192,0	2.849.818,5	2.615.219,2	2.331.596,3	-4,72	2.331.596,3	2.115.602,0	-9,26
OIL & GAS	79,1	492,5	771,4	895,1	689,9	63,71	689,9	633,8	-8,13
NON OIL & GAS	2.976.032,5	2.602.699,5	2.849.047,1	2.614.324,1	2.330.906,3	-4,73	2.330.906,3	2.114.968,1	-9,26
EXPORT	960.285,1	792.445,9	782.347,3	755.021,3	722.344,7	-5,99	722.344,7	732.572,1	1,42
OIL & GAS	0,0	0,0	0,0	0,4	0,0	0,00	0,0	121,4	0,00
NON OIL & GAS	960.285,1	792.445,9	782.347,3	755.020,9	722.344,7	-5,99	722.344,7	732.450,7	1,40
IMPORT	2.015.826,5	1.810.746,0	2.067.471,2	1.860.197,9	1.609.251,6	-4,15	1.609.251,6	1.383.029,9	-14,06
OIL & GAS	79,1	492,5	771,4	894,7	689,9	63,70	689,9	512,5	-25,72
NON OIL & GAS	2.015.747,4	1.810.253,5	2.066.699,8	1.859.303,2	1.608.561,7	-4,16	1.608.561,7	1.382.517,4	-14,05
BALANCE OF TRADE	-1.055.541,4	-1.018.300,1	-1.285.123,9	-1.105.176,6	-886.906,9	-2,63	-886.906,9	-650.457,8	26,66
OIL & GAS	-79,1	-492,5	-771,4	-894,3	-689,9	63,70	-689,9	-391,1	43,31
NON OIL & GAS	-1.055.462,3	-1.017.807,6	-1.284.352,5	-1.104.282,3	-886.217,0	-2,64	-886.217,0	-650.066,7	26,65

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Canada in period of January-December 2016 amounted to over US\$2.1 billion, declined by 9,26% in comparison with the same period in 2015, in the amount of US\$2.3 billion. The total trade, consisting of Indonesia's export to Canada amounted to over US\$732 million, increased by 1,42% in comparison with the same period in 2015, that is US\$722 million, and Indonesia's import from Canada in the amount of US\$1.3 billion, declined by 14,06% compared with the previous same period in 2015, in the amount of US\$1.6 billion. Therefore, in the period of January-December 2016, Indonesia experienced deficit in its balance of trade with Canada, in the amount of US\$650 million.⁷

⁷ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=412>.

Table 3.4 Indonesia's Balance of Trade with Chile

Balance of Trade with Chile									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	586.228,4	381.987,5	412.015,0	419.405,5	321.197,4	-10,50	321.197,4	227.152,2	-29,28
OIL & GAS	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	586.228,4	381.987,5	412.015,0	419.405,5	321.197,4	-10,50	321.197,4	227.152,2	-29,28
EXPORT	213.966,9	175.346,5	170.766,8	177.899,1	147.349,5	-7,05	147.349,5	143.813,2	-2,40
OIL & GAS	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	213.966,9	175.346,5	170.766,8	177.899,1	147.349,5	-7,05	147.349,5	143.813,2	-2,40
IMPORT	372.261,5	206.640,9	241.248,2	241.506,4	173.847,9	-12,78	173.847,9	83.339,0	-52,06
OIL & GAS	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	372.261,5	206.640,9	241.248,2	241.506,4	173.847,9	-12,78	173.847,9	83.339,0	-52,06
BALANCE OF TRADE	-158.294,6	-31.294,4	-70.481,3	-63.607,3	-26.498,4	-24,91	-26.498,4	60.474,2	328,22
OIL & GAS	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	-158.294,6	-31.294,4	-70.481,3	-63.607,3	-26.498,4	-24,91	-26.498,4	60.474,2	328,22

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Chile in the period of January-December 2016 reach US\$227,1 million, declined by 29,28%, compared with the same period in 2015 that recorded in the amount of US\$321,1 million. Indonesia's export to Chile is recorded US\$143,8 million, declined by 2,4%, compared with the same period in 2015. Indonesia's import from Chile in the amount of US\$83,3 million, declined by 52,06% compared with the same period in 2015, in the amount of US\$173,8 million. Balance of trade between Indonesia and Chile is surplus for Indonesia, in the amount of US\$60,4 million in this period.⁸

⁸ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=431>.

Table 3.5 Indonesia's Balance of Trade with Japan

Balance of Trade with Japan									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	53.151.308,4	52.902.939,3	46.370.847,0	40.125.067,2	31.284.400,5	-12,51	31.284.400,5	29.086.320,0	-7,03
OIL & GAS	15.500.215,3	12.950.231,3	11.232.603,0	8.621.137,2	4.955.579,2	-23,57	4.955.579,2	2.947.115,5	-40,53
NON OIL & GAS	37.651.093,1	39.952.708,0	35.138.243,9	31.503.930,0	26.328.821,4	-9,09	26.328.821,4	26.139.204,5	-0,72
EXPORT	33.714.696,1	30.135.107,7	27.086.258,8	23.117.488,4	18.020.877,3	-14,08	18.020.877,3	16.101.545,9	-10,65
OIL & GAS	15.384.580,2	12.903.869,0	11.002.116,4	8.551.741,6	4.924.787,7	-23,58	4.924.787,7	2.889.093,4	-41,34
NON OIL & GAS	18.330.116,0	17.231.238,7	16.084.142,3	14.565.746,8	13.096.089,6	-8,06	13.096.089,6	13.212.452,5	0,89
IMPORT	19.436.612,2	22.767.831,7	19.284.588,2	17.007.578,8	13.263.523,3	-10,02	13.263.523,3	12.984.774,1	-2,10
OIL & GAS	115.635,1	46.362,4	230.486,6	69.395,6	30.791,5	-20,09	30.791,5	58.022,1	88,44
NON OIL & GAS	19.320.977,2	22.721.469,3	19.054.101,6	16.938.183,3	13.232.731,7	-9,97	13.232.731,7	12.926.752,1	-2,31
BALANCE OF TRADE	14.278.083,9	7.367.276,0	7.801.670,5	6.109.909,6	4.757.354,0	-21,22	4.757.354,0	3.116.771,8	-34,49
OIL & GAS	15.268.945,1	12.857.506,6	10.771.629,8	8.482.346,1	4.893.996,1	-23,60	4.893.996,1	2.831.071,4	-42,15
NON OIL & GAS	-990.861,2	-5.490.230,6	-2.969.959,3	-2.372.436,5	-136.642,1	-38,13	-136.642,1	285.700,4	309,09

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

During period of January-December 2016, Japan's balance of trade with Indonesia, surplus for Indonesia in the amount of US\$3.1 billion, declined by 34,49% in comparison with the same period in 2015, that is US\$4.7 billion. The total trade in the period of January-December 2016 is recorded in the amount of US\$29 billion, declined by 7,03% compared to the same period in 2015, in the amount of US\$31.2 billion. The total trade, consisting of Indonesia's export to Japan amounted to over US\$16,1 billion, declined by 10.65% in comparison with the same period in 2015, in the amount of US\$18 billion, and Indonesia's import from Japan US\$12,9 billion, declined by 2,1% compared with the same period in 2015, that is US\$13,26 billion.⁹

⁹ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=111>.

Table 3.6 Indonesia's Balance of Trade with Malaysia

Balance of Trade with Malaysia									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	21.400.713,6	23.521.791,4	23.989.142,4	20.585.405,2	16.161.522,1	-6,71	16.161.522,1	14.312.952,5	-11,44
OIL & GAS	6.455.143,1	8.731.646,4	10.791.730,2	8.409.618,8	4.954.388,6	-5,51	4.954.388,6	3.568.097,9	-27,98
NON OIL & GAS	14.945.570,5	14.790.145,0	13.197.412,2	12.175.786,4	11.207.133,5	-7,41	11.207.133,5	10.744.854,6	-4,12
EXPORT	10.995.846,6	11.278.275,0	10.666.609,5	9.730.010,8	7.630.854,6	-8,41	7.630.854,6	7.112.008,2	-6,80
OIL & GAS	1.795.697,8	2.809.230,3	3.398.372,8	3.332.765,9	1.403.098,7	-3,17	1.403.098,7	1.098.718,1	-21,69
NON OIL & GAS	9.200.148,8	8.469.044,7	7.268.236,7	6.397.245,0	6.227.755,9	-10,07	6.227.755,9	6.013.290,1	-3,44
IMPORT	10.404.867,0	12.243.516,5	13.322.533,0	10.855.394,4	8.530.667,6	-5,04	8.530.667,6	7.200.944,3	-15,59
OIL & GAS	4.659.445,3	5.922.416,1	7.393.357,4	5.076.853,0	3.551.290,0	-6,73	3.551.290,0	2.469.379,8	-30,47
NON OIL & GAS	5.745.421,7	6.321.100,4	5.929.175,6	5.778.541,4	4.979.377,6	-3,69	4.979.377,6	4.731.564,5	-4,98
BALANCE OF TRADE	590.979,6	-965.241,5	-2.655.923,5	-1.125.383,5	-899.813,0	0,00	-899.813,0	-88.936,1	90,12
OIL & GAS	-2.863.747,5	-3.113.185,8	-3.994.984,6	-1.744.087,1	-2.148.191,3	-10,90	-2.148.191,3	-1.370.661,7	36,19
NON OIL & GAS	3.454.727,1	2.147.944,3	1.339.061,1	618.703,6	1.248.378,3	-27,97	1.248.378,3	1.281.725,6	2,67

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Malaysia in period of January-December 2016 amounted to over US\$14,3 billion, declined by 11,44% in comparison with the same period in 2015, in the amount of US\$16,1 billion. The total trade, consisting of Indonesia's export to Malaysia US\$7,1 billion, declined by 6,8% in comparison with the same period in 2015, that is US\$7,6 billion, and Indonesia's import from Malaysia in the amount of US\$7,2 billion, declined by 15,59% compared with the previous same period in 2015, in the amount of US\$8,5 billion. Therefore, in the period of January-December 2016, Indonesia experienced deficit in its balance of trade with Malaysia, in the amount of US\$88,9 million.¹⁰

¹⁰ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=124>.

Table 3.7 Indonesia's Balance of Trade with Mexico

Balance of Trade with Mexico									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	1.071.063,1	1.218.320,5	1.203.068,0	1.038.336,3	1.021.560,8	-2,51	1.021.560,8	992.080,7	-2,89
OIL & GAS	48.311,1	56.400,1	51.993,6	37.848,5	20.958,1	-18,69	20.958,1	18.357,0	-12,41
NON OIL & GAS	1.022.752,0	1.161.920,4	1.151.074,4	1.000.487,8	1.000.602,7	-1,92	1.000.602,7	973.723,7	-2,69
EXPORT	658.392,9	649.881,4	687.275,5	850.874,4	824.002,2	7,45	824.002,2	815.126,4	-1,08
OIL & GAS	48.305,8	56.388,0	51.993,6	37.730,0	20.830,5	-18,81	20.830,5	18.356,9	-11,88
NON OIL & GAS	610.087,2	593.493,4	635.281,9	813.144,4	803.171,7	9,03	803.171,7	796.769,5	-0,80
IMPORT	412.670,1	568.439,1	515.792,5	187.462,0	197.558,5	-22,76	197.558,5	176.954,3	-10,43
OIL & GAS	5,4	12,2	0,0	118,5	127,5	0,00	127,5	0,1	-99,94
NON OIL & GAS	412.664,8	568.427,0	515.792,5	187.343,4	197.431,0	-22,77	197.431,0	176.954,2	-10,37
BALANCE OF TRADE	245.722,8	81.442,3	171.483,0	663.412,4	626.443,7	48,72	626.443,7	638.172,1	1,87
OIL & GAS	48.300,4	56.375,8	51.993,6	37.611,5	20.703,0	-18,93	20.703,0	18.356,8	-11,33
NON OIL & GAS	197.422,4	25.066,5	119.489,5	625.800,9	605.740,7	72,63	605.740,7	619.815,3	2,32

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Mexico in period of January-December 2016 amounted to over US\$992 million, declined by 2,89% in comparison with the same period in 2015, in the amount of US\$1 billion. The total trade, consisting of Indonesia's export to Mexico US\$815,1 million, declined by 1,08% in comparison with the same period in 2015, that is US\$824 million, and Indonesia's import from Mexico in the amount of US\$176,9 million, declined by 10,43% compared to the previous same period in 2015, in the amount of US\$197,5 million. Therefore, in the period of January-December 2016, Indonesia experienced surplus in its balance of trade with Mexico, in the amount of US\$638 billion¹¹

¹¹ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=421>.

Table 3.8 Indonesia's Balance of Trade with New Zealand

Balance of Trade with New Zealand									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	1.100.936,5	1.137.263,5	1.275.501,0	1.317.454,2	1.073.263,4	0,97	1.073.263,4	1.027.447,3	-4,27
OIL & GAS	367,5	74.940,1	33.314,1	21.396,3	47.855,6	133,61	47.855,6	8.974,8	-81,25
NON OIL & GAS	1.100.569,0	1.062.323,4	1.242.186,9	1.296.057,9	1.025.407,8	0,58	1.025.407,8	1.018.472,5	-0,68
EXPORT	371.708,0	441.009,8	469.513,1	481.417,5	436.253,6	4,16	436.253,6	366.543,1	-15,98
OIL & GAS	367,5	74.939,8	23.437,0	21.392,6	39.210,1	124,48	39.210,1	8.973,6	-77,11
NON OIL & GAS	371.340,5	366.070,0	446.076,2	460.024,9	397.043,5	3,69	397.043,5	357.569,6	-9,94
IMPORT	729.228,5	696.253,7	805.987,9	836.036,7	637.009,8	-0,87	637.009,8	660.904,2	3,75
OIL & GAS	0,0	0,3	9.877,2	3,7	8.645,5	0,00	8.645,5	1,2	-99,99
NON OIL & GAS	729.228,5	696.253,4	796.110,7	836.033,0	628.364,3	-1,14	628.364,3	660.903,0	5,18
BALANCE OF TRADE	-357.520,5	-255.244,0	-336.474,8	-354.619,2	-200.756,2	-7,92	-200.756,2	-294.361,1	-46,63
OIL & GAS	367,5	74.939,4	13.559,8	21.388,8	30.564,6	113,57	30.564,6	8.972,3	-70,64
NON OIL & GAS	-357.888,0	-330.183,4	-350.034,6	-376.008,0	-231.320,8	-7,16	-231.320,8	-303.333,4	-31,13

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with New Zealand in period of January-December 2016 amounted to over US\$1,02 billion, declined by 4,27% in comparison with the same period in 2015, in the amount of US\$1,07 billion. The total trade, consisting of Indonesia's export to New Zealand US\$366,5 million, declined by 15,98% in comparison with the same period in 2015, that is US\$436,2 million, and Indonesia's import from New Zealand in the amount of US\$660,9 million, increased by 3,75% compared to the previous same period in 2015, amounted to over US\$637 million. Therefore, in the period of January-December 2016, Indonesia experienced deficit in its balance of trade with New Zealand, in the amount of US\$294,3 million¹²

¹² Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=312>.

Table 3.9 Indonesia's Balance of Trade with Peru

Balance of Trade with Peru									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	213.371,2	232.567,3	230.251,9	277.227,5	229.257,2	3,24	229.257,2	218.395,4	-4,74
OIL & GAS	0,0	240,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	213.371,2	232.327,3	230.251,9	277.227,5	229.257,2	3,25	229.257,2	218.395,4	-4,74
EXPORT	161.982,6	159.888,3	178.450,7	210.441,1	176.533,9	4,57	176.533,9	159.092,7	-9,88
OIL & GAS	0,0	240,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	161.982,6	159.648,3	178.450,7	210.441,1	176.533,9	4,58	176.533,9	159.092,7	-9,88
IMPORT	51.388,6	72.679,0	51.801,2	66.786,5	52.723,3	-0,33	52.723,3	59.302,7	12,48
OIL & GAS	0,0	0,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	51.388,6	72.679,0	51.801,2	66.786,5	52.723,3	-0,33	52.723,3	59.302,7	12,48
BALANCE OF TRADE	110.593,9	87.209,3	126.649,6	143.654,6	123.810,7	7,52	123.810,7	99.790,0	-19,40
OIL & GAS	0,0	240,0	0,0	0,0	0,0	0,00	0,0	0,0	0,00
NON OIL & GAS	110.593,9	86.969,3	126.649,6	143.654,6	123.810,7	7,55	123.810,7	99.790,0	-19,40

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Peru in period of January-December 2016 amounted to over US\$218,3 million, declined by 4,74% in comparison with the same period in 2015, in the amount of US\$229,2 million. The total trade, consisting of Indonesia's export to Peru US\$159 million, declined by 9,88% in comparison with the same period in 2015, that is US\$176,5 million, and Indonesia's import from Peru in the amount of US\$59,3 million, increased by 12,48% compared to the previous same period in 2015, in the amount of US\$52,7 million. Therefore, in the period of January-December 2016, Indonesia experienced surplus in its balance of trade with Peru, in the amount of US\$99,7 million¹³

¹³ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=442>.

Table 3.10 Indonesia's Balance of Trade with Singapore

Balance of Trade with Singapore									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	44.408.559,4	43.222.283,8	42.267.799,7	41.913.993,6	30.655.119,9	-7,43	30.655.119,9	25.794.730,4	-15,86
OIL & GAS	22.746.763,9	22.033.603,1	21.723.085,1	21.697.566,1	13.018.787,7	-10,70	13.018.787,7	9.408.195,5	-27,73
NON OIL & GAS	21.661.795,5	21.188.680,7	20.544.714,6	20.216.427,5	17.636.332,2	-4,48	17.636.332,2	16.386.534,9	-7,09
EXPORT	18.443.891,1	17.135.025,2	16.686.278,6	16.728.325,8	12.632.634,3	-7,51	12.632.634,3	11.246.431,9	-10,97
OIL & GAS	7.330.455,9	6.584.122,6	6.300.457,6	6.662.424,3	3.971.597,7	-11,43	3.971.597,7	2.520.946,8	-36,53
NON OIL & GAS	11.113.435,2	10.550.902,6	10.385.821,0	10.065.901,5	8.661.036,6	-5,31	8.661.036,6	8.725.485,1	0,74
IMPORT	25.964.668,3	26.087.258,5	25.581.521,0	25.185.667,8	18.022.485,6	-7,37	18.022.485,6	14.548.298,5	-19,28
OIL & GAS	15.416.308,0	15.449.480,5	15.422.627,4	15.035.141,8	9.047.190,0	-10,36	9.047.190,0	6.887.248,7	-23,87
NON OIL & GAS	10.548.360,4	10.637.778,1	10.158.893,6	10.150.526,1	8.975.295,6	-3,63	8.975.295,6	7.661.049,9	-14,64
BALANCE OF TRADE	-7.520.777,2	-8.952.233,3	-8.895.242,4	-8.457.342,0	-5.389.851,3	-6,98	-5.389.851,3	-3.301.866,6	38,74
OIL & GAS	-8.085.852,0	-8.865.357,9	-9.122.169,8	-8.372.717,4	-5.075.592,4	-9,41	-5.075.592,4	-4.366.301,9	13,97
NON OIL & GAS	565.074,8	-86.875,4	226.927,4	-84.624,6	-314.258,9	0,00	-314.258,9	1.064.435,2	438,71

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Singapore in June amounted to S\$5,25 billion, increased by 8,12% compared to May 2015, amounted to S\$ 4,87 billion. In the period of January-June 2015 amounted to S\$30,39 billion, declined by 17,43% compared to the same period in 2014, in the amount of S\$36,81 billion.¹⁴

Balance of trade between Indonesia and Singapore in the period of January-June 2015 is recorded to Indonesia experienced deficit amounted to S\$10,47 billion, declined 17,10% compared to the deficit in the same period in 2014. Trade deficit caused by Indonesia's import from Singapore is S\$20,43 billion, and Indonesia's export to Singapore only in the amount of S\$9,96 billion.¹⁵

¹⁴ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=122>.

¹⁵ Kementerian Perdagangan Republik Indonesia. *Perkembangan Perdagangan Indonesia – Singapore Periode: Januari – Juni 2015*. (n.d.). Retrieved March 3 2017, from <http://www.kemendag.go.id/files/pdf/2015/10/05/report-1444017008.pdf>.

Table 3.11 Indonesia's Balance of Trade with Vietnam

Balance of Trade with Vietnam									
(Value : Thousand US\$)									
Description	2011	2012	2013	2014	2015	Trend(%) 2011-2015	Jan-Dec		Change(%) 2016/2015
							2015	2016	
TOTAL TRADE	4.737.139,0	4.868.699,6	5.123.517,2	5.869.027,2	5.901.709,4	6,47	5.901.709,4	6.273.898,6	6,31
OIL & GAS	152.804,7	42.029,4	8.525,1	207.270,0	3.386,1	-45,25	3.386,1	67.296,1	1.887,41
NON OIL & GAS	4.584.334,3	4.826.670,3	5.114.992,1	5.661.757,2	5.898.323,3	6,86	5.898.323,3	6.206.602,5	5,23
EXPORT	2.354.191,4	2.273.693,2	2.400.879,8	2.451.250,4	2.740.178,9	3,86	2.740.178,9	3.045.496,4	11,14
OIL & GAS	81.508,7	17.231,0	2.478,5	14.910,9	3.279,6	-48,16	3.279,6	14.061,9	328,77
NON OIL & GAS	2.272.682,7	2.256.462,2	2.398.401,2	2.436.339,5	2.736.899,3	4,59	2.736.899,3	3.031.434,5	10,76
IMPORT	2.382.947,6	2.595.006,4	2.722.637,5	3.417.776,8	3.161.530,5	8,77	3.161.530,5	3.228.402,1	2,12
OIL & GAS	71.296,0	24.798,4	6.046,6	192.359,0	106,5	-66,59	106,5	53.234,2	49.876,26
NON OIL & GAS	2.311.651,6	2.570.208,1	2.716.590,8	3.225.417,8	3.161.424,0	8,91	3.161.424,0	3.175.167,9	0,43
BALANCE OF TRADE	-28.756,2	-321.313,2	-321.757,7	-966.526,4	-421.351,7	90,99	-421.351,7	-182.905,7	56,59
OIL & GAS	10.212,7	-7.567,3	-3.568,1	-177.448,1	3.173,1	0,00	3.173,1	-39.172,3	-1.334,52
NON OIL & GAS	-38.968,9	-313.745,9	-318.189,6	-789.078,3	-424.524,7	76,80	-424.524,7	-143.733,4	66,14

Source: BPS, Processed by Trade Data and Information Center, Ministry of Trade

Indonesia's total trade with Vietnam in period of January-December 2016 amounted to over US\$6,2 billion, increased by 6,31% in comparison with the same period in 2015, in the amount of US\$5,9 billion. The total trade, consisting of Indonesia's export to Vietnam US\$3,04 billion, increased by 11,14% in comparison with the same period in 2015, that is US\$2,7 billion, and Indonesia's import from Vietnam in the amount of US\$3,2 billion, increased by 2,12% compared to the previous same period in 2015, in the amount of US\$3,1 billion. Therefore, in the period of January-December 2016, Indonesia experienced deficit in its balance of trade with Vietnam, in the amount of US\$182,9 million¹⁶

¹⁶ Kementerian Perdagangan Republik Indonesia. *Statistics: Balance of Trade with Trade Partner Country*. (n.d.) Retrieved March 3 2017, from <http://www.kemendag.go.id/en/economic-profile/indonesia-export-import/balance-of-trade-with-trade-partner-country?negara=131>.

Based on these numbers and facts, it shows that Indonesia's trade deal experiences surplus and deficit. Below are the list of the countries:

1. Australia, deficit for Indonesia US\$2,6 billion/year from US\$8 billion of total trade.
2. Brunei, surplus for Indonesia US\$940 thousand/year from US\$176 million of total trade.
3. Canada, deficit for Indonesia US\$650 million/year from US\$2 billion of total trade.
4. Chile, surplus for Indonesia US\$60 million/year from US\$227 million of total trade.
5. Japan, surplus for Indonesia US\$3 billion/year from US\$29 billion of total trade.
6. Malaysia, deficit for Indonesia US\$88 million/year from US\$14 billion of total trade.
7. Mexico, surplus for Indonesia US\$638 million/year from US\$992 million of total trade.
8. New Zealand, deficit for Indonesia US\$294 million/year from US\$1 billion of total trade.
9. Peru, surplus for Indonesia US\$99 million/year from US\$218 million of total trade.
10. Singapore, deficit for Indonesia US\$3 billion/year from US\$25 billion of total trade.

11. Vietnam, deficit for Indonesia US\$182 million/year from US\$6 billion of total trade.

From the list above, it is shown that Indonesia experiences deficit with certain countries such as Australia, Canada, Malaysia, New Zealand, Singapore and Vietnam, but swings to surplus with some countries as well such as Brunei, Chile, Japan, Mexico and Peru. By joining the TPP that eliminates tariffs, tax and barriers to 0%, Indonesia is expected to be addressing the deficit issues with trade partners in which Indonesia experiences deficit, as well as gaining more surplus with trade partners in which Indonesia experiences surplus.

Thus, as it was discussed from the first chapter, developing countries will be benefited the most in this agreement. Indonesia for example, would gain export due to the elimination of trade diversion, trade barriers, taxes, tariffs and etc. Not only that, the sector of technology infrastructure and tourism will be benefited as well in this agreement. Since the first time Joko Widodo was elected as the president of Indonesia back to 2014, Indonesian main national interest has been boosting infrastructure development, attracting foreign investors by eliminating thousands of regulations regarding exports-imports and investment. Not merely concerning about infrastructure, Indonesia also targeting surplus with trade partners, enhancing technologies, improving tourism and cultures and etc.

According to Joko Widodo, regulations or policies made by the government should not be complicated. On the other hand, he wants a simple regulation, on target and to ease the people to work. Although the government has cut 3.143

regulations, in fact there are still regulations which is considered hampering investment process.¹⁷ These regulations and policies which hamper the investment are ‘old diseases’.¹⁸ If there are so many restrictions in doing business, those investors would be withdrawing back their investments and reallocating it into another country. The cancellation of these regulations are expected to give local and central government more access to be united in facing global competition as well.

Minister of Home Affairs, Tjahjo Kumolo argues, local regulations that have been cancelled are related to investment inhibition only. The cancellation aims to shorten the very long process of bureaucracy. He mentioned some regulations that has been cancelled¹⁹:

1. Service charge in Lampung
2. Service charge in Mollucas
3. Capital investment in North Mollucas
4. Inconsistency of local regulations management
5. Replacing ID card services
6. Civil registration services, etc.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ CNN. *Pemerintah Jokowi Batalkan 3.143 Peraturan Daerah*. (n.d). retrieved 26 June 2017, from <https://www.cnnindonesia.com/politik/20160613184515-32-137842/pemerintah-jokowi-batalkan-3143-peraturan-daerah/>.

By eliminating those policies, the process for doing business would be much easier than before. For example, it normally takes for months only to manage to get business licenses and permits. But now, it takes less than 3 days.

Joko Widodo recently suggests to give foreign professionals access to lead SEOs. According to his interpretations, Indonesia's SEOs would be getting benefits. Taking example of UAE – United Arab Emirates – that succeed in reforming companies to a higher level after recruiting foreign professionals.²⁰

The presence of foreign companies and foreign professionals can not be prevented as Indonesia has agreed with and ratified free trade since 11 years ago. Today the competitiveness is getting harder, not among regions, but globally, among nations. The key to win the competition is moving faster, forward and focus on economy development because this would create efficiency. As the world is never stagnant, Indonesia should adjust to every change that happens in the world of economy. And also, technology is growing rapidly, so it is necessary for Indonesia to get adjusted. For example, we are no longer buying products at the central district, but online. We are no longer selling our products in the store, but online. Therefore, those who have not adjusted to this change will loose or be left behind.

²⁰ Merdeka. *Presiden Jokowi Buka Pintu Pekerja Asing jadi Bos BUMN*. (n.d). retrieved 26 June 2017, from <https://www.merdeka.com/uang/presiden-jokowi-buka-pintu-pekerja-asing-jadi-bos-bumn.html>.

The point is, that is perfectly fine for allowing foreign professionals to lead SEOs temporarily and expecting the company to grow rapidly. They only help us to make it grow, not to own it.

Towards the dynamics of the world's political economy which is still ongoing, our capacity is indeed limited. Therefore, in making improvement from inside is a necessity. Reviewing various regulations is a way of government to push the economy to keep running. If we take a look at the "Paket Kebijakan Ekonomi" which was published since September 9th, 2015, it tries to fix various aspects. The aim of it is to prevent economy deceleration caused by the fluctuating conditions of global and domestic economy by the way of improving economic structure to be more conducive for the development of industrial sectors, ease of investment, cut various permission and permit documents and providing bank credit to the society with easier access.

In trade sector, the government has launched Indonesia National Single Window (INSW)²¹, so anyone can monitor import-export of goods through a single system. Thus the accuracy of data and informations can be accounted for by being transparent or accessible to all interested parties. All permits, documents, data, and other information required in the service and supervision of import and export activities must now be done through Indonesia National Single Window (INSW). Through INSW, there will be no more manually and face-to-face bureaucratic

²¹ The single-window system is a trade facilitation idea. As such, the implementation of a single window system enables international (cross-border) traders to submit regulatory documents at a single location and/or single entity. Such documents are typically customs declarations, applications for import/export permits, and other supporting documents such as certificates of origin and trading invoices.

processes which have become a barrier to the flow of goods, even creating distortions that burden industrial competitiveness and weaken consumer purchasing power. Through electronic systems, INSW is expected to increase business certainty and efficiency in export activities, industrial and investment needs, and optimize state revenue from international trade activities.

To attract investors, the breakthrough policy that will be provided is a quick service in the form of granting investment permit within three hours in Industrial Estate. By pocketing the permit, investors can directly conduct investment activities. The regulation required for this 3 hour fast investment service is the Head of BKPM Regulation and Government Regulation concerning Industrial Zone and Regulation of the Minister of Finance. In the labor sector, the policy to apply the formula on Minimum Wage calculation is also welcomed as it provides certainty, both to employers and workers, to the wage increases that workers will receive each year on a measurable scale.

Some examples of deregulation have demonstrated the consistency of governments to promote economic growth through regulatory and licensing simplification efforts, ease of investment, and encourage industry competitiveness. At the same time, the government also continues to increase productive activities and purchasing power through various policies that are considered as pro-society. Together with the BI – Indonesian central bank – and the Financial Services Authority, the government works and is present to restore market confidence.

Indonesia is part of the global economy and it cannot be reversed. Because it is driven by technology, it is driven by travel, cargo containers and the fact that the demand for products inside of our country means Indonesia has to get some things from other places – countries. Indonesia’s export sector is a huge contributor to jobs and our economic well-being. (Quarterly, 2017) It is absolutely true as the evidence shows that some past trade deals have not delivered on all the benefits that were promised and had very localized costs that hurt some communities. People lost jobs while jobs were created because of those trade deals but jobs were also lost and people who experienced those losses – those communities – did not get as much help as they needed to. So there's a real problem but the answer is not cutting off globalization. The answer is how we ensure that globalization technology automation makes things work for us not against us.

Moreover, it cuts thousands of tariffs that other countries place on Indonesian products and goods. If Indonesia agrees that it is going to have lower tariffs that is good for Indonesian businesses and Indonesian workers, Indonesia should support it, not against it.

B. Political Advantages

From the political views, Joko Widodo clearly mentioned in the White House back in October 2015 that he intended to join the TPP to enhance bilateral cooperation and relation with the United States as well as getting protection in the name of alliance. Even though the United States has withdrawn themselves from this agreement, Indonesia can still follow the positive political example from other countries.

Some of ASEAN parties had joined RCEP and CAFTA led by China.²² However, they also joined TPP that was led by US. Although the US has withdrawn themselves from this agreement, by pocketing dual-membership, it seems that these parties – Singapore, Malaysia, Brunei and Vietnam – are seeking protection in the name of ‘alliance’. It is reasonably understandable due to national interest that they are defending against any possible threats or trying to achieve its goals. The way Indonesia strengthens the bilateral relation with all TPP member countries can be seen within TPP’s document, specifically in the Labour chapter, Environment chapter and Investor-State Dispute Settlement chapter – ISDS.

TPP also can make the relations between countries remain harmonized as TPP provides a “forum” called as Inventor-State Dispute Settlement where in case there is a conflict involving a corporation and country, TPP provides them place to talk. For example, the relations between Indonesia and neighboring countries recently such as Vietnam and Malaysia is tense as the Indonesian government shot

²² Asia Foundation. *TPP and RCEP: Boon or Bane for ASEAN?*.(n.d). retrieved 24 May 2016 from <http://asiafoundation.org/2015/09/09/tpp-and-rcep-boon-or-bane-for-asean/>.

down foreign ships that are fishing illegally within Indonesian maritime territory, 46 ships from Vietnam and 11 from Malaysia.²³ TPP with its provisions about overfishing and illegal fishing can prevent such conflict as it binds the member states and gives instrument for enforcing the provisions.

For additional point, TPP strengthens labor agreements and environmental agreements and they are just as enforceable as any other part of the agreement. In fact people take them seriously that right now, for example, Vietnam changes their constitution to recognize worker organizations for the first time. So TPP is raising standards for workers in those countries which means it ensures the people to live in a prosperous life. For things like human trafficking, a country like Malaysia takes very serious efforts to address human trafficking issue.²⁴ The reason why is because TPP required its parties to do so, it gives us leverage to promote things that are progressives and people in this country including labor unions say they care about. So if Indonesia care about preventing abuse of workers, child labor, wildlife trafficking, overfishing and illegal fishing, illegal logging, the decimation of forests and all those things are addressed in this agreement.

²³ Tempo. *Minister Susi Leads Sinking of 81 Illegal Vessels Simultaneously*. (n.d). Retrieved 10 August 2017, from <https://en.tempo.co/read/news/2017/04/01/055861733/Minister-Susi-Leads-Sinking-of-81-Illegal-Vessels-Simultaneously> .

²⁴ The Malay Mail Online. *Govt Launches Special Hotline on Human Trafficking*. (n.d) Retrieved 10 August 2017, from <http://www.themalaymailonline.com/malaysia/article/govt-launches-special-hotline-on-human-trafficking#DKGCcajobyZeGJ7.97>.