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DIGITAL SOVEREIGNTY IN INDONESIA-CHINA TRADE RELATIONS

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ABSTRACT

The bilateral cooperation between Indonesia and China has been going on for a long time, including cooperation in the trade sector. In 2019, the e-SKA data MoU was signed as a basis for exchanging data between exporters and importers of the two countries. The transformation of the certificate of origin into e-SKA is one of the efforts to keep pace with the increasingly rapid development of technology and digital. Thus, this digital development needs to be accompanied by the readiness of the state to have a defense and security system to maintain and realize digital sovereignty. This research was analyzed with the theory of Competitive Intelligence. The method used is a qualitative method with Content Analysis specifications. The results of this study indicate that the trade relations between Indonesia and China as trading partners, it always increasing, especially with the development of the digital era as it is today. The implication of this research is to provide knowledge for related parties about the importance of data sovereignty, especially in trade relations between countries.

INTRODUCTION

According to data from the Indonesian Ministry of Trade, with China, ASEAN, through free trade, created a new agreement on November 4, 2002, called ACFTA or ASEAN-China Free Trade Area. From the development of bilateral relations, Indonesia-China continues to increase cooperation, one of which is exchanging data on certificates of origin in trade (Saphira, 2019). The rapid development of technology and information today has brought people to the information revolution that gave birth to a new virtual world, the cyber world. This development gave birth to ease, allowing users to exchange data and information through cyber activities.

Cyber activity in this virtual space allows an interaction to be carried out globally with characteristics without boundaries of space (borderless) and time (timeless) (Yuniarti & Herawati, 2020). E-SKA is one of the effects related to the growing era of digital transformation today. In the cooperative relationship between Indonesia and China, the main indicator of this cooperation is the exchange of electronic SKA data. Data Electronic- Certificate of Origin (e-SKA) is a collection of data from corporations, import-export companies, or MSMEs from Indonesia and China. These data are sourced from the Ministry of Trade of each country. This data also becomes very

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important for corporations and the ministry of commerce because it is a state asset to run the country's economy.

The use of e-SKA as a standard mechanism in trade activities between countries currently gives a strong message that data issues are very sensitive and urgent to pay attention to. Especially in today's digital era, practically making all living spaces undergo a digitization process. The most important thing that can be done to overcome cyber risk is to implement an early warning system or processes for the possibility of misusing e-SKA data (Simarmata et al., 2020). In addition, the possibility of data leakage or hacking can occur and be carried out by hackers so that the data can be traded and can get big profits from the sale of company data. More than that, the risk that will be faced when hackers carry out hacking is that not only is e-SKA data hacked, but data related to the state can also be hacked and used as a means of extortion against the state. Because in today's digital transformation era, it is undeniable that the mainstreaming of virtual (electronic) work patterns or schemes practically utilizes data, regardless of whether the data is big data. The reasons mentioned above then underlie this research to examine the implications of E-SKA for our digital data sovereignty as something that must be protected.

Competitive Intelligence is knowledge and foreknowledge about the overall business environment, resulting in actions or actions (Talaoui & Rabetino, 2017). Competitive Intelligence is the ability to understand the interrelationship of facts presented in such a way as to guide action towards a desired goal (Luhn, 1958). In addition, another definition related to competitive Intelligence is that it is a process that involves the collection, evaluation, processing, analysis, and dissemination of economic data (about products, clients, competitors, etc.) as a possible solution in knowledge management (Briciu et al., 2009). Intelligence in the economic field is developing and becoming a trend in today's business environment because competition and competition in the market are increasing rapidly (Minelli et al., 2013). Therefore, in this context, organizations need to become increasingly aware of the importance of knowledge as a key factor in gaining a competitive advantage.

If knowledge refers to past or known knowledge, Foreknowledge refers to the future, which includes: indications, predictions, forecasts, and estimates, about what will or may happen. Competitive Intelligence has become the art of collecting, processing and storing this vast amount of information or data to make it transversally available to everyone in the company, to help them shape its future and protect it against today's competitive threats (Husni & Mukhlash, 2014; Rouach & Santi, 2001) In international trade, particularly in Indonesia-China trade relations, Competitive Intelligence can act as a 'signal 'for local companies and the government to encourage increased competitiveness to face the ever-changing business and investment climate (Miller, 2000). In the following tables and graphs, the trade balance between Indonesia and China can be seen:

Table 1. Indonesia-China Trade Balance of Trade(value in millions of USD)

Year	2014	2015	2016	2017	2018	2019	2020	2021
Export	17.605,9	15.046,4	16.790,8	23.083,1	27.132,2	27.961,9	31.781,8	53.765,5
Import	30.624,3	29.410,9	30.800,5	35.766,8	45.537,8	44.930,6	39.634,7	56.227,2
Indonesia-China Trade Balance of Trade	-13.018,4	-14.364,5	-14.009,7	-12.683,7	-18.405,6	-16.968,7	-7.852,9	-2.461,7

Source: Ministry of Trade of the Republic of Indonesia, 2022

As attached, the table of Indonesia's trade balance against China always showed a deficit figure. Until 2021, Indonesia will still experience a trade balance deficit of -2.46 billion USD with an export value of 53.76 billion USD and an import value of 56.22 billion USD. Indonesia has always experienced a trade balance deficit with China since 2014. The highest deficit occurred in 2018, which was 18.40 billion USD. The condition of the trade balance deficit is a sign that a country imports more than exports. This will certainly have an economic impact on a country because trade can directly affect domestic production activities and demand for domestic currency. If exports in a country increase, domestic product demand will also increase, encouraging companies to increase production/ output. An increase in production will certainly have an impact on the emergence of more jobs and an increase in income in the domestic economy.

On the other hand, if a country is more dominant in importing, it will reduce real domestic GDP. When imports increase, it stimulates the production and job creation. An increase in income will occur in trading partner countries (in this case, China), while Indonesia will experience a decline in aspects of the domestic economy. Therefore, it can be said that imports are leakages in an economy.

To avoid leakages, the concept of competitive Intelligence can be applied. The increasingly fierce competition in the business sector between the two countries should be able to make the government policymakers and companies seize more opportunities while designing strategies to deal with various kinds of challenges that occur today. External factors strongly influence the business climate because uncertainty and inhibiting factors originating from external factors cannot be predicted and anticipated. It can trigger things that related parties do not desire. External factors cover competitors and can include growing political, economic, social, environmental, cultural and technological factors. With increasingly fierce competition in the business world, coupled with complex, dynamic, and rapidly changing external environmental conditions, the existence of competitive Intelligence is an early warning for a country, as well as related business entities, to be able to face these threats and challenges. As an early warning system), competitive intelligence analysis will give countries and business entities better competitive strategies than partner countries, which are also competitors. Competitive Intelligence Analysis is research related to the competitive intelligence gathering process used in understanding the direct or indirect competition that affects an entity to find and take advantage of opportunities to be developed. The role of competitive Intelligence in increasing effectiveness within the entity is as follows (Mavrea et al., 2021):

1) Competitive Intelligence is needed as an early warning system, prevention, and early handling of various threats that can occur within the company related to competitors.
2) Competitive Intelligence can help business organizations to develop scenarios from best to worst while preparing strategies to prevent and deal with threats.
3) Monitoring competitors' actions so they can form counter strategies within the company.
4) Measuring the effectiveness of Competitive Intelligence related to asset building focused on developing new businesses, saving costs, and calculating the potential impact on the financial aspect between using It or not using it.

In competitive intelligence theory, the real actors are corporations, exporters, and importers from each country. While the state, in this case, the ministry of trade of each country, is only a tool of competitive Intelligence. Digital trade data (trade data to electronic SKA) is a set of indicators that influence the establishment of cooperation and is an important factor in the theory of competitive Intelligence. The purpose or goal of this collaboration is that the more data collected, the more powerful it will be in finding loopholes for profit. Thus, if the Competitive Intelligence analysis is carried out properly, the country is predicted to obtain high economic growth compared to when an entity does not apply competitive Intelligence in making decisions. An effective competitive intelligence process can set the intelligence user as the starting point for all functions. Users of competitive Intelligence will be given knowledge as a sign/signal that they need to be analyzed to obtain expected economic growth and improvement. Competitive Intelligence can provide analysis and recommendations that can facilitate strategic decisions. Competitive Intelligence used properly will provide enormous benefits to governments as well as business entities. Based on the description above, there are several points of benefits of implementing Competitive Intelligence in trade according to the researchers, such as:

1) Facilitate identification of opportunities and challenges in trade.
2) Improve the entity's ability to face competition in the global market and threats from other external aspects.
3) Improve market analysis capabilities.
4) As an early warning in terms of threats and challenges in international trade
5) Improving the quality and effectiveness of both strategic and tactical planning.

METHOD

A. Research Paradigms

Research paradigms are how a researcher acts or faces a problem in research and how researchers set experimental parameters (Guba & Lincoln, 1994). This is the most fundamental way to overcome every problem in research. The paradigm used in this research is the constructivist paradigm.

B. Data Collection Techniques

In this study, researchers used data collection techniques through interviews, literature studies and open sources to obtain data and information related to the research (Creswell & Poth, 2016). The author chooses the data collection technique. This is due to the dynamics and developments of trade between the two countries which continue to experience rapid changes. The analysis method used by the researcher is content analysis.

RESULTS AND DISCUSSION

A. Indonesia-China Trade Profile

The trade relationship between Indonesia and China has been established for quite a long time. China and Indonesia are important trading economic partners. The two countries' economies are complementary, with industry and supply chains deeply integrated. Judging from the history of the relationship between the two, economic cooperation has distinct dynamics, especially in trade and investment. The economic cooperation between the two countries only started to stabilize and then grew positively in the 90s. This was then strengthened by the existence of a free trade agreement between ASEAN and China (ACFTA) ratified by ASEAN in 2002 and Indonesia in 2014. ACFTA then became the basis for increasing trade relations between Indonesia and China and continuing to grow (Siwi, 2013). The implementation of ACFTA then brought about increasing trade relations. This can be seen in the table presenting the total amount of trade related to the export and import of non-oil and gas products between Indonesia and China below:

Table 2. Indonesia-China Non-Oil and Gas Trade (value in millions of USD)

Year	2017	2018	2019	2020	2021	Trend (%)
Eksport Value	21.349,7	24.408,1	25.894,3	29.936,4	51.088,9	23,29
Import Value	35.511,8	43.883,7	44.038,1	39.123,6	54.800,7	32,57
Total Trade	56.862	68.292	69.932	69.060	105.890	

Source: https://satudata.kemendag.go.id/

The increase in Indonesia's trade relations with China which is increasing every year, has changed China's position into a country that ranks number one both as an export destination country and an importing country of origin for Indonesia, shifting the position of the United States and Japan. Based on table 2, it can be seen that the total number of trades between the two has increased significantly. Between 2006 and 2010, it was noted that the total amount of Indonesia's trade with China increased by 36.8 billion USD. Trade between the two continues to increase from 2017, with a total trade of 56.8 billion USD in 2018 of 68.2 billion USD. In 2020, as we all know, the Covid-19 pandemic occurred, and the trade value between the two countries decreased slightly from USD 69.9 billion to USD 69 billion. After the Covid-19 pandemic subsided, the total value of non-oil and gas trade between Indonesia and China shot up quite high in 2021, which was 105.8 billion USD.

B. Digital Sovereignty in Indonesia-China Trade Relations

The rapid development of the use of digital technology lately, of course, also impacts the trade sector between countries, especially Indonesia and China. The memorandum of understanding for the exchange of the e-SKA data, which was agreed upon in 2019, is one of the breakthroughs made by the Ministry of Trade of the Republic of Indonesia to offset changes in data that metamorphoses digitally. These changes are certainly needed to meet economic needs and emphasize national interests in international trade as a sovereign nation. Regarding digital sovereignty in Indonesia-China trade relations, researchers specifically classify it into two aspects. First, from the aspect or nature of the data as something broad, it includes things that transcend temporal and spatial boundaries. Second, from the aspect of national defense, it includes the strategy and ability to protect the state from the threat of sovereignty. Both aspects are based on strengthening the building of regulations or agreements that support them. The digital use of Certificate of Origin (*SKA*) data as a new mechanism in trade activities between countries currently gives a strong message that data issues are important to pay attention to. Especially in today's digital era, it is undeniable that everything and all living spaces are undergoing a digitalization process. In the e-SKA mechanism, companies (importers and exporters) must include their complete identities online. Thus, sourced from the e-SKA data uploaded on the provided site, company data is collected, which can then be referred to as big data verified ministry of Trade's. There are several examples of company lists that can be accessed through the website www.trademap.org can be seen from the following table:

Table 3. List of Exporting Companies in Indonesia
List of exporting companies in Indonesia for the following product
Product category: Groceries and related products, etc

Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
ABHI MANGGALA SENTOSA, PT	4	43	10.152.472	Indonesia	Jakarta
AGRO BINTANG SEJAHTERA, CV	2	5	538.134	Indonesia	West Java
AR-RAYYAN AGROINDUSTRI, CV	2	5	450.000	Indonesia	Bandung
BERINDO JAYA, PT	1	45	4.712.310	Indonesia	Bandar Lampung
BESTCO, PT	3	15	800.000	Indonesia	Tangerang
BINTANG TERANG ABADI, CV	2	4	1.092.970	Indonesia	North Sumatra
BUDI WAHANA BINASWASTA, PT	1	30	3.469.761	Indonesia	South Jakarta

Source: www.trademap.org

The table above is a collection of the list of exporting companies in the Groceries and related products category, sourced from the HS-17 code for the Sugars and sugar confectionery. In the description of the table above, users of related sites can obtain information related to the names of exporting companies, the number of categories of goods and services traded, the number of employees, total turnover, and the country and city of domicile of the company. In addition, users can click on the company name to view the name of the owner or director, address and telephone number of the company. In addition to the list of names of exporting companies, the site can also display a list of importing companies, as shown in the following table:

Table 4. List of Importing Companies in Indonesia
List of importing companies in Indonesia for the following product
Product category: Groceries and related products, etc

Company name	Number of product or service categories traded	Number of employees	Turnover (USD)	Country	City
IDS MARKETING INDONESIA, PT	5	70	55.000.000	Indonesia	Jakarta
PT. BINTANG BAJA SINAR CEMERLANG	5	8	837.744	Indonesia	South Jakarta
Pt. Central Proteina Prima Tbk - Cp Prima	5	2041	486.592.180	Indonesia	South Jakarta
PT. DHARMA NIAGA	6	900	94.246.200	Indonesia	Jakarta
PT. MARUBENI INDONESIA	5	105	26.012.175	Indonesia	South Jakarta
PT. MENJANGAN SAKTI	5	250	129.789.069	Indonesia	East Jakarta
PT. MENJANGAN SAKTI	5	250	27.127.000	Indonesia	Jakarta

Source: www.trademap.org

In general, on the site www.trademap.org, all users can see every trade between countries in detail. The site can be accessed by anyone who wants to know about companies (exporters and importers) from all over the world, complete with applicable tariffs. Regarding the digitization of data related to the Indonesia-China trade, the nature or status of the data should be debatable. The data set can be said to be big or not big data. At least this is also a special concern for researchers. Some of the results of interviews with certain parties regarding this matter can be stated as follows:

Tagara Primadista, Interview 2022, said that, in fact, there is no big data scheme in the context of data exchange. Because the scheme is not big, that is, what is exchanged in terms of data, it is simple data, like a piece of paper. The number also does not reach millions. So, it is not big. So, there is no need for processing using big data.

In addition, on different occasions, there are different opinions regarding this matter, namely:

Viktor Tulus Sidabutar, Interview 2022, stated that, in my opinion, it is big data. Because those numbers, when we transacted, the name of the owner, what business the company is engaged in, the type of work, it has written down, right? When it comes in, it will create it in the database. First, name, origin, date of birth, a business about this, and so on. All Indonesians who trade into China, China will make a cluster (ABCD). From the cluster Then, they will see trends: the big entrepreneurs and the small ones. From there, the commodities that are marketed will be known.

Each opinion regarding the nature or status of the electronic SKA data gives us an idea that, whether as data or big data, there are potential hacking threats and even threats to the sovereignty of our digital data that can occur at any time. This is stated as follows:

Humphrey Russel, Interview crime cyber China has one step ahead. China is more advanced than us. They steal our data almost every day without us knowing, right? They tapped into the conversations of Indonesians without us knowing. Thus, the development of digital data is like two sides of a knife. One side can provide easy access to information and ease of trade and investment processes that will impact the country's economic growth. However, on the other hand, it can be a threat and vulnerability to the leakage of important information that can threaten our digital sovereignty.

Of course, it is still fresh in memory when the public was shocked by hacking important public documents to President Joko Widodo's data by hackers Bjorka. In the context of e-SKA data exchange, it may be different from the cybercrime case. However, it is not impossible. Electronic SKA, a statement of 'citizenship' of an item, can be the target of this digital crime. It is directly related to the issue of digital data sovereignty as intended. Therefore, a system for anticipating, protecting and preventing these threats is very much needed. Conversations and joint efforts to maintain national sovereignty, including data sovereignty itself, are necessary for today's digital transformation era. As illustrated in the roadmap, it is explained that current state sovereignty is in the form of cyber sovereignty (Yuniarti & Herawati, 2020). Cyber sovereignty is the position that the state must have the power and ability to regulate and supervise cyber traffic, both domestic and global, at the gate of the country's cyber area (Sekar et al., 2016). To maintain cyber sovereignty, it is necessary first to define the scope that must be protected (territorial diversity of cyber areas).

Data sovereignty in cyberspace is an extension of physical state sovereignty into absolute authority over the utilization of infrastructure, entities, behaviour, and relevant data and information in its territory, including independence and equality. Furthermore, it is necessary to classify preventive and countermeasures and determine the necessary instruments (Indonesian Telematics Society, 2015). perspective cyber security, in establishing data sovereignty, Indonesia needs to focus on data confidentiality, data integrity, data availability, namely through encryption, national email services, and data centre localization), national routing on internet traffic, and backbone national telecommunications network in the 2016-2045 ICT Roadmap compiled by the Research and Development Agency for Human Resources and Communication and Information, Indonesia's digital sovereignty is interpreted in the form of state control over entity access and internet activities within Indonesian territories. Therefore, the determination of Indonesia's cyber territory (cyber territory) needs to be done to manage the configuration of the broadband (broadband network) and build a barrier gate between broadband global and national/domestic establishment cyber territory will immediately make the state implement sovereignty through the establishment of a National Internet Gate (Internet National Gateway), as a gateway for information in the cyber territory Indonesia and the placement of data centres within the territory of Indonesia. , In line with the principle of sovereign equality stated in the UN charter, sovereign states have the right to participate in global governance in cyberspace on an equal footing and jointly formulate international rules (UNHAN, 2022).

Based on the description above, digital sovereignty thus becomes a reason to look more practically and functionally at the basic motivation for exchanging electronic SKA data. This is under the following statement, namely:

Humphrey Russel, Interview 2022, stated that research on e-SKA should be more related to trade because it has already been discussed: who benefits? What did Indonesia get, and what did China get? How much does the exporter get, and how much does the importer get? Maybe more to the economic aspect. It is just that we are strengthening this aspect: regulation. You must know that the country in the world that has a large enough trade is China. China trades with almost all countries. Including Indonesia. The American CSIS has data on China. One of them is the China Power Project (CPP). CSIS makes all things China-related.

Regarding China's bilateral relations with America, in terms of trade, security, etc. However, I want to say that whether we agree or not, China is currently the second most powerful economy in the world after America. Moreover, based on research results from several credible international institutions, China will overtake the last position as a global power world economy in 2028 or 2030.

CONCLUSION

This study concludes that under the ACFTA agreement, trade relations between Indonesia and China as trading partners are always increasing. The agreement has created free trade interactions between Indonesia and China (bilateral free trade Indonesia-China), making it easier for both countries to carry out export and import activities. Indonesia then assesses this positive synergy in the economic sector of the two countries as a form of benefit derived from Indonesia's trade relations with China. However, the trade balance deficit challenges Indonesia's economic sovereignty. The trade partnership built based on the agreement has not been able to make Indonesia able to match China as an exporting country. In addition, other problems then arise when digital transformation is growing rapidly. Data digitization then threatens digital sovereignty in Indonesia's trade relations with China. Like two sides of a knife, Indonesia faces not only the reality of leakage in the economy due to its trade balance deficit and the threat of digital data leakage in the context of international trade. However, this does not mean Indonesia will lose a solution to this threat. Competitive Intelligence can be applied to minimize the threats faced in trade relations between Indonesia and China. As a system, competitive intelligence analysis can be an early warning to maintain Indonesia's economic and digital sovereignty in international trade.

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