

INDONESIA'S ECONOMY DIPLOMACY: STRATEGIC OPPORTUNITY IN PPE PRODUCTION IN PANDEMIC ERA

Fadhilah Permata Nira¹, Fahrizal Lazuardi², Ferdian Ahya Al Putra³, Zia'ulhaq As Shidqi⁴,

¹Universitas Gadjah Mada

²Universitas Gadjah Mada

³Universitas Gadjah Mada

⁴Universitas Gadjah Mada

⁵*fadhilahnira@mail.ugm.ac.id*

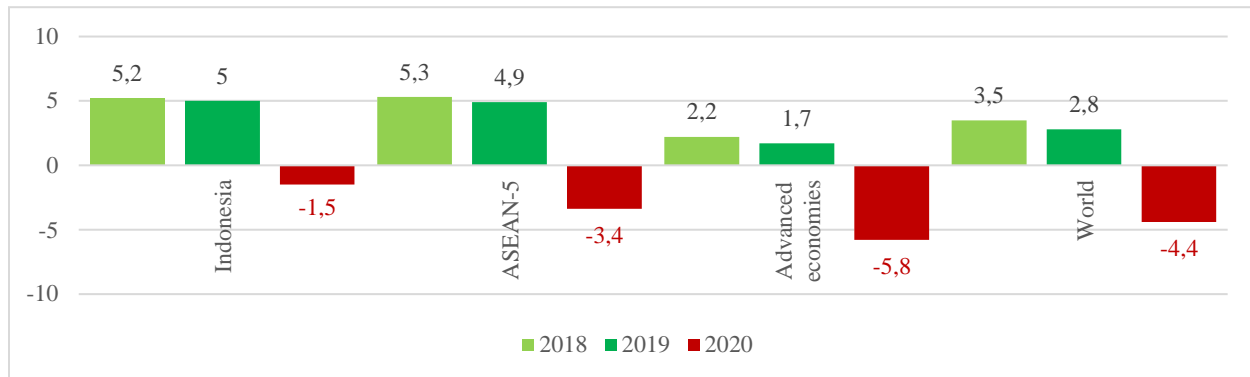
Abstract

The COVID-19 pandemic has had a major impact on the world order, especially on the health and economic sectors. The World Health Organization (WHO) noted that as of 4th December 2020, positive cases of COVID-19 in the world reached more than 64 million confirmed cases, and 1.5 million death cases. Responding to this condition, the world's attention has turned to efforts to produce vaccines. However, apart from vaccines, the world demand for Personal Protective Equipment (PPE) has also continued to increase, and even, the world experienced a shortage of PPE. In this case, Indonesia as a producer of PPE can take advantage of this momentum to earn economic benefits in the midst of this pandemic. PPE made in Indonesia produced by PT Sri Rejeki Isman Tbk has obtained ISO 16604 Class 3 certification at Intertek HQ, Cortland, New York. PPE is a nubic garment or CBRN (Chemical Biological Radiation) that can be used for both pandemic and non-pandemic needs. This research will discuss Indonesia's PPE diplomacy in the pandemic era. This study uses economy diplomacy theory and qualitative methods to analyze Indonesia's opportunities through PPE diplomacy. The results showed that the contribution of PPE and mask exports reached US\$ 4.56 billion. Therefore, this paper assesses that PPE is economically more strategic than vaccines. Indonesia has a great opportunity to generate concrete benefits from economy diplomacy through the production of domestic PPE or what can be called PPE diplomacy.

Key words: COVID-19, economy diplomacy, PPE

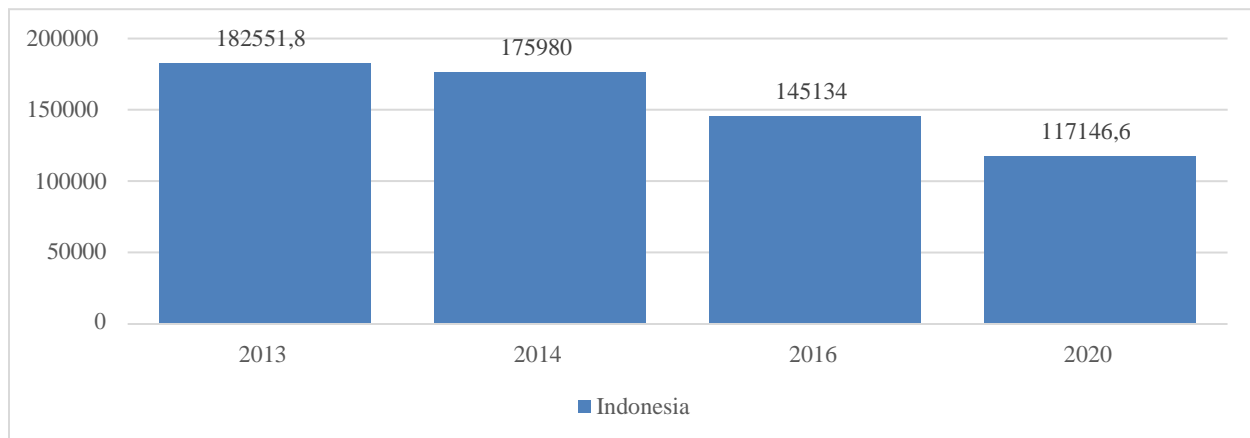
1. Introduction

The world faces a global health crisis where almost all regions/countries have been affected by the coronavirus disease 19 (COVID-19). As it's increasingly widespread, the World Health Organization (WHO) has officially announced the status of COVID-19 as a global pandemic. As of December 4, 2020, WHO reports that the global COVID-19 has reached 64,603,428 confirmed cases and 1,500,614 deaths (WHO, 2020). At the same time, Indonesia has now reached 557,877 confirmed cases (ranked 20th highest) and 17,355 deaths (ranked 17th highest).

Figure 1. Gross Domestic Product (GDP) before and after COVID-19 (IMF, 2020)

COVID-19 has caused economic paralysis in various countries. The International Monetary Fund (IMF) states that COVID-19 has resulted in a global economic crisis "like no other" (IMF, 2020). According to the IMF, this global economic crisis was because many countries were forced to implement lockdown policies to reduce the spread of COVID-19. In its study, the IMF even claims that the tighter a country's lockdown policy, the sharper the decline in the country's GDP will be (IMF, 2020).

Apart from impacting GDP, COVID-19 also impacts sluggish global trade, marked by declining export performance. In its report, the World Bank confirmed that on a macro-economic basis, COVID-19 had caused a supply shock that reduced GDP due to reduced employment and capital, which also resulted in lower production and exports and low imports due to household income and production shrinking (World Bank, 2020). In Indonesia's context, Badan Pusat Statistik (BPS) noted that the value of Indonesia's exports in August 2020 was only US\$ 13.07 billion or decreased by 4.62 percent compared to exports in July 2020. Meanwhile, compared to August 2019, this figure decreased by 8.36 percent (BPS, 2020). Based on this condition, a strategy is needed to boost export performance through Indonesia's economy diplomacy efforts during a pandemic.

Figure 2. Indonesia Export in USD million 2013, 2014, 2016, and 2020 (BPS, 2020)

Personal Protective Equipment (PPE) is a commodity with a sharp increase in demand amid pandemic conditions. One study suggests that the personal protective equipment market is expected to grow at a CAGR of 7.8 percent over the forecast period 2020-2025 (Research and Markets, 2020). PPE in this context includes gloves, medical-surgical face masks/medical masks, goggles, face shields, gowns, and items for specific procedures filtering facepiece respirators aprons (WHO, 2020). Unfortunately, PPE production globally is still limited. In taking advantage of this momentum, this paper offers PPE as a strategic commodity that Indonesia can excel in its economy diplomacy strategy amid the current pandemic conditions. Through PT Sritex and PT Surya Usaha Mandiri, Indonesia has obtained ISO 16604 Class 3 certification and Class 2 certification respectively at Intertek HQ, Cortland, New York. Therefore, this paper will discuss Indonesia's economy diplomacy strategy through PPE production during a pandemic.

2. Literature Review

2.1. Economy Diplomacy and Grand Design in Indonesia

This research examines Indonesia's economy diplomacy during the pandemic which focuses on strategic steps through the production of PPE. To understand economy diplomacy, there are literatures that explain economy diplomacy. Nicholas Bayne and Stephen Woolcock in their paper entitled *The New Economy diplomacy: Decision-Making and Negotiation in International Economic Relations*, explained that since the end of the cold war and the increasing globalization of the world economy, economy diplomacy with the aim of improving people's welfare has become a top priority for many countries in

various parts of the world (Bayne & Woolcock, 2011). Meanwhile, Tambunan in his writing entitled *International Trade and Balance of Payments: Theory and Empirical Findings*, said that in the current era of globalization, the economic conditions of a country cannot be separated from the development of the world economy. One indicator to see the impact of the performance of a foreign economy on a country is to examine the development of the balance of payments. The balance of payments is very useful because it can describe the structure and composition of a country's economic transactions and international financial position (Tambunan, 2001). The two literatures show that diplomacy is not only related to matters of a political nature but also cannot be separated from economic affairs. After the end of the cold war, the conception of security was expanded, not only in relation to military security issues, but also to economics. The economy for a country is important so that the country's interests in the current era of globalization are closely related to economic goals.

To sharpen the analysis in this research, it is necessary to understand deeper the issues of economy diplomacy in Indonesia. One of the challenges in economy diplomacy in Indonesia can be found in a journal article entitled *Grand Design Diplomasi Ekonomi Indonesia: Sebuah Pendekatan Indeks Diplomasi Ekonomi*, written by Sulthon Sjahril Sabaruddin. The literature explains that economy diplomacy is now one of the priorities in Indonesia's foreign policy, however the results of Indonesia's economy diplomacy are often considered not optimal. One of the reasons is because there is no blueprint or grand design for Indonesia's economy diplomacy so that currently the direction and implementation of the wheels of economy diplomacy in Indonesia and priority countries for the interests of Indonesia's economy and economy diplomacy are still unclear and unmeasurable (Sabaruddin, 2016). In this context, it explains the challenges faced by Indonesia in its economy diplomacy which refers to priority countries for the purpose of economy diplomacy. This is important considering that in the context of this research, it is necessary to pay more attention to which countries are the export destinations for PPE. Therefore, this issue needs to be a common concern for the success of Indonesia's economy diplomacy through PPE in this pandemic era.

2.2. Economy diplomacy as a New Foreign Policy Direction

This research is reviewing economy diplomacy Indonesia in the midst of pandemic which focuses on a step-positioned through the production of PPE. In reviewing the issue there are a variety of posts that explain the economy diplomacy. In this literature, the researchers found that economy diplomacy is a new framework in soft power diplomacy that has developed since the international power system was in a multi-polar form. There are two activities of large use in support of diplomacy economics, namely trade and investment. The activity can walk with a good if the country can form a branding image in either by using soft power diplomacy. It is like that described in the article Aluko Opeyemi Idowu and Olusola Ogunnubi with the title of Nigeria's Soft Power and Economy diplomacy in Africa. In this study, it was explained that Nigeria is trying to take advantage of economy diplomacy as a new tool in soft power diplomacy. Its economy diplomacy is considered able to meet the policy outside the country of Nigeria. Taking advantage of various dialogues and optimizing negotiations are steps that can be used in optimizing Nigerian economy diplomacy.

In addition to that in the literature that was written by Endy Haryono about *Diplomasi ekonomi sebagai arah kebijakan luar negeri Indonesia tahun 2015-2018: tantangan dan peluang*, shortly explain that economy diplomacy is one of the directions of policy outside the country in the period of the first government of President Joko Widodo. As a director of policy outside the country, diplomacy, economics is considered as an activity of diplomacy which contains elements of business and economics or using activity diplomacy with the purpose to obtain a profit economy. Even though it was a new feature in Indonesian diplomacy, which at that time was still based on political and security issues, economy diplomacy attempted to accelerate development through trade, economy and investment.

The Government of Indonesia through the Ministry of Foreign Affairs to form a unit task executor economy diplomacy to carry out the purpose of the specific economy diplomacy as it strives to be the investment of foreign over many entries into Indonesia, markets are more substantial in outside the country and many foreigners come over to Indonesia. Through these terms of note, the Government of Indonesia put the economy diplomacy as one of the directions of policy outside the country Indonesia in the period of

the first administration of President Jokowi. In this research, the authors see their purpose (objectives) and actions (actions) in Indonesia, which relies on the activity of economy, trade, investment, and tourism. The aim is to obtain national interests and improve welfare.

In an effort to achieve three goals in economy diplomacy, the Government of Indonesia takes the opportunity through bilateral, regional and multilateral relations such as joining Indonesia in the G-20 as the only member of ASEAN (Association of South East Asian Nations) and participating in the IORA (Indian Ocean Rim Association). In this research, the authors position economy diplomacy in a new terminology where economy diplomacy in President Jokowi's administration is much more open. It is because access to global markets increasingly open and not a single, Indonesia has already started to perform the optimization of the product or commodity that is qualified and utilize the internet in a more effective way, especially in doing promotions and activities of trade.

Although Indonesia's economy diplomacy explained by utilizing global market openness and the effectiveness of internet use, regarding to Haryono's research is limited because it only examines the opportunities and challenges of Indonesia's economic diplomacy in 2015-2018, to be precise during President Jokowi's first term in office. It is certainly different from the conditions when pandemic COVID-19 is happening. This global pandemic created a global economic recession. Although it has limited time, this research is able to provide an explanation of the direction of Indonesia's foreign policy through economy diplomacy. One of the steps taken is to create a large market abroad. Efforts to create this large market can continue to be optimized even in crisis conditions such as nowadays, for example, through the production and distribution of PPE both nationally and globally. Fulfilling national needs is a priority but economy diplomacy can be used as a means of survival in the midst of a pandemic. This will then be the main focus in this research. Seeing PPE as a strategic step that is profitable in the midst of a pandemic.

3. Research Methods

3.1. Economy Diplomacy Theory

This research will use the theory of economy diplomacy in seeing the opportunities for using PPE as a strategic step amid a pandemic. The definitions of economy diplomacy are quite diverse. Previous perspectives put the state figure at the center of the economy diplomacy system. This state-centric view places the traditional tools of diplomacy as a means of achieving economic goals. Economy diplomacy is an intergovernmental transaction carried out by diplomat officials to advance the country's economic interests amid global competition (Barston, 2013). Another view by Lee and Hockings, interpret economy diplomacy, as the state's efforts to achieve economic security in an anarchic international system (Lee & Hockings, 2010). Another liberal definition is given by Rashid, which defines economy diplomacy as a process of formulating and negotiating policies related to production activities, exchange of goods, services, labor, and investment in other countries (Rahid, 2005). Meanwhile, Rana states that economy diplomacy can also be seen as a process through which countries tackle the outside world to maximize their national gain in all the fields of activity, including trade, investment, and other forms of economically beneficial exchanges, where they enjoy a comparative advantage; it has bilateral, regional, and multilateral dimensions, each of which is important (Rana, 2004).

In the Indonesian context, the term economy diplomacy has begun to be popularized by President Joko Widodo as one of the foreign policy priorities. The concept of economy diplomacy is present as a reform of foreign policy, which so far has tended to focus only on political and security matters, while the economic aspect is neglected. Also, according to a study by Badan Pengkajian dan Pengembangan Kebijakan (BPPK), Ministry of Foreign Affairs, there are several other factors behind why the Indonesian government is now trying to encourage economy diplomacy, such as trade balance deficits, encouraging non-traditional markets, anticipating the impact of ASEAN-China Free Trade Agreement (ACFTA) and the ASEAN Economic Community (AEC), and so on (BPPK Ministry of Foreign Affairs, 2015). Minister of Foreign Affairs Retno Marsudi, in the 2019 Annual Press Statement of the Minister of Foreign Affairs of the Republic of Indonesia, stated that several main things that were done by Indonesia's foreign policy through economy diplomacy included strengthening economic cooperation with new

markets, strengthening the infrastructure for bilateral economic cooperation, as well as helping to expand sales of Indonesia's strategic industrial products and encourage various Indonesian investment and infrastructure projects abroad (Marsudi, 2019).

Based on the explanation of the economy diplomacy theory above, for this paper, economy diplomacy is defined as Indonesia's foreign policy to increase the number of trade and investment, particularly in leading and potential markets.

3.2. Sub Qualitative Research

This paper will use qualitative research methods. Referring to Dawson, qualitative research explores attitudes, behaviors, and experiences through several methods, such as interviews and focused group discussion (Dawson, 2007). Therefore, apart from being obtained from many literature and online sources, this paper applies a structured interview to obtain and confirm data.

In the structured interview, this paper determines the structure for the pre-start interview; this structure can include a list of topics or a list of questions that have been prepared in advance so that it looks like an oral questionnaire (Rugg & Petre, 2007). In other words, a structured interview is a type of interview that requires the interviewer to set a schedule, compile a list of questions, record responses and answers from respondents. The respondents who have been interviewed are as follows:

1. Mr. Arifi Saiman, Indonesian Consul General in New York, United States of America;
2. Mr. Krishna Djelani, Indonesian Consul General in Kinabalu City, Sabah, Malaysia;
3. Mr. Lazuardi Nasution, Indonesian Trade Attache in Manila, Philippines; and
4. Mr. Hidajat Hendarsjah, Industrial Organization of Expertise, Sebelas Maret University.

This paper uses a qualitative data analysis approach. Therefore, this paper's analysis stage will apply three lines of analysis activities based on Miles and Huberman, namely: data reduction, data presentation, and conclusion (Silalahi, 2009).

4. Result and Discussion

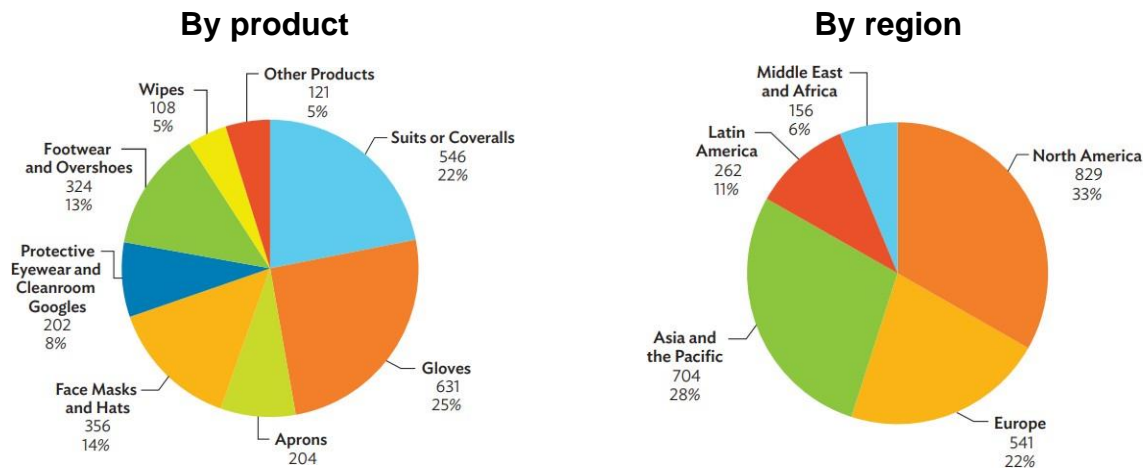
4.1. Overview Regarding COVID-19 and Global Needs for PPE

Handling a pandemic cannot only rely on vaccines. The availability of adequate PPE is also a crucial aspect that should be noticed. PPE is important since health workers rely heavily on PPE to protect themselves and patients from becoming infected and infecting others. WHO even emphasized that shortages are leaving doctors, nurses and other frontline workers dangerously ill-equipped to care for COVID-19 patients, due to limited access to supplies such as gloves, medical masks, respirators, goggles, face shields, gowns, and aprons (WHO, 2020).

Until now, there has been no actual calculation of how much PPE needs globally. WHO estimates that 89 million medical masks are needed to respond to COVID-19 each month, along with 76 million examination gloves and 1.6 million medical glasses (WHO, 2020). However, in a pandemic situation, several policies such as factory closings, travel bans, and PPE exports limitation have significantly impacted the PPE supply chain (ADB, 2020). Therefore, WHO calls on related industries to increase production by 40% and urges the government to act quickly in increasing supply so that it is expected to meet market demand for PPE soon.

The global market for PPE in the health sector is expected to increase by US\$ 2.5 billion in 2018. Gloves have the highest share of revenue sales at 25%, followed by suits or shirts at 22%. Face masks and hats came in third with a share of 14% (Figure 3). By region, the US has the largest market share (33%), followed by Asia and the Pacific (28%), and Europe (22%) in 2018 (Mordor Intelligence, 2020).

Figure 3. Market Share by PPE Product and Region, 2018 (revenue \$ million, %)



Seeing the potential for such a large PPE market share above, Indonesia can take advantage of this situation to boost exports. Indonesia itself currently has two national companies that have obtained ISO certification with WHO standards, namely PT Sritex and PT Surya Usaha Mandiri. Therefore, the next sub-chapter will elaborate more deeply on how the Indonesian Government's steps in encouraging the strategic value of PPE in terms of production, marketing, certification, and cooperation (diplomacy).

4.2. Indonesia's Effort Regarding PPE: Production, Marketing, Certification, Cooperation and Diplomacy

Since 11 March 2020, the WHO declared the COVID-19 as a global pandemic. As one of the countries that have the level of high cases, approximately 557.877 cases per 4 December 2020, Indonesia was seeking the most appropriate policy to address the phenomenon (Hakim, 2020). Several steps, such as a lockdown and social distancing, can be used to inhibit the spread of the virus. Even though the Government of Indonesia did not carry out a lockdown, they have conducted a regional quarantine (CNNIndonesia, 2020). The quarantine area is considered more appropriate than lockdown because it will be exacerbating the situation of the economy of Indonesia.

In addition to implement those policies above, government also urges the public to remain to be at home, comply to the protocol of health, and use Tools Protective Self (PPE) when traveling (Theophilus, et. al, 2020). PPE is not only intended for medical personnel but also consists of various components such as masks, face shield, and

gloves. This PPE serves to protect humans from viruses. The importance of PPE for civil society and attendant medical become a reason for Indonesia to perform the acceleration of PPE production. One of the steps was taken by the Indonesian company to accelerate PPE production can be seen from the success of PT Surya Usaha Mandiri and PT Sritex who has gained recognition from the World Health Organization (Saiman, 2020). Referring to Dr. Arifi Saiman, PPE made by PT Surya Usaha Mandiri passed class 2 certification and PT Sritex passed ISO 16604 Class 3 certification after conducting test at Intertek Headquarters located in Cortland, New York, United States of America. The process of obtaining ISO 16604 and WHO recognition is not an easy matter. According to the President Director of PT Sritex, Iwan Lukminto, it needed time one month to formulate the ingredients of raw PPE grade 3 (Aria, 2020). Besides that, the role of the Government of Indonesia, particularly Indonesian diplomat, deserve credits in the process of verification.

In supporting the PPE, the Government of Indonesia through the Ministry of Commerce has repealed the Regulation of the Minister of Trade Number 34 the Year 2020 concerning the prohibition of temporary export antiseptics, materials raw masks, PPE and mask with issuing the Regulation Number 57 the Year 2020 concerning the provision of export materials raw masks, masks, and PPE (Uly, 2020). The Ministry of Trade has reopened the export of medical tools due to an increase in domestic production capacity and verification of Indonesian PPE products, including domestic needs are considered to be fulfilled (Uly, 2020). Furthermore, Uly elaborates that the need for PPE to handle COVID-19 on a national scale until December 2020 is as much as 8.5 million stocks of PPE, 3.2 million surgical gowns, and 129.8 million surgical masks while the production capacity is 352.2 million for PPE and 224.3 million for surgical gowns and surgical masks as many as 3.3 billion. Based on the data it is estimated that Indonesia gained the advantage of a number of US\$ 4.56 billion (Uly, 2020), and Indonesia became one of the largest exporters of PPE in the world (Hakim, 2020).

This explains that despite facing a pandemic and economic recession, Indonesia is able to use this momentum to conduct PPE trading activities. In this momentum, the government can use diplomats as capable parties to optimize Indonesia's economic diplomacy. Hopefully, Indonesia's economy diplomacy will seek to accelerate

development through economy, trade and investment (Haryono, 2013). Diplomats are able to take advantage of market intelligence to analyze the market situations of each country to make PPE as an opportunity in the midst of a pandemic.

4.3. Opportunity and Strategy

The world economy is currently experiencing a recession, including Indonesia. The current economic recession, according to the Indonesian Consul General in Sabah, was caused by the trade war between the United States and China and the COVID-19 pandemic. According to him, the benefits obtained from mistakes and obstacles must be used by Indonesia to gain economy. The US trade war with China encourages the US to limit Chinese products that enter their territory, so this is an opportunity for Indonesia to export its products to the US, including PPE (Djelani, 2020). Then regarding COVID-19, the previous discussion has mentioned that positive cases of COVID-19 continue to increase every day, which causes that the need for Personal Protective Equipment (PPE) will continue to exist. In an interview with the Indonesian Consul General in New York, Arifi Saiman, they have made efforts to assist the certification process of PPE made by Indonesia. He said that WHO set the PPE standard for handling COVID-19 at least must be ISO class 2 certified. As a result, PPE produced by PT Sritex succeeded in obtaining class 3 certification while PT Surya Usaha Mandiri's PPE obtained class 2 certification (Saiman, 2020). This shows that the PPE produced by Indonesia has met international standards. This achievement is a strategic opportunity for Indonesia, especially through PT Sritex and PT Surya Usaha Mandiri to gain economic benefits in the current pandemic era.

The Indonesian Consul General in New York, Arifi Saiman said that PPE also has a strategic position economically. First, PPE is equipment that is general and long term commodity, unlike the COVID-19 vaccine which is specific and only for a certain time. This means that PPE can be used not only for the current COVID-19 pandemic, but can also be used for other pandemics in the future and can be used for other purposes that require PPE. Technically, the advantage of class 2 and 3 certified PPE is not only transparent to water but also resistant to penetrating viruses (all viruses claim). Second, PPE will open up wider new job opportunities so that it will contribute to employment. For

example, PT Sritex in increasing its production will seek to cooperate with textile companies from business to business. Finally, in terms of price, the comparison of PPE prices is relatively more expensive for the COVID-19 vaccine. In Indonesia, the official PPE price offered by PT Sritex is IDR 380,000 (Sritex, 2020). Meanwhile, the price of the COVID-19 vaccine is estimated at IDR 200,000 per dose (Jakarta Post, 2020). In addition, the production costs for PPE are much more affordable for the costs incurred for the production of COVID-19.

The track record of a company is an important aspect, especially for companies with market trust. PT Sritex is one of the companies that has quite a strong bargaining in the global market. Compiled from its official website, Sritex has received various awards such as being awarded on the Indonesia Best Public Companies in 2018 as Excellent Indonesia Public Company in the category of miscellaneous industries. Sritex has exported their products in the world market to more than 100 countries (Sritex, 2020). This shows that the world market trust in Sritex is quite high, so it affects Sritex's strong bargaining. However, to realize these opportunities, the Government of Indonesia has an important role as Market Intelligence. According to the Indonesian Consul General in Kota Kinabalu, Krishna Djelani, diplomatic representative in the economic context has an important role as market intelligence. This role related to the diplomatic representative's efforts to conduct research on the market. It refers to demand, price, and competitors in the global market (Djelani, 2020). Through this role, it is expected that Indonesia can find opportunities and take full advantage of these opportunities, so that Indonesian PPE production can take control of markets abroad.

Meanwhile, according to an economist from Universitas Sebelas Maret, Hidajat Hendarsjah. PPE can be used as an instrument for future diplomacy. Indeed, when talking about its economic value, PPE exports must be seen from its contribution to the overall export value of Indonesia. However, in this early stage, this PPE can be used as an instrument to bid on Indonesia in the future. He made an analogy of how China controls its influence through an economic perspective, which is playing a gimmick against countries that require certain commitments (Hendarsjah, 2020). In this context, in the midst of the health crisis that occurs and the demand for PPE, Indonesia can implement

something similar to the PPE that supplies the global market, so that this can encourage Indonesia to become a country that is needed for PPE suppliers.

4.4. Challenges

Indonesia has several challenges in taking advantage of strategic PPE opportunities in the world. The first challenge is to ensure that domestic needs are fulfilled before export the products. The COVID-19 pandemic that occurred in many countries requires health workers to be at the forefront in treating patients. To protect health workers, adequate PPE is also needed. Indonesia is also one of the countries that are also experiencing the COVID-19 pandemic and needs PPE to protect its health workers and citizens. Currently, confirmed cases of COVID-19 in Indonesia have reached 557,877 as of December 4, 2020 (Tim Satgas Penanganan COVID-19 Indonesia, 2020). This shows that the domestic market also needs a large supply of PPE.

The complicated administration is also a challenge for exporters. One of them is the international certification of a product as an essential requirement. International certification will provide adequate assurance on marketed products such as safety and product specifications. The certificate also shows the quality of a product. In the Philippines, the international SGS SA (Société Générale de Surveillance SA) certification is urgently needed as a prerequisite for Indonesian products by buyers in the Philippines (Nasution, 2020). Currently, two Indonesian PPE producing companies have received ISO 16604 certification from Intertek HQ, Cortland, New York, namely PT Sritex (Class 3) and PT Surya Usaha Mandiri (Class 2). It shows that not all PPE producers in Indonesia have at least a class 2 international certification (WHO standard for PPE), which means that they do not have the same capability and quality in producing PPE.

The Indonesian government has also set standards for exporters, namely Government Regulation Number 102 of 2000, which contains technical specifications or something standardized, including procedures and methods that are prepared based on the consensus of all parties concerned about safety, security, health, environmental requirements, the development of science, technology, and experience, present and future developments to get the maximum benefit. This requirement is the basis for all

exporters before marketing their products (Direktorat Jenderal Pengembangan Ekspor Nasional, 2020).

Apart from certification requirements, producers must also prepare supporting documents to export abroad. Every exporter has different export document requirements depending on the product to be exported and the destination country's requirements. Generally, the documents required are as follows: Export Declaration of Goods, Export Service Note issued by the Customs Office, Certificate of Origin (CoO), and other requirements such as international certification or certification from BPOM country of destination. Apart from preparing these documents, exporters must ensure that the contents of the documents and products are suitable to pass the inspection of goods, such as the types and quantities of goods stated in the documents. In addition to domestic inspections, the receiving country usually carries out additional inspections depending on the buyer's request.

The next challenge is the trade image. Trade must be accompanied by mutual trust, both the seller and the buyer. During the COVID-19 pandemic, all international trade activities were limited. Buyers cannot directly meet the seller and cannot see the product directly; therefore, trust is needed. Trust is a belief from one party regarding the intentions and behavior of the other party. Thus, consumer confidence is defined as a consumer's expectation that a provider of goods/services can be trusted or relied on in fulfilling their promises (Minor, 2002). Trade image is one of the important assets in conducting trade both domestically and abroad. A background with a good trade image will help buyers determine the right and suitable seller.

Furthermore, Indonesia must also improve coordination between government agencies in supporting PPE opportunities in the international market. Both the Ministry of Foreign Affairs, Ministry of Trade, Ministry of Health, Customs, and diplomatic representatives abroad (KBRI, KJRI, and KRI) must establish communication and coordination in promoting PPE Indonesia, which has been ISO 16604 certified. Good cooperation between institutions can make it easier for the PPE marketing process to be the leading product of Indonesian medical devices globally. Thus, cooperation between institutions is intended to maximize efforts in terms of resources, raw materials, and marketing so that the PPE production and marketing process becomes smooth.

Indonesia needs to map which countries are prospective as destination countries for PPE exports. The Indonesian government does not have a blueprint for the export destination country and how much it must produce to meet domestic needs and meet export demand. The government, through the cooperation of the Ministry of Trade, the Indonesian Embassy, the Indonesian Consulate, and the KRI, can map which countries can become destination countries for PPE exports so that marketing is more focused through the promotion of PPE in diplomatic countries so that interest in PPE can see in that country.

International trade cannot be separate from competition or competitors. Other countries, such as China, also produce PPE that meets WHO standards. For this reason, it is necessary to conduct an analysis of the advantages of PPE products from the domestic origin besides ISO certification so that they can compete with PPE products from other countries. Apart from competitors, Indonesia must also anticipate Cyber Security. According to Mr. Lazuardi and Mr. Khrisna, some elements commit fraud in international trade. Some buyers pretend to order products domestically, but when the goods are ready, the buyers disappear, and some sellers sell goods, but the buyer does not accept the goods. This incident can result in a lousy trade image of a country, including Indonesia. Decreasing trust between sellers and buyers can also lead to strained bilateral relations and prospective buyers' loss. This phenomenon has undoubtedly worsened the stability of Indonesia's economy diplomacy.

5. Conclusions and suggestions

PPE production can be a good opportunity for Indonesia to take advantage of this pandemic situation. PPE is a product that is needed throughout the world both during a pandemic and after a pandemic, because PPE is also needed in activities in the health world such as used in the operating room and research. Indonesia already has two textile companies that have received ISO 16604 according to WHO's minimum class 2 standard, namely PT Sritex (class 3) and PT Surya Usaha Mandiri (class 2). These two companies can be the primary producers in PPE production and strengthen Indonesia's economy diplomacy.

Finally, this paper needs deeper and more comprehensive future research. It should be noted that the recommendations in this paper are compiled in a very short time. It also caused some important respondents such as PT Sritex, Satgas National Economic Recovery (Satuan Tugas), and the Ministry of Trade have not been reached in this paper. The different perspectives of these stakeholders can enrich the recommendations of this paper.

Based on the above discussion, we recommend that the Government of Indonesia:

1. Creating a blueprint for the fulfillment and marketing of PPE both domestically and abroad. It is hoped that this blueprint can be the basis for the amount of PPE production needed and the mapping of prospective country exports including an analysis of the advantages of Indonesian PPE products in addition to ISO certification, such as in terms of price and sustainable production.
2. PT Sritex and PT Surya Usaha Mandiri can invite domestic producers who do not have ISO certification to cooperate in PPE production. This cooperation can be done by transferring knowledge and/or business cooperation in which PPE is produced behalf PT Sritex and PT Surya Usaha Mandiri. However, it is necessary to ensure that the PPE products produced are of the same quality as the PPE owned by PT Sritex and PT Surya Usaha Mandiri.
3. Increase cooperation between relevant government agencies to promote PPE abroad and to make PPE production and marketing more targeted.
4. Protecting both domestic and foreign PPE sellers and buyers regarding cybersecurity issues.
5. Simplify the export process for domestic exporters and assist the process of fulfilling the supporting documents required by the buyer.

References

- ADB. (2020, April). *Global Shortage of Personal Protective Equipment amid COVID-19: Supply Chains, Bottlenecks, and Policy Implications*. Retrieved from Asian Development Bank:
<https://www.adb.org/sites/default/files/publication/579121/ppe-COVID-19-supply-chains-bottlenecks-policy.pdf>
- Aria, P. (2020, 05 29). Baju PPE Buatan Sritex Lolos Standard Internasional WHO. Retrieved from Katadata.co.id:
<https://katadata.co.id/pingitaria/berita/5ed0cd8d4fc35/baju-PPE-buatan-sritex-lolos-standar-internasional-who>
- Barston, R. P. (2013). *Modern Diplomacy 4th Edition*. New York: Pearson.
- Bayne, N. & Woolcock, S., 2017. *The New Economy diplomacy: Decision-Making and Negotiation in International Economic Relations*. 7th ed. London: Routledge.
- BPPK Kemenlu. (2015). *Kinerja Diplomasi Ekonomi: Evaluasi atas Perjanjian Perdagangan dan Investasi*. Jakarta: BPPK, Kemenlu.
- BPS. (2020, December 7). *Tabel Dinamis Subjek Ekspor-Impor*. Retrieved from Badan Pusat Statistik: <https://www.bps.go.id/subject/8/ekspor-impor.html#subjekViewTab5>
- CNNIndonesia. (2020, 03 18). Untung dan Rugi Jokowi Menerapkan Lockdown Corona. Retrieved from CNN Indonesia:
<https://www.cnnindonesia.com/nasional/20200317161737-20-484261/untung-dan-rugi-jokowi-tetapkan-lockdown-corona>
- Dawson, C. (2007). *A Practical Guide to Research Methods, 3rd edn*. Oxford, United Kingdom: How To Content Ltd.
- Direktorat Jenderal Pengembangan Ekspor Nasional. (2020). *Hambatan Utama*. Retrieved 12 6, 2020 from Direktorat Jenderal Pengembangan Ekspor Nasional, Kementerian Perdagangan Indonesia:
http://djpen.kemendag.go.id/app_frontend/contents/126-hambatan-utama
- Djelani, K., 2020. *Indonesia's Economy Diplomacy: Strategic Opportunity in PPE Production in Pandemic Era* [Interview] (3 Desember 2020).

- Hakim, R. N. (2020, 11 09). Update Total Angka COVID-19 di Indonesia capai 437.716 Kasus. Retrieved from Kompas.com:
<https://nasional.kompas.com/read/2020/11/09/10572921/update-total-angka-COVID-19-di-indonesia-capai-437716-kasus>
- Haryono, E. (2013). Diplomasi ekonomi sebagai arah kebijakan luar negeri Indonesia tahun 2015-2018: tantangan dan peluang. *Global Strategies*, 49-62.
- IMF. (2020, December 7). *Real GDP Growth*. Retrieved from International Monetary Fund:
https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEO_WORLD/IDN/AS5/ADVEC
- Intelligence, M. (2020). *Protective Clothing Market for Life Sciences Industry (2019-2024)*. Mordor Intelligence.
- Jakarta Post. (2020, October 14). *COVID-19 vaccine to be priced at Rp 200,000 per dosage: Bio Farma*. Retrieved from TheJakartaPost:
<https://www.thejakartapost.com/news/2020/10/13/COVID-19-vaccine-to-be-priced-at-rp-200000-per-dosage-bio-farma.html>
- John C. Mowen dan Michael Minor. (2002). *Perilaku Konsumen (Jilid 1), Edisi Kelima*. Jakarta: Erlangga.
- Lee, D., & Hockings, B. (2010). *Economy diplomacy*. (R. A. Denmark, & R. M. Benner, Eds.) Oxford: Blackwell.
- Marsudi, R. (2019, January). *Pernyataan Pers Tahunan Menteri Luar Negeri Republik Indonesia Tahun 2019*. Retrieved from Kementerian Luar Negeri:
<https://kemlu.go.id/shanghai/id/news/444/pernyataan-pers-tahunan-menteri-luar-negeri-pptm-2019>
- Nasution, L., 2020. *Indonesia's Economy Diplomacy: Strategic Opportunity in PPE Production in Pandemic Era* [Interview] (27 November 2020).
- PT Sritex. (2020). *PPE NKRI*. Retrieved from Instagram:
<https://www.instagram.com/sritexindonesia/>
- Rahid, H. u. (2005). Economy diplomacy in South Asia. *Indian Economy & Business*, 3.
- Rana, K. S. (2004). Economy diplomacy: The Experience of Developing Countries. In N. Bayne, & S. Woolcock, *The Nell' Economy diplomacy: Decision-Making and*

- Negotiation in International Economic Relations. Burlington: Ashgate Publishing Company.
- Research and Markets. (2020, June 8). *Global Personal Protective Equipment Market Study (2020 to 2025) - Growth, Trends and Forecasts*. Retrieved from GlobeNewswire: <https://www.globenewswire.com/news-release/2020/06/08/2044788/0/en/Global-Personal-Protective-Equipment-Market-Study-2020-to-2025-Growth-Trends-and-Forecasts.html>
- Rugg, G., & Petre, M. (2007). *A Gentle Guide to Research Methods*. New York: Open University Press.
- Sabaruddin, S. S., 2016. Grand Design Diplomasi Ekonomi Indonesia: Sebuah Pendekatan Indeks Diplomasi Ekonomi. *Jurnal Ilmu Hubungan Internasional*, 12(1).
- Saiman, A. (2020, 10 17). Vaccine for All: Projecting Indonesia's Role in Vaccine Production to Fight the COVID-19 Pandemic in South-South Countries . (F. L. Fadhilah Permata Nira, Interviewer)
- Saiman, A., 2020. *Vaccine for All: Projecting Indonesia's Role in Vaccine Production to Fight the COVID-19 Pandemic in South-South Countries* [Interview] (17 October 2020).
- Silalahi, U. (2009). *Metode Penelitian Sosial*. Bandung: PT Refika Aditama.
- Sritex, 2020. *About us*. [Online] Available at: <https://www.sritex.co.id/about-us/> [Accessed 30 November 2020].
- Tambunan, T., 2001. *Perdagangan Internasional dan Neraca Pembayaran: Teori dan Temuan Empiris*. 1st ed. Jakarta: LP3ES.
- Theopilus, Y., Yogasara, T., Theresia, C., & Renny Octavia, J. (2020). Analisis Risiko Produk Alat Pelindung Diri (PPE). *Jurnal Rekayasa Sistem Industri*, 115-134.
- Tim Satgas Penanganan COVID-19 Indonesia. (2020). *Satgas Penanganan COVID-19 Indonesia*. Retrieved 12 7, 2020 from Peta Sebaran COVID-19 Indonesia: <https://covid19.go.id/peta-sebaran>
- Uly, Y. A. (2020, 10 26). Kemendag: Kontribusi Ekspor PPE dan Masker Capai 4,56 Miliar Dollar AS. Retrieved from Kompas.com:

<https://money.kompas.com/read/2020/10/26/173800226/kemendag-kontribusi-ekspor-PPE-dan-masker-capai-456-miliar-dollar-as>

WHO. (2020, March 3). *Shortage of personal protective equipment endangering health workers worldwide*. Retrieved from World Health Organization:

<https://www.who.int/news/item/03-03-2020-shortage-of-personal-protective-equipment-endangering-health-workers-worldwide>