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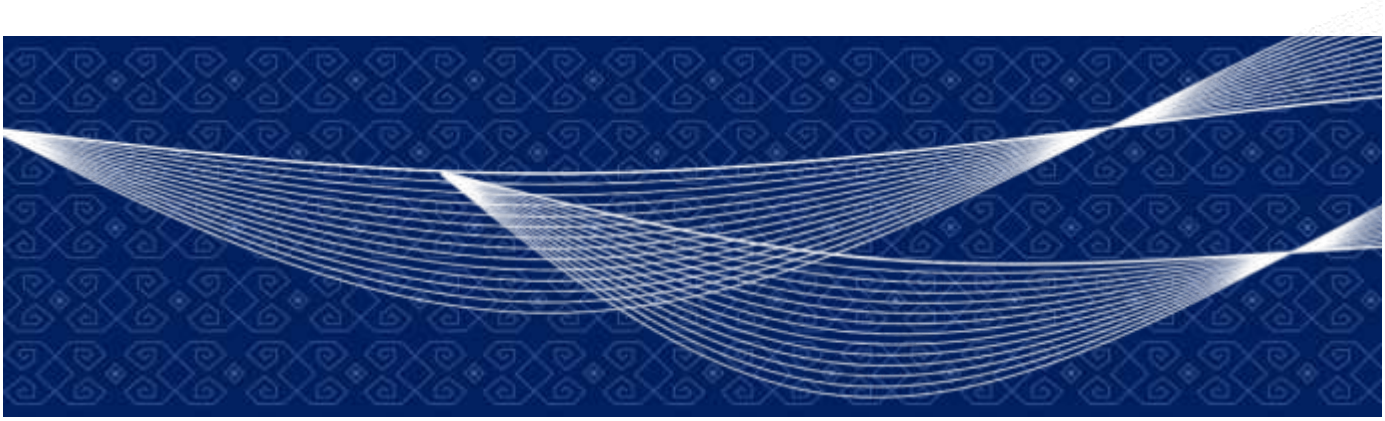

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WORKING PAPER

ASSESSING THE IMPACT OF THE TRUMP 2.0 POLICY AND THE POTENTIAL OF INDONESIA'S TOP EXPORT COMMODITIES

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Abstract

This study examines the direct and indirect impacts of the Trump 2.0 reciprocal tariff policy on Indonesia's exports and identifies export opportunities and challenges amid rising global protectionism. Using granular HS 6-digit commodity data, the analysis maps priority export sectors most vulnerable to tariff shocks. A mixed-methods approach combines multicountry partial equilibrium and CGE-GTAP models to estimate direct effects, while Trade in Value-Added (TiVA) data capture indirect spillover effects through affected trading partners. Qualitative evidence from Focus Group Discussions and field surveys complements the quantitative analysis. The findings show that Trump 2.0 tariffs are likely to suppress Indonesia's exports both directly and through global spillovers. However, significant opportunities remain through export diversification toward Europe, the Middle East, Canada, and Mexico, as well as through trade creation in strategic commodities such as palm oil, nickel, and rubber. The study highlights the need to accelerate downstream industrial development, strengthen strategic industrial ecosystems, and better align trade and investment policies to enhance Indonesia's export resilience and competitiveness amid evolving geopolitical conditions.

Keywords: Reciprocal tariffs; export diversification; global value chain (GVC)

JEL Classifications: F13, F14, F15

1. Introduction

1.1 Background

Global uncertainty, driven by increasing geopolitical risks, has led to changes in trade policies and caused geo-fragmentation, making international economic relations more complex (Contractor, 2021; Bednarski et al., 2024). An IMF report (2023) notes that geoeconomic fragmentation has sharply increased since 2018, marked by trade restrictions, the imposition of tariffs, and disruptions to global supply chains. One of the key phenomena attracting attention is the trade policy of the United States, which has reinstated unilateral import tariffs through a policy package known as Trump 2.0. This policy not only creates distortions in international trade flows but also generates uncertainty for trading partner countries that are directly or indirectly linked to the U.S. market (WTO, 2023).

For Indonesia, this policy has strategic relevance given the important role of international trade in supporting national economic growth. Indonesia's exports, particularly in the manufacturing sector and specific commodities with a significant market share in the United States, could be impacted by the tariff increases. This pressure is not only related to a decline in price competitiveness but also to demand structures, market shifts, and potential decreases in trade volume. The OECD (2022) emphasizes that countries with high exposure to developed markets will feel the greater impact of unilateral tariff policies. On the other hand, empirical studies and policy analyses assessing the impact of external tariff policies on Indonesia's export performance are still limited, particularly those utilizing a granular commodity-based data approach. Most previous studies focused on macro or sectoral analysis, which tends to be aggregate, thus failing to identify which commodities are most vulnerable to the impact, and which commodities have the potential to continue growing or even be strengthened through market diversification strategies. UNCTAD (2021) argues that a granular understanding at the commodity level is an urgent need in an increasingly fragmented trade era. In fact, understanding at the granular level is becoming even more important as global supply chain complexities and international trade patterns evolve.

Moreover, the sharpening context of global geofragmentation adds urgency to the need for a comprehensive mapping of Indonesia's position in the midst of international trade policy dynamics. Policy fragmentation resulting from the geopolitical interests of major countries has the potential to alter global demand and supply structures, including market preferences, investment allocation, and value chain integration flows (Kramsky et al., 2024). The IMF (2023) and OECD (2022) stress that developing countries are highly vulnerable to fragmentation due to their dependence on global market connectivity. In such a scenario, countries with significant trade dependence, such as Indonesia, need to have medium- to long-term strategies based on strong data and analysis to maintain and enhance their competitiveness (Tonby et al., 2019).

The limited studies combining in-depth quantitative analysis with qualitative perspectives from industry players also represents a research gap that needs to be filled. Approaches combining partial equilibrium and Computable General Equilibrium (CGE) analysis, along with the calculation of indicators for the current national export conditions, could provide a more comprehensive picture of the tariff policy impact (Hertel, 2021). In addition, field insights through Focus Group Discussions (FGD) and field surveys are necessary to understand how business players respond to the policy and the real obstacles they face (Yin, 2018).

Considering these conditions, this study is designed to provide a deeper understanding of the impact of the Trump 2.0 tariff policy on Indonesia's exports, and to formulate policy strategies that can strengthen the resilience and competitiveness of national trade. The results of this study are expected to make a substantive contribution to the formulation of adaptive, evidence-based policy recommendations that are relevant to the current dynamics of international trade.

1.2 Research Objectives

Given the various dynamics discussed, an in-depth study is required to understand the extent to which global uncertainty and the economic policies of major countries affect Indonesia's competitiveness and trade performance. This research formulates several key questions:

1. What is the impact of the Trump 2.0 tariff policy on Indonesia's exports?
2. What are the potential opportunities and challenges for Indonesia’s exports in the era of Trump 2.0 tariff policy dynamics?
3. What trade policy strategies can be implemented to support Indonesia's national economic growth?

1.3 Research objectives and novelty

In line with the research questions outlined, this study aims to analyze the direct and indirect impacts of the Trump 2.0 tariff policy on Indonesia. Furthermore, the study also seeks to analyze the potential and challenges of Indonesia's exports at a granular level. Finally, the study will propose relevant and adaptive trade policy recommendations and strategies to support the achievement of national economic growth targets amidst the increasingly complex dynamics of geopolitics and geofragmentation.

Although global protectionism and unilateral tariff policies have become significant topics in international trade literature, research specifically analyzing their impact on Indonesia remains very limited, particularly in the context of the U.S. tariff policy known as Trump 2.0. Most previous studies have focused on macro or sectoral analysis with high levels of aggregation, making it difficult to capture the differential impacts on individual Indonesian export commodities, which have distinct market characteristics and demand elasticity. Moreover, the existing studies do not utilize granular commodity data, even though product-level analysis is crucial for understanding the vulnerabilities and opportunities of Indonesia's exports amidst the increasingly complex global trade dynamics. Furthermore, studies combining quantitative and qualitative approaches are still rare. Most research uses macro models without considering real-world conditions, such as supply chain constraints, changes in production costs, or industry responses to tariff policies. These methodological gaps reduce the accuracy in mapping the most affected sectors and in formulating implementable policy recommendations.

This study offers novelty in several aspects. First, it uses high-granularity commodity data, allowing for more precise identification of key, vulnerable, and changing export commodities. Second, the methodology integrates mixed-method analysis, combining quantitative analysis through Computable General Equilibrium (CGE) models, partial equilibrium, and indirect impact calculations, with qualitative analysis based on Focus Group Discussions (FGDs) and field surveys. This approach provides a more comprehensive understanding of the tariff impacts on the economy. Third, the study specifically evaluates the impact of the Trump 2.0 tariff policy on Indonesia, a topic that has been little explored in both national and international literature. Thus, this study makes a substantive contribution to the development of Indonesia's trade policy analysis amidst global geofragmentation.

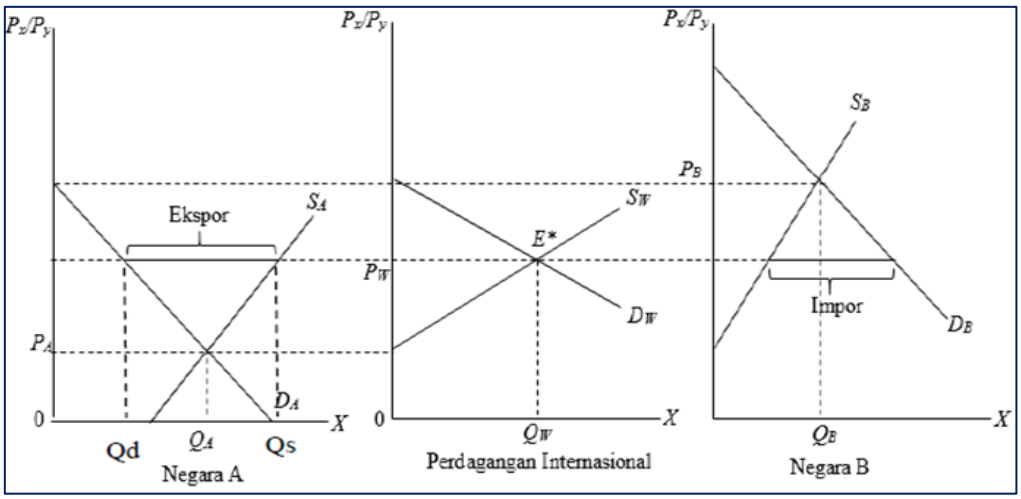
2. Literature review

2.1 International trade theory

The concept of international trade arises from the differences in a country's ability to produce the commodities it needs. A country's inability to produce certain commodities required to meet domestic demand will encourage it to engage in imports. On the other hand, countries that are capable of producing the commodities needed by other nations efficiently and abundantly will be motivated to export these commodities to the countries in need.

Based on the theory, the concept of international trade is divided into two approaches: general equilibrium and partial equilibrium. The partial equilibrium trade theory is based on the price differences or price disparities between one country and another. Figure 2.1 illustrates the partial equilibrium condition in international trade. In country A, the domestic price level is PA, while in country B, the domestic price level is PB. This indicates that the price level in country A is lower compared to the price level in country B. When international trade occurs at a price level of Pw, this condition shows that the world price is higher than the price in country A and lower than the price in country B.

Figure 2.1 Partial Equilibrium curve in International Trade



Source: Krugman et al. 2021

The world price level indicates an excess supply in country A, while there is an excess demand in country B. This condition implies that the amount of exports from country A will be equal to the amount of imports into country B, thus forming a partial equilibrium in international trade at the price level Pw and output level Qw. The benefits and welfare that arise from international trade are among the primary goals of trade between a country and its trading partners. In addition to gaining profit and national welfare, Krugman et al. (2022) explain that international trade is driven by the differences between countries and aims to achieve or attain economies of scale. The differences between the two countries encourage production efficiency.

2.2 Trump 2.0 Tariff Policy

On April 2, 2025, U.S. President Donald Trump declared Liberation Day as the moment to establish additional import tariffs on nearly all of the United States' trading partners. These tariffs are known as Reciprocal Tariffs, calculated as tariff rates designed to balance the bilateral trade deficit between the U.S. and its trade

partners (USTR, 2025). The purpose of these tariffs is to revitalize U.S. industries and reduce the trade deficit. The tariffs include a base rate of 10% for all imports, adjusted to higher levels for countries with trade surpluses with the U.S., such as 19% for products from Indonesia, Malaysia, and Thailand. Although the U.S. government emphasizes the role of these tariffs in revitalizing the domestic U.S. economy, the increase in import tariffs is expected to have potentially negative effects on the U.S. economy itself (Ignatenko et al., 2025).

The dynamics of the Trump 2.0 tariffs continue with a 90-day delay before the reciprocal tariffs are implemented, except for the tariffs on Chinese products, which were imposed on April 9, 2025. As tensions rise due to these tariffs, the U.S. further increased steel and aluminum tariffs from 25% to 50% (Pauwelyn, 2025). The imposition of these tariffs is expected to significantly disrupt the global trading system (Balistreri, 2025). Additionally, recent literature has begun to predict the potential impacts on global trade and the economy once these tariffs are enforced.

The reciprocal tariff policy will not only directly impact international trade but will also have indirect effects through spillover impacts from exports of other trade partners. According to a BIS report (2025), trade policy uncertainty has reached a "record high," causing shocks to financial markets due to trade pressures. Geopolitical risk events, such as trade tensions, can trigger the reallocation of capital flows and lead to sudden asset price corrections (IMF, 2025). The IMF report highlights that such events typically cause increased market volatility and risk aversion, potentially jeopardizing macrofinancial stability by affecting the liquidity and solvency of financial and non-financial institutions.

Recent literature has mapped the impacts of the Trump 2.0 tariff policy. This tariff policy is expected to lead to a reduction in the EU's GDP by 0.2% to 0.8%, depending on the retaliatory measures taken by the EU. Meanwhile, the impact of the tariffs on specific EU sectors varies significantly, with industries such as automotive, pharmaceuticals, and machinery having high export concentration and dependency on the U.S. market (Peixoto et al., 2025). According to Bottazzi et al. (2025), a 10% increase in tariffs could reduce EU machinery export demand by 53%. From the Asian region, the reciprocal tariff policy has a more significant impact compared to the U.S.-China trade tensions in 2018 due to the broader scope of this policy and the ongoing uncertainty (AMRO, 2025).

Theoretically, this study adopts the partial equilibrium approach proposed by Krugman et al. (2021), as presented in Figure 2.1. Based on this theory, partial equilibrium is grounded in the price differences between countries ($PA < $PB), with international trade occurring at the world price ($Pw), which balances the excess supply (exports) in Country A with the demand (imports) in Country B. In relation to the Trump reciprocal tariff policy, the imposition of unilateral tariffs by the U.S. (home country) is primarily aimed at encouraging exporting countries to agree to more equitable (reciprocal) trade terms and reduce U.S. exports. Theoretically, the imposition of tariffs by the U.S. will increase the sale price of imported products in the U.S. domestic market, which in turn reduces U.S. import demand and potentially lowers the prices received by exporters (foreign markets) as well as world market prices, shifting the initial partial equilibrium point.

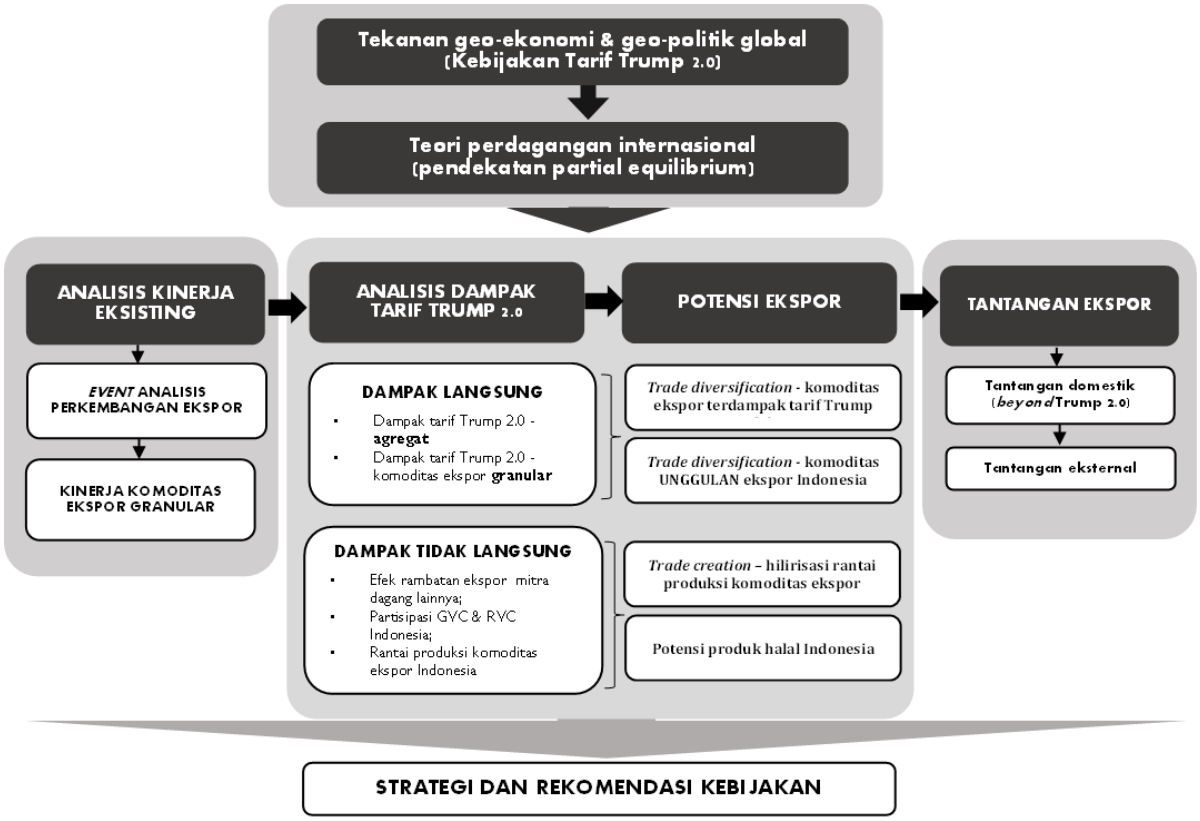
2.3 Research framework and concept

The analysis in this study is divided into several stages to address the three research objectives. First, we analyze the existing export performance of Indonesia in the era of the Trump 2.0 tariff policy dynamics. This measurement of existing performance serves as a foundation to map the potential of Indonesia's key export

commodities. In the second stage, the study conducts a simulation of the impact of the Trump 2.0 tariff policy, which aims to address the first research objective.

To provide a more comprehensive impact analysis, the Trump 2.0 tariff policy in this study is measured both directly against Indonesia's exports and those of several other peer countries, and indirectly through spillover effects from Indonesia's trade partners. Figure 2.2 summarizes the concepts and flow of the research discussion.

Figure 2.2 Research Framework



The next stage aims to address the second research objective, where the study identifies the potential and challenges of Indonesia's export commodities. Export potential is analyzed through the approaches of trade diversification and trade creation. Furthermore, this export potential also maps the opportunities for market diversification for the most affected commodities due to the Trump 2.0 tariff policy, as well as the potential for other key Indonesian export commodities. Meanwhile, trade creation will discuss the opportunities to increase the added value of Indonesia's key export commodities. The challenges of Indonesian exports are divided into domestic and external challenges. Finally, the study formulates strategies and policy recommendations based on various research findings.

3. Data and Methodology

In this section, both the data and research methods will be discussed in each subsection. The research methodology employed is a mixed-method analysis, utilizing both quantitative and qualitative methods.

The quantitative method is used to map key export commodities, simulate the direct and indirect impacts of tariffs, and map Indonesia's export potential. This study conducts simulations to examine the direct impact of the Trump 2.0 tariff policy on aggregate and granular exports from Indonesia. Additionally, the study analyzes the indirect effects of the Trump 2.0 tariff policy through Indonesia's involvement in Global Value Chains (GVCs). The next step involves mapping Indonesia's export potential in both trade diversification and trade creation within the context of the Trump 2.0 tariff policy. Meanwhile, the qualitative method in this study is derived from FGD, liaison activities, and field surveys to identify the export challenges within specific sectors and regions in Indonesia.

3.1 Mapping of Key Export Commodities

In the first stage, this study identifies Indonesia's key export commodities based on the positive contribution of these commodities' exports throughout the year 2025. The objective is to uncover the potential of export commodities amidst the dynamics of the Trump 2.0 policy. These positive contributor commodities are then analyzed using five key indicators to assess the existing performance of these export commodities. We use data sourced from TradeMap for the year 2024 with HS 6-digit codes. The five indicators employed include (1) average export growth, (2) export share, (3) Trade Balance Index (TBI), (4) Revealed Symmetric Comparative Advantage (RSCA), and (5) product complexity index (PCI).

We use the average export growth rate from 2020 to 2024 (the past five years). This indicator is selected to account for the potential volatility in export growth of commodities, allowing the assessment of export growth based on the average trend over the last five years. The data used is sourced from TradeMap. The average export growth is formulated as follows:

$$(avg)export\ growth_{ij,t} = \frac{1}{N}\sum_{t=5}^{N}\left(\frac{X_{ijt}}{X_{ijt-1}} - 1\right) x\ 100$$

where X_{ijt} represents the export value of commodity i to country j in year t; X_{ijt-1} is the export value in the previous year; N is the number of observations; t represents the period from 2020 to 2024.

The next indicator used is export share. We used export data from Trade Map for the year 2024. Export share is calculated as follows:

$$share\_exp_{ij} = \frac{\exp\ \_val_{ij}}{total\_exp_j} x\ 100$$

where $share\_exp_{ij}$ represents the export percentage; exp $\_val_{ij}$ is the export value of commodity i; $total\_exp_j$ is the total export to value to country j; i represents the commodity with a 6-digit HS code; and j represents the destination country.

Next, we use RSCA and TBI to represent the comparative advantage of Indonesia's export commodities. RSCA measures a country's comparative advantage for a particular commodity in the global market. RSCA is an extension of the RCA model, with a more symmetric value range from -1 to 1. This makes RSCA easier to interpret compared to RCA. A value of RSCA > 0 indicates that the country has a comparative advantage for that commodity. The calculation of RSCA begins with the calculation of the RCA index as follows:

$$RCA_{ij} = \frac{x_{ij}/x_{it}}{X_{iw}/X_{wt}}$$

where x_{ij}represents the export value of commodity i by country j; x_{it}represents the total export value of all commodities from country $j$to the world; X_{iw}represents the export value of commodity $i$by the world; and X_{wt}represents the total world export value. The RSCA index is then formulated as follows:

$$RSCA_{ij} = \frac{RCA_{ij} - 1}{RCA_{ij} + 1}$$

Meanwhile, the Trade Balance Index (TBI) indicates whether a country is an exporter (surplus) or importer (deficit). The TBI is formulated as follows:

$$TBI_{ij} = \frac{X_{ij} - M_{ij}}{X_{ij} + M_{ij}}$$

where X_{ij}represents the export value of commodity $i$by country j; M_{ij}represents the import value of commodity $i$by country j.

Lastly, we use the Product Complexity Index (PCI). PCI is an indicator that measures the diversity and the level of productive know-how required to produce a particular product. In other words, the higher (positive) the PCI value of a commodity, the more complex the product is. The most complex products can only be produced by a few countries, while less complex products can be produced by nearly all countries, such as raw materials and agricultural products. The PCI data used is from 2023 and sourced from the Harvard Growth Lab[1].

3.2 Impact Simulation of Trump 2.0 Tariff Policy

The impact of the Trump 2.0 tariff policy on exports will be transmitted through various mechanisms. In this study, we analyze two transmission channels of this impact: direct and indirect effects.

3.2.1 Direct Impact of Trump 2.0 Tariff Policy

This study conducts simulations to examine the direct impact of the Trump 2.0 tariff policy on Indonesia's exports with peer countries on an aggregate level. The method used for this impact simulation is the computable general equilibrium (CGE) model with the Global Trade Analysis Project (GTAP) and multicountry analysis using a partial equilibrium model. The study utilizes GTAP version 11, with data aggregated into 10 countries and 7 major commodity sectors. The impact of the Trump 2.0 tariff policy on Indonesia and other countries is calculated using a macroeconomic closure to measure the effect of changes in trade both on an aggregate and sectoral level. After aggregating by country and sector, we determine the tariff rate to be used as a shock in the GTAP analysis. The tariff rates imposed under Trump 2.0 on U.S. trading partners and the country aggregation are summarized in Table 3.1. The dynamic nature of the Trump 2.0 tariff policy requires this study to implement a cut-off scenario based on the most current tariff rates, as of August 27, 2025.

Table 3.1 Trump Tariff 2.0 Simulation Scenario

IDN	CHN	IND	MYS	PHI
19%	30%	50%	19%	19%
SGP	**THA**	**VNM**	**EU**	**ROW**
10%	19%	20%	15%	10%

[1] The Growth Lab at Harvard University, "Product Complexity Index", accessed Oktober 2025, [https://atlas.hks.harvard.edu/rankings/product].

Next, this study employs a multicountry partial equilibrium model to examine the impact of the tariff policy on Indonesia's export commodities at a granular HS 6-digit level. This granular simulation is used to map Indonesian export commodities that are positively and negatively affected by the Trump 2.0 tariff policy.

This study draws on multiple data sources to conduct the impact simulations. We use export data for 2024 sourced from UN COMTRADE and UN ESCAP at the country and HS 6-digit commodity levels for the partial equilibrium simulations. In addition, we use the GTAP version 11 database for the general equilibrium simulations.

3.2.2 Indirect Impact of Trump 2.0 Tariff Policy

The Trump 2.0 tariff policy also generates indirect effects on Indonesia's exports. In this study, indirect effects are captured through Indonesia's involvement in the exports of other major U.S. trading partners and through Indonesia's participation in Global Value Chains (GVCs). The analysis of the indirect impacts of the Trump 2.0 tariff policy is conducted in several stages. First, we examine Indonesia's contribution to the exports of other major U.S. trading partners, namely China and India. Second, the study analyses the production chains of Indonesia's export commodities and those of peer countries. We then assess how these production chain linkages relate to the impact of the tariff policy on the domestic value added of export commodities in each country.

Finally, we analyse Indonesia's participation in both Global Value Chains (GVCs) and Regional Value Chains (RVCs) using descriptive and empirical approaches. We employ backward and forward GVC participation indicators, as well as the GVC intensity of trade, to assess Indonesia's position within global value chains. The GVC variables used in this analysis are sourced from the TiVA database for the period 2000–2020 at the country level. Backward participation (FVA) is defined as the foreign value added embodied in imported inputs used in the domestic production of goods and services that are subsequently exported. This proxy indicates the extent to which a country depends on foreign inputs to produce export commodities.

Meanwhile, forward participation (DVX) refers to the value of exported goods and services that are used as inputs in other countries' production processes and are subsequently re-exported to third countries. This proxy reflects the indirect value added generated by a country's exports. The third proxy is the GVC intensity of trade, which measures a country's total participation in GVCs relative to its total trade. GVC intensity is calculated using the following formula:

$$GVC\ Intensity = \frac{(FVA + DVX)}{(export + import)}$$

Second, this study employs a fixed-effects panel data regression to examine the effect of export production chain categories on GVC participation. Export production chains are classified into raw materials, intermediate goods, capital goods, and consumer goods, following the UNCTAD classification. GVC participation is divided into backward participation and forward participation. The empirical model used to analyze the impact of export commodity production chains on GVC involvement is specified as follows:

$$GVC_{it} = \alpha + \beta_1 raw_{it} + \beta_2 int_{it} + \beta_3 cap_{it} + \delta_i + \delta_t + \epsilon_{it}$$

Where GVC_{it} represents the dependent variable, which includes FVA, DVX, and GVC (FVA + DVX). raw_{it} represents raw materials, int_{it} represents intermediate, dan cap_{it} represents capital goods. $\boldsymbol{i}$ represents the country, $\boldsymbol{t}$ is the observation year,

and ϵ_{it} is the idiosyncratic error. We use panel data from 2000 to 2020 for 9 countries, namely Indonesia, the United States, China, India, Malaysia, Singapore, Thailand, Vietnam, and the Philippines.

The indirect impacts of the Trump 2.0 tariff policy are analysed using Trade in Value Added (TiVA) data for the year 2020. The TiVA data are employed to capture spillover effects from the exports of Indonesia's major trading partners. In addition, the TiVA data are used to identify Indonesia's participation in Global Value Chains (GVCs). Finally, this study uses export composition data from UNCTAD for the years 2000 and 2021 for Indonesia and several peer countries. The UNCTAD data are used to assess the relationship between Indonesia's GVC participation and the composition of its export production chains.

3.3 Analysis of Indonesia's Export Potential

The analysis of Indonesia's export potential in this study is divided into two categories: trade diversification and trade creation. Trade diversification in this research is defined as a trade strategy aimed at expanding access to new export markets or partners, as well as optimizing exports with existing trading partners. This strategy seeks to reduce export dependence on specific trading partners. The study maps the diversification potential for export commodities that are negatively affected by the Trump 2.0 tariff policy. In addition, we also identify the diversification potential of other key Indonesian export commodities.

Furthermore, trade creation is defined as a downstreaming strategy for export commodities that can be optimized through export production chains. This strategy aims to increase the value added of Indonesia's export commodities and facilitate a shift from exporting raw materials to intermediate goods and ultimately to final or consumer goods. The main focus of the trade creation analysis in this study is on enhancing the value added of Indonesia's key export commodities, namely palm oil, nickel, and rubber. The downstreaming potential of these three commodities is analyzed through mapping their respective production chains.

3.4 Analysis of Indonesia's Export Challenges

The challenges to Indonesia's exports are examined in this study using a qualitative approach. This approach is designed to capture contextual and anecdotal insights that are not available from secondary data sources, while also providing a deeper and more up-to-date understanding of the export challenges faced by Indonesia. The scope of the analysis focuses on key export regions and sectors that are considered most vulnerable, particularly textiles and footwear. Accordingly, we conducted field surveys in Batam, one of Indonesia's major export hubs and a designated Free Trade Area (FTA). In addition, we conducted Focus Group Discussions (FGDs) with various stakeholders involved in export activities, including:

- **Policymakers:** the Ministry of Industry, the Directorate General of Customs and Excise, BP Batam, and the Batam Customs and Excise Office;
- **Industry associations and manufacturer:** the Indonesian Employers Association (APINDO), the Indonesian Footwear Association (APRISINDO), the Industrial Estate Association (HKI) – Batam, as well as business actors in the textile, electronics, and palm oil downstream product (CPO) sectors;
- **Academics and experts:** IPB University, INDEF, ISEAS, and ISEI Batam.

4. Results and Discussion

In this chapter, we discuss the research findings across four main categories. First, we present stylized facts on Indonesia's exports based on export developments

(event analysis) and a granular identification of key export commodities at the HS 6-digit level. Second, we conduct simulations of the direct and indirect impacts of the Trump 2.0 tariff policy on Indonesia's exports and those of peer countries. Third, we map Indonesia's export potential in terms of trade diversification and trade creation. Fourth, we identify the challenges faced by Indonesia's exports, both as a result of the Trump 2.0 policy and beyond Trump 2.0.

4.1 Stylized facts Indonesia's export development

In this first section, we analyze the conditions and trends in the development of Indonesia's exports amid the dynamics of the Trump 2.0 trade policy. We then further examine the performance of commodities that made positive contributions to Indonesia's exports during this period.

4.1.1 Positive Growth of Indonesia's Exports in the Trump 2.0 Era

Figure A4.1 in the appendix shows that Indonesia's non-oil and gas exports have made a positive contribution since the second quarter of 2024. However, this positive contribution has exhibited a fluctuating trend following Trump's election as President of the United States. We find indications of trade frontloading in response to the dynamics of the Trump 2.0 trade policy. Frontloading is defined as a trade strategy that accelerates shipments or increases export transaction volumes in anticipation of potentially adverse future risks. Evidence of this behavior began to emerge after Trump announced the universal and reciprocal tariff policy toward U.S. trading partners in April 2025, including Indonesia.

The frontloading activity appears to be driven by the deadline for the implementation of reciprocal tariffs on export commodities in August 2025. This phenomenon led to an increase in Indonesia's aggregate export contribution from 6.80% in April 2025 to 13.39% in July 2025. Indonesia's exports to the United States accounted for 24.58% in April and rose sharply to 64.21% in July relative to Indonesia's total exports in 2025. Meanwhile, Indonesia's exports to other trading partners remained relatively stable.

In addition, we analyze HS 2-digit export commodities that made positive contributions to Indonesia's exports to several major trading partners, as illustrated in Figure A4.2. Consistent with Figure A4.1, Indonesia's export trend to the United States shows indications of frontloading, characterized by an increase in exports beginning in April 2025 followed by a sharp decline in August 2025. The commodities that experienced the most significant increases during this frontloading period include machinery (HS-85), footwear (HS-64), chemical products (HS-38), and textiles (HS-61). For example, machinery exports (HS-85) contributed 5.16% in April, increased to 15.64% in June, and then declined sharply to 0.59% in August relative to Indonesia's total exports to the United States.

However, Indonesia's exports to other trading partners exhibit more fluctuating trends but continue to contribute positively to total exports. Only exports to India display a consistently positive growth trend throughout 2025. Based on Figure 4.2, the main export commodities contributing positively include crude palm oil (CPO, HS-15) as a key export commodity, machinery (HS-85), vehicles (HS-87), iron and steel (HS-72), jewelry (HS-71), and others. These commodities are analyzed in greater depth in the subsequent subsection to identify Indonesia's leading export commodities.

4.1.2 Performance Analysis of Indonesia's Top Export Commodities

In this study, Indonesia's leading or top export commodities are identified based on several export performance indicators. The identification process begins by selecting 40 export commodities that made positive contributions to Indonesia's exports during the period of the Trump 2.0 policy dynamics (throughout 2025). The commodities are identified based on Indonesia's export trends with its major trading partners, as shown in Figure A4.2, and are subsequently disaggregated from HS 2-digit classifications into HS 6-digit export commodities.

To assess the existing performance of these commodities, Figure A4.3 illustrates the contribution of the 40 Indonesian export commodities to global exports throughout 2024. Together, these commodities account for 42.73% of Indonesia's total exports. Indonesia's export structure is diverse, ranging from raw materials such as palm oil, coal, and coffee to consumer goods including automobiles, footwear, tires, textile products, and others. The ten largest export commodities by contribution are dominated by Indonesia's key products, namely coal, palm oil, and nickel. However, jewelry and automobiles also emerge as two other major commodities with considerable export potential for Indonesia.

After identifying the 40 largest and most significant commodities as the basis for analysis, the study applies additional performance indicators to evaluate their existing performance. Specifically, export growth and export share indicators are employed. As shown in Figure A4.4, Indonesia's exports to the global market remain relatively strong and resilient, with a dominance of commodities exhibiting positive average growth over the past five years and relatively large export shares. The key Indonesian export commodities in the figure display export shares exceeding 50%, indicating a very strong position for Indonesia in global exports of these commodities.

Furthermore, the 40 main export commodities are analyzed in terms of their competitiveness and product complexity. Based on Figure A4.5, the majority of Indonesia's export commodities demonstrate strong competitiveness, as indicated by positive revealed symmetric comparative advantage (RSCA) values and positive Trade Balance Index (TBI), suggesting that Indonesia is a net exporter of these products. However, several products exhibit negative RSCA values, including wireless devices (851762), wheeled toys (950300), small passenger cars (870323), and gold (710812). An interesting finding is that small passenger cars (870323), which rank among the top ten contributing export commodities, show a negative RSCA. This indicates that Indonesia's exports of this product remain relatively less competitive and less efficient.

In addition, the study examines the complexity level of Indonesia's export commodities. Overall, while Indonesia's major export commodities tend to exhibit relatively strong competitiveness, they are generally classified as less complex products. Figure A4.6 shows that most of Indonesia's export commodities have negative product complexity index values, indicating that these products are relatively easy to produce. The most complex products exported by Indonesia include electronic machinery (8543) and processed stainless-steel products (7218, 7219). Meanwhile, the commodity with the highest RCA is lignite (2702), which belongs to the coal group but exhibits low product complexity.

The final stage of assessing the existing performance of Indonesia's main export commodities involves identifying leading export commodities based on the performance indicators. A commodity is classified as a leading export commodity if it satisfies at least four out of the five main performance indicators. Table 4.1 summarizes nine leading export products that hold strong potential for Indonesia's exports to the global market.

Table 4.1 Indonesia's top export commodities

No	HS	Product	Exp Growth (+)	Exp Share >50%	TBI (+)	RSCA (+)	Complexity 2023
1	090111	Coffee	v	x	v	v	Less-complex
2	090710	Cloves	v	v	v	v	Less-complex
3	480256	Uncoated paper	v	x	v	v	complex
4	721913	Flat-rolled steel	v	x	v	v	complex
5	721891	Semi-finished steel	v	v	v	v	complex
6	851762	Wireless device	v	x	v	v	complex
7	854370	Electrical machines	v	x	v	v	complex
8	852872	Reception machines	v	x	v	v	complex
9	870322	Small cars	v	x	v	v	complex

Source: calculated by authors.

Based on Table 4.1, Indonesia's top export commodities can be classified into three categories. First, commodities that satisfy all performance indicators, namely semi-finished steel (721891), which emerges as the most outstanding export commodity for Indonesia. This indicates that Indonesia has strong competitiveness, high global demand for this product, and that the commodity falls into the category of complex products with relatively high value added. Semi-finished steel is a nickel-based downstream product classified as an intermediate good. Moreover, this product is one of Indonesia's main export commodities to its key trading partners and has recorded high export growth over the past five years. In addition, cloves (090710) also meet all performance criteria, although they are classified as less-complex products. Accordingly, both products can be considered additional key export commodities for Indonesia, alongside coal, palm oil, and nickel.

Second, export commodities with export shares below 50 percent but exhibiting positive competitiveness include coffee (090111), paper (480256), flat-rolled steel (721913), and machinery products (854370 and 852872). These five products represent potential export commodities for Indonesia. Given their comparative advantages, Indonesia has scope to increase their export shares through market diversification and the optimization of international trade agreements. A more detailed assessment of the export potential of these commodities is presented in the subsequent subsection.

Third, export commodities with export shares below 50 percent and relatively weak competitiveness include wireless communication devices (851762) and small passenger cars (870322). Wireless communication devices constitute one of Indonesia's largest export commodities to the United States and have experienced very high growth from other trading partners. Meanwhile, small cars represent one of the largest contributors to Indonesia's exports. These findings underscore the importance of a more in-depth assessment to enhance competitiveness, both in terms of production efficiency and government support.

4.2 The Impact Simulation of the Trump 2.0 Tariff Policy

Following the assessment of the existing performance of Indonesia's top export commodities, this study aims to analyze the impact of the Trump 2.0 tariff policy. In this research, we identify two main transmission channels through which the Trump

2.0 tariff policy may affect Indonesia's exports. These channels consist of (1) the direct impact of the reciprocal tariff imposition on Indonesia's exports and those of peer countries, and (2) the indirect impact, namely through the imposition of reciprocal tariffs on Indonesia's trading partners, which ultimately affects Indonesia's exports.

4.2.1 Direct Impact of the Tariff Policy

The imposition of reciprocal tariffs by Trump on U.S. export trading partners is expected to have a direct impact on the exports of those countries. Reciprocal tariffs are applied in addition to existing trade tariffs that exporters must pay in order to access the U.S. market. As a result, these tariffs increase the prices of exported products and intensify competition among exporting countries, particularly favoring those subject to lower tariff rates. According to international trade theory, relatively higher export prices lead to a decline in domestic demand in the home country (in this context, the United States) in the short run. This reduction in demand subsequently results in lower export demand for trading partner countries. Therefore, simulating the direct impact of reciprocal tariff policies is a crucial step in mitigating the risks of export losses for Indonesia arising from the implementation of these tariffs.

To comprehensively analyze the impact of the reciprocal tariff policy, this study employs two approaches: a computable general equilibrium (CGE) model using GTAP and a multicountry partial equilibrium model. Comparing the simulation results from these two approaches provides a more complete and detailed assessment of the potential risks to Indonesia's export performance. First, we compare the simulation outcomes to evaluate the impact of reciprocal tariffs on countries' exports to the global market. Second, simulations are conducted to estimate the effects of these tariffs on exports from Indonesia and peer countries to the United States. Finally, beyond aggregate export effects, we also simulate the impacts at the commodity level. HS 6-digit export commodities are used to identify specific products that are likely to be negatively affected by the implementation of reciprocal tariffs.

The simulation of the Trump 2.0 tariff policy is based on the tariff scenarios presented in Table 3.1 or on the latest tariff developments as of August 27, 2025. The simulation results from both approaches are presented in Table 4.2 below. Overall, the results indicate that reciprocal tariffs have a negative impact on exports across countries worldwide.

Table 4.2 Simulation Results of Trump 2.0 Tariff Policy

Country (1)	Exp to World (CGE-GTAP) (2)	Exp to World (MC Par Eq.) (3)	Exp to US (MC Par Eq.) (4)	Exp to US (MC Par Eq.)** (5)
IDN	**-6.42%**	**-3.36%**	**-16.81%**	**-37.36%**
CHN	-3.26%	-6.63%	-24.32%	-44.21%
IND	-10.17%	-10.63%	-35.44%	-59.07%
MYS	-1.67%	-2.53%	-13.80%	-23.00%
PHI	-2.46%	-5.37%	-15.11%	-33.58%
SGP	-1.01%	-0.30%	-2.30%	-3.29%
THA	-1.51%	-4.86%	-15.72%	-28.58%
VNM	-7.45%	-8.28%	-16.66%	-30.66%
EU	-2.79%	-4.10%	-11.22%	-21.58%
ROW	-0.59%	-2.39%	-13.30%	-29.55%

**short-run*: elasticity = 1; ***medium-run*: elasticity = 2; ROW = *Rest of World*
Source: UN COMTRADE, UN ESCAP, GTAP, estimated by authors.

Based on Table 4.2, columns (2) and (3), Indonesia is projected to experience a decline in exports to the global market ranging from 3.36% to 6.42% as a result of the implementation of reciprocal tariffs. When projected using Indonesia's global export value in 2024, this corresponds to an estimated export loss of USD 8.89 billion (partial equilibrium) to USD 15.89 billion (CGE–GTAP). The potential decline in Indonesia's exports remains relatively moderate compared with ASEAN peer countries facing similar reciprocal tariff rates. The largest export contraction is projected for Vietnam, followed by Thailand. In contrast, Singapore's exports are expected to be relatively less affected, as the country is subject only to the baseline tariff rate of 10%. India is also significantly affected by the imposition of these tariffs. However, at the time of this study, the reciprocal tariff policy under Trump remains dynamic and subject to change.

We also simulate the impact of reciprocal tariffs on exports to the United States, as reported in columns (3) and (4) of Table 4.2. The estimated impacts are differentiated between the short term (t+1) and the medium term (t+2). The results indicate that Indonesia's exports to the United States are expected to decline by 16.81%, or USD 4.97 billion, in the short term and by 37.36%, or USD 11.04 billion, in the medium term. The most pronounced declines in Indonesia's exports to the United States are observed in the textile and footwear sectors. Based on the CGE–GTAP simulation results, Indonesia's textile sector is projected to contract by 23.20%, while the footwear sector is expected to decline by 27.95% of total Indonesia–U.S. exports.

Based on the simulation results using the partial equilibrium approach, we further examine the impact of the Trump 2.0 tariff policy on Indonesia's export commodities, as summarized in Figure A4.7. We find that the majority of the affected commodities are textile and footwear products. This outcome is driven by two main factors. First, the baseline export tariffs to the United States for these products are already relatively high. Second, these commodities account for a substantial share of Indonesia's exports to the United States. Nevertheless, despite the negative impact on exports to the U.S. market, Indonesia still has potential to diversify export destinations for these commodities. This potential is discussed in greater detail in the section on mapping export commodity potential.

4.2.2 Indirect Impact of the Trump 2.0 Tariff Policy

The impact of the Trump 2.0 tariff policy may also be transmitted through reductions in exports from other countries, which subsequently affect Indonesia's exports, referred to as indirect effects. The analysis of indirect impacts in this study is conducted in three stages. First, we examine indirect effects proxied through the exports of Indonesia's main trading partners. Second, we analyze how these effects are linked to export commodity production chains. Third, we assess the relationship between these effects and Indonesia's participation in Global Value Chains (GVCs) and Regional Value Chains (RVCs).

In the first stage, we analyze the share of Indonesian value added embodied in products exported by China and India to the United States, as illustrated in Figure A4.8. The composition of export value added from China and India is examined because these two countries are Indonesia's major trading partners. Based on Figure A4.8, the imposition of reciprocal tariffs is expected to reduce Indonesia's exports originating from China's exports by 0.38%, equivalent to USD 1.835 billion[2]. Meanwhile, the decline in Indonesia's exports resulting from reciprocal tariff impacts transmitted through India is estimated at 0.46%, or USD 605 million. Indonesia's

[2] Estimated based on TiVA database in 2020.

value-added share in India's exports is relatively high compared with ASEAN peer countries. This reflects the structure of Indonesia's exports, which remains dominated by raw materials. As shown in Figures A2 and A3 in the appendix, Indonesia's exports to China and India primarily consist of raw materials, such as nickel, coal, and crude palm oil (CPO).

In the second stage, we analyze production chains and find that Indonesia primarily acts as a supplier of raw materials and early-stage intermediate goods, reinforcing its dominant upstream position. This dominance is reflected in Indonesia's relatively high share of raw material exports compared with its peer countries. As shown in Figure A4.9, Indonesia is the only country that still records a relatively high share of raw material exports, accounting for 23.17% of its total exports over the past two decades. Nevertheless, Indonesia's intermediate exports have increased by nearly 10% over the same period. In contrast, ASEAN peer countries have demonstrated a stronger shift toward downstream exports, with higher shares of intermediate and capital goods.

From the import perspective, Indonesia's import composition is dominated by capital goods, which account for 36.12% of total imports, further confirming Indonesia's upstream position in the production chain. According to the UNCTAD definition, capital goods are manufactured products, such as machinery, used in the production of other goods. Figure A4.10 shows that capital goods have been the largest import category for Indonesia over the past 20 years. This import pattern is similar to that of India, although India also records a substantially higher share of raw material imports.

Overall, these findings indicate that Indonesia's strength lies in its abundant natural resources, as reflected in the high value of raw material exports, complemented by substantial imports of capital goods. This suggests that Indonesia's export commodities remain concentrated at the early stages of the production chain and are characterized by relatively low complexity. At the same time, these findings highlight Indonesia's significant potential to move up the value chain toward downstream production, supported by the availability of raw materials and capital goods, particularly for Indonesia's key export commodities. A more detailed discussion of these upgrading opportunities is provided in the section on export potential.

Table 4.3 Domestic Value-Added Share in Exports to the United States (%)

IDN	CHN	IND	MYS	PHI
83.88	80.38	83.97	57.45	75.12
SGP	**THA**	**VNM**	**JPN**	**KOR**
59.10	66.07	50.93	83.16	70.56

Source: TiVA Database 2020, estimated by authors.

In addition, Indonesia's high demand for capital goods indicates a relatively strong domestically oriented production capacity. This is reflected in Indonesia's relatively high domestic value added embodied in exports to the United States compared with its ASEAN peers. Table 4.3 presents the contribution of domestic value added to exports to the United States for each country. At the same time, domestic value added in exports also reflects the extent to which reciprocal tariffs affect domestic industries. The decline in exports to the United States due to tariffs (as shown in Table 4.2) is estimated to translate into an 83.88% impact on domestic production. The high share of domestic value-added further underscores Indonesia's

limited involvement in Global Value Chains (GVCs) and its upstream position. Low participation in GVCs implies that exported products contain relatively little foreign value added or are not extensively integrated into international production networks.

The final stage of the indirect impact analysis of the Trump 2.0 tariff policy focuses on Indonesia's participation in GVCs. Based on TiVA data, GVC participation is divided into two categories: forward and backward participation. In simple terms, forward participation measures the extent to which a country's domestic value added is used by other countries to produce their exports, while backward participation measures the extent to which imported inputs are used to produce a country's exports. Forward participation reflects an upstream position in GVCs, as the country supplies inputs to others, whereas backward participation reflects a downstream position, as the country processes final goods using foreign inputs.

This study compares Indonesia's GVC participation patterns with those of its ASEAN peers. Based on Figures A4.11 and A4.12, Indonesia's trade strategy exhibits a markedly different pattern from that of other ASEAN countries. This difference is characterized by relatively higher forward participation and lower backward participation compared with other ASEAN peers. Higher forward participation indicates Indonesia's role as a supplier of raw materials and upstream inputs. This finding reinforces earlier results showing that Indonesia's export composition (Figure 4.9) is dominated by raw materials and early-stage intermediate goods. The relatively high level of forward participation also reflects the low value added embodied in Indonesia's export commodities.

Table 4.4 Estimation of Export Production Chain and GVC Participation

	(1) **GVC**	(2) **DVX**	(3) **FVA**
Raw materials	0.103***	0.267***	-0.089***
	(0.013)	(0.009)	(0.028)
Inter. goods	0.539***	0.621***	0.412***
	(0.011)	(0.018)	(0.034)
Capital goods	0.268***	0.228***	0.299***
	(0.012)	(0.021)	(0.001)
_cons	2.149***	-0.539***	4.142***
	(0.101)	(0.125)	(0.081)
Country-FE	YES	YES	YES
Year-FE	YES	YES	YES
Obs.	180	180	180
Adj. R-sq	0.960	0.932	0.848

Clustered robust standard errors in parentheses, * p < 0.1, ** p < 0.05, *** p 0.01.

To further reinforce these findings, this study employs a fixed-effects regression approach to empirically examine how the position of export production chains influences a country's involvement in GVCs. Table 4.4 confirms the patterns observed in Figures A4.11 and A4.12. The regression results indicate that increasing backward GVC participation requires upgrading export production chains toward intermediate and capital goods. In other words, the more downstream a country's export commodities are, the greater its backward GVC participation, as proxied by foreign value added (FVA). Conversely, the more upstream a country's export commodities are, the greater its forward GVC participation, as proxied by indirect value added (DVX).

4.3 Indonesia's Export Potential

In this section, we identify the potential of Indonesia's export commodities. This assessment is divided into two main components: trade diversification and trade creation. The discussion begins with mapping the potential of export commodities that are affected by the Trump 2.0 tariff policy. It then proceeds to assess the export potential of Indonesia's leading export commodities and the opportunities to enhance their value added. We also identify the export potential of Indonesia's halal products. Finally, we map trade creation potential based on the production chains of Indonesia's key export commodities, namely palm oil, nickel, and rubber.

4.3.1 Mapping Trade Diversification Potential

4.3.1.1 Export "Winner" Products

In the first stage, we examine the potential for market diversification for export commodities affected by the Trump 2.0 tariff policy. As a mitigation strategy against the impact of these tariffs, we map opportunities to optimize existing export markets and reduce export dependence on the United States. Based on the simulation results (Figure A4.7), there are 15 export commodities that experience the largest negative impacts from the Trump 2.0 tariffs. We classify the potential of these commodities into several categories: (1) winners, (2) products requiring close monitoring, (3) textile and footwear products, and (4) export opportunities across Indonesia's various trading partner regions.

Among the 15 affected export commodities, five are classified as "winner" products for Indonesia. These "winner" products are defined as commodities with strong potential to be exported to markets other than the United States, characterized by an export share to the U.S. of less than 50% and high export growth to other countries over the period 2020–2024. Figure A4.13 summarizes these five products: electronic machinery (854370), footwear (640399), cocoa butter (180400), crude palm kernel oil (CPKO, 151329), and jewelry (711319).

Electronic machinery (854370) is the commodity most adversely affected by the Trump 2.0 tariff policy. Nevertheless, this product exhibits strong potential for Indonesia. In addition to being classified as a "winner," it is also identified as one of Indonesia's leading export commodities (see Table 4.1). With an export value of USD 1.462 billion, electronic machinery shows significant diversification potential beyond the U.S. market. Exports of this product to Japan have grown by 310% over the past five years, with an export share of 9.4%. Exports to Singapore and Canada have also increased substantially, by 157% and 362%, respectively, although their export shares remain below 5%. These figures highlight the considerable opportunity to further diversify exports of this product to existing markets, thereby reallocating the current 66% export share directed to the United States.

Another noteworthy finding concerns jewelry (711319), which is classified as a high-complexity export product. Indonesia's jewelry exports to India grew by 1,203%, while exports to Jordan increased by 1,469% during the period 2020–2024. Switzerland accounts for the largest export share of this product, representing 43% of total exports, whereas exports to the United States account for only 4.2%. In addition, jewelry is exported to Hong Kong and the United Arab Emirates, each with export shares exceeding 10%. These patterns indicate that Indonesia possesses strong comparative advantages and substantial potential in jewelry exports. The greatest untapped potential lies in further increasing export shares to fast-growing markets such as India and Jordan.

Footwear (640399) is another major Indonesian export to the United States. As shown in Figure A4.13, exports of this product to the U.S. account for 33% of total exports, indicating relatively low dependence on the U.S. market and significant scope for market diversification. Footwear exports can be further diversified toward markets such as the Netherlands, Belgium, Japan, and China. Export growth to Europe reached 47%, while exports to Japan increased by 27%; however, export shares to these markets remain below 10%. Finally, cocoa butter (180400) and crude palm kernel oil (CPKO, 151329) are commodities whose raw materials are sourced domestically in Indonesia. Export expansion for these products can be directed toward Australia, the Netherlands, China, and other European markets. Beyond diversification opportunities, both products also hold strong trade creation potential through downstream processing to increase export value added. The potential for developing downstream palm oil–based products is discussed further in the following subsection.

4.3.1.2 Export Potential of "At-Risk" Products

In the second stage, we analyze three products that are affected by the Trump 2.0 tariff policy and require close monitoring. These products are considered at risk because more than 70% of their total exports are concentrated in the U.S. market. In addition to this high export concentration, the export growth of these three products has been very low or even negative over the past five years. Figure A4.14 presents these export products, namely processed crab (160510), jerseys (611020), and wooden furniture (401110).

Processed crab (160510) exhibits the highest export concentration in the United States, accounting for 87.5% of Indonesia's total exports of this product. Its export growth has also been very limited, at only 1% over the period 2020–2024. Nevertheless, this product still shows considerable potential in several other markets, such as the Netherlands, the United Kingdom, Hong Kong, and Thailand. The highest export growth for processed crab has been recorded in the Netherlands (23%) and Thailand (40%). However, export shares to these potential markets remain very low, at less than 2%. Accordingly, diversifying export destinations for processed crab is a crucial strategy to reduce its high export concentration in the U.S. market.

Similarly, jerseys (611020) and furniture (401110) exhibit export shares exceeding 70% in the U.S. market, while experiencing stagnant or negative export growth. Jerseys still have diversification potential in markets such as Canada, Mexico, and European countries. Meanwhile, furniture exports have recorded strong growth of 97% to Mexico and 20% to Malaysia, although export shares to these markets remain around 1%. These patterns highlight the substantial potential for diversifying Indonesia's export products beyond reliance on the U.S. market and for better leveraging existing export markets.

4.3.1.3 Export Potential of Textile and Footwear Products

In the third stage, we identify the export potential of textile and footwear products, which constitute Indonesia's main exports to the United States. Textile and footwear products are also among the most affected by the implementation of reciprocal tariffs. Table A4.5 summarizes the potential for market diversification of Indonesia's textile and footwear exports to other trading partners.

Based on Table A4.5, Indonesia's textile and footwear exports have recorded very high growth rates to several countries over the past five years. However, the export shares of these products remain relatively low, at less than 5% for textile products and less than 10% for footwear products. A notable finding from the table

is the exceptionally high export growth of men's trousers (620342) to ASEAN peer countries. In other words, demand for Indonesian trousers in these markets is relatively strong. This indicates substantial diversification potential, particularly within intra-regional ASEAN trade. In addition, these textile and footwear products also show export potential in Europe, East Asia, Mexico, and Canada. This market diversification potential can be further optimized through Indonesia's trade agreements with relevant trading partners, which are discussed in the following subsection.

4.3.1.4 Indonesia's Export Potential Across Regions

In the final stage, we comprehensively identify the market potential of the 15 affected products by region and country. Table A4.6 summarizes the commodities with export potential to ASEAN, Europe, and the Middle East. Based on the table, nine out of the 15 products have already been exported to various European countries. This underscores Europe's role as a strategic and promising partner for diversifying Indonesia's export products. This potential is further strengthened by the Indonesia–European Union Comprehensive Economic Partnership Agreement (IEU-CEPA). Through this agreement, Indonesia benefits from tariff elimination and improved market access, which can enhance exports of Indonesian products. Consequently, the scope for increasing the export share of these nine commodities to Europe is substantial.

ASEAN also represents a promising market for Indonesian products affected by the Trump 2.0 tariff policy. Products such as processed crab and furniture, which are highly concentrated in the U.S. market, still have significant potential to expand their export shares within the ASEAN region. Electronic machinery, which is one of Indonesia's leading export products and among the most adversely affected by the tariffs, also has strong potential for market expansion in ASEAN. This potential is supported by the ASEAN Trade in Goods Agreement (ATIGA), which enhances the competitiveness of Indonesian products in the ASEAN market. Strengthening intra-ASEAN trade therefore constitutes a strategic step in mitigating the impact of the Trump 2.0 tariff policy through export diversification.

Finally, Indonesia's export potential is also substantial in the Middle Eastern market. Several affected commodities have recorded significant export growth to this region, particularly jewelry and furniture. Opportunities for diversification and export expansion can be further accelerated through trade agreements such as the Indonesia–UAE Comprehensive Economic Partnership Agreement and the Indonesia–Gulf Cooperation Council (GCC) Free Trade Agreement, which aim to reduce export concentration in the U.S. market.

In addition, other international trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP), offer opportunities to expand export markets in China, India, Japan, and Australia. As shown in Table A4.7, these four countries are potential trading partners for diversifying export shares of products affected by U.S. tariffs. Indonesia also has considerable opportunities to optimize exports to Canada, supported by the Indonesia–Canada Comprehensive Economic Partnership Agreement (ICA-CEPA). Table A4.7 indicates that Canada is a strategic partner for absorbing Indonesian exports of textiles, bags, tires, and electronic machinery. Moreover, the table also identifies Mexico as a potential trading partner for Indonesia, which could serve as a basis for considering the establishment of a bilateral trade agreement between Indonesia and Mexico.

4.3.1.5 Potential of Other Top Export Commodities

In this section, we analyze the potential for export diversification of Indonesia's leading commodities based on Table 4.1. The table identifies nine leading export commodities that have made positive contributions amid the dynamics of the Trump 2.0 tariff policy. A detailed mapping of the export diversification potential of Indonesia's leading commodities is presented in Table A4.8 in the appendix.

Coffee products exhibit substantial export potential to ASEAN peer countries such as Vietnam, the Philippines, and Thailand, with export growth exceeding 50% over the past five years, while export shares remain below 5%. Similarly, clove exports show significant potential in Bangladesh, with export growth of 42% and an export share of 4.5%. Mexico also records strong export growth of 133% for cloves, although its export share remains very low at 1.6%.

Uncoated paper products display more diversified export opportunities, particularly to the United Kingdom, Australia, Belgium, and India. The largest potential lies in exports to Australia, with growth of 71%, and to India, with growth of 69% over the period 2020–2024. For stainless steel products, Thailand remains a promising market for flat-rolled steel exports, with export growth of 67%. Meanwhile, exports to China present strong potential for semi-finished steel, with export growth reaching 515% and an export share of 16.6%.

Various Indonesian machinery products (HS-85) also continue to offer considerable export diversification potential. For instance, electronic machinery, which is among the products affected by reciprocal tariffs, remains a promising export. In addition, network equipment (851762) has recorded exceptionally high export growth to several markets, including the United Kingdom (655%), Australia (216%), Canada (1,485%), and the Netherlands (213%). This product is also one of Indonesia's largest exports to the United States. Thus, Indonesia has substantial scope to reallocate exports toward these markets, as their export shares currently range from only 2.4% to 6% of Indonesia's total exports of network equipment.

Indonesia also maintains a competitive advantage in television equipment (852872). Exports of this product have grown significantly to markets such as Korea, the United Arab Emirates, Japan, and Taipei. Taipei records the highest growth at 67%, while its export share remains relatively low at 3.4%. Finally, small passenger cars (870322) are in strong demand across ASEAN, the Middle East, and Mexico. This product demonstrates relatively well-diversified export destinations, with the largest export share to the Philippines (31%), followed by Vietnam (18.4%). Export growth to Mexico is also notable at 42%, with an export share of 11.8%. In the Middle East, Saudi Arabia and the UAE record export growth exceeding 60%, while export shares remain relatively modest.

Indonesia can maximize the diversification potential of its leading commodities by leveraging various bilateral and regional trade agreements. Moreover, these findings reaffirm Mexico's role as a potential strategic trading partner. Expanding exports to Mexico through a bilateral trade agreement could serve as an effective strategy to mitigate the impact of the Trump 2.0 tariff policy on both countries.

4.3.1.6 Export Potential of Indonesia's Halal Products

As the world's largest consumer of halal products, Indonesia also has substantial potential to play a leading role as a global producer and exporter of halal products. The prospects of the halal industry extend beyond meeting domestic demand and can be further leveraged to enhance export value, supported by the

added value derived from product quality and the intrinsic attributes of halal certification. The significant export potential of Indonesia's halal products is illustrated in Figure A4.15

Based on Figure A4.15, Indonesia ranks seventh as the largest exporter of halal products to countries within the Organization of Islamic Cooperation (OIC). This position highlights Indonesia's considerable potential to further expand exports to OIC member countries. In addition, halal products are not only in demand in OIC markets but are also increasingly sought after in European countries such as France, Germany, and the United Kingdom. The greatest export potential of Indonesia's halal products lies in the food and beverage industry, including coconut-based products, snacks, spices, herbal beverages, and processed seafood. Textile products, particularly Indonesian traditional fabrics, also hold high export value. Moreover, Indonesian pharmaceutical products are among the most in-demand halal commodities. More recently, Indonesian cosmetic products have begun to penetrate global export markets, including natural-based skincare products, herbal soaps, aromatherapy oils, and haircare products.

Indonesia's halal products also have the potential to serve as substitutes for Chinese products in the global Muslim market. Halal-certified Indonesian products can replace non-halal or uncertified products from China through accelerated global branding strategies that emphasize "halal, sustainable, ethical, and cultural authenticity." Such branding can enhance the value added and international competitiveness of Indonesian products.

4.3.2 Mapping Trade Creation Potential

The previous section discussed various opportunities for market diversification of Indonesia's export commodities. However, based on Table 4.1, it is evident that only a limited number of downstream products derived from Indonesia's key export commodities fall into the category of leading export products. These downstream products include flat-rolled and semi-finished stainless steel, which are derived from certain types of nickel. Therefore, this study also maps the trade creation potential of Indonesia's key export commodities.

Figures A16–A20 in the appendix illustrate the production chains of palm oil, nickel, and rubber. These production chains are used to assess Indonesia's production capacity to process raw materials from these three commodities into intermediate and final products. We also incorporate information on exports of these commodities and their derivatives to evaluate the extent of Indonesia's export development, particularly for intermediate products with higher value added. The further downstream (from intermediate to final goods) Indonesia's export products move, the higher their value added, complexity, and competitiveness.

Palm oil is an export commodity in which Indonesia holds an absolute advantage. In addition to having the largest global export share, palm oil has a wide range of applications and downstream products, including food ingredients, cosmetics, soaps, and even alternative renewable energy sources such as biodiesel. Figures A16 & A17 summarize Indonesia's potential to export palm oil derivatives with higher value added. As shown in these figures, Indonesia's largest palm oil exports remain concentrated in refined, bleached, and deodorized (RBD) palm oil, with an export value of USD 17,302 million and a global export share of 54.5% in 2024.

Meanwhile, significant export potential lies in palm oil derivatives such as fatty acids, fatty alcohols, and glycerin, which fall into the category of intermediate goods and serve as inputs for various consumer goods. Export values of these

downstream products currently range from USD 289 million to USD 2,927 million, indicating substantial scope for production expansion using RBD palm oil or palm kernel oil as raw materials. China remains the main export destination for these products, although they have also entered other markets such as the Netherlands, India, and Malaysia. This highlights the strong potential for scaling up palm oil downstream processing as one of the most feasible trade creation strategies for Indonesia. Such a strategy would strengthen Indonesia's backward participation in GVCs and enhance resilience amid the dynamics of the Trump 2.0 policy.

The next key commodity is nickel, which is also central to Indonesia's export structure. Indonesia is the world's largest nickel producer, providing a strong advantage as a supplier of nickel and its derivatives. Nickel can be categorized into several types, including saprolite ores used for stainless steel production, sulphide ores used for alloys and powder metallurgy, and limonite ores used for battery production. The downstream processing of these nickel types varies in complexity. In this study, we map the production chains for nickel in the stainless steel pathway (Figure A18) and the battery materials pathway (Figure A19), each of which exhibits distinct production and trade patterns.

First, the nickel-to-stainless-steel production chain. Stainless steel is a critical input for a wide range of applications, including household appliances, medical equipment, chemical industries, and construction materials. Within this production chain, Indonesia has demonstrated the capability to process nickel from raw materials into final products with substantially higher value added. However, Figure A3 shows that Indonesia's largest nickel exports remain concentrated in ferronickel, which is categorized as a raw material. Export values for ferronickel reached USD 14,061 million in 2024, with 94.3% of exports directed to China. In contrast, Indonesia has begun exporting intermediate products such as stainless steel hot-rolled coils (HRC) valued at USD 66 million (export share of 20.8%) and cold-rolled coils (CRC) valued at USD 1,066 million (export share of 13%). Indonesia has also exported stainless steel welded pipes valued at USD 32 million (export share of 1.7%), which fall into the category of final or capital goods. This disparity highlights the significant potential to further optimize nickel downstreaming, particularly along the stainless steel pathway. Strengthening nickel downstreaming aligns with government[3] policy priorities and supports efforts to reinforce Indonesia's position in GVCs as a major nickel producer.

Second, the nickel-to-battery materials production chain. This pathway involves higher processing complexity compared with stainless steel. Nickel derivatives in this chain are processed into battery materials for electric vehicles, electronics, and machinery. Figure A4 shows that Indonesia's production and export capacity in this segment remains largely concentrated in raw materials, such as nickel and cobalt sulphates. A notable finding is the extreme concentration of exports to China, with 100% of these products exported to a single destination. Such reliance on one market poses a risk for Indonesia. Moreover, advancing downstream processing in this segment requires a combination of trade creation strategies through knowledge transfer and trade diversification through international trade agreements.

Finally, we analyze the rubber production chain, as illustrated in Figure A20. Indonesia has a comparative advantage in technically specified natural rubber (TSNR), with export values of USD 2,815 million and a global export share of 23.6% in 2024, ranking second among global rubber exporters. Indonesia competes closely

[3] Minister of Energy and Mineral Resources Regulation No. 11 of 2019 on the Prohibition of Nickel Ore Exports

with Thailand, which is the world's largest TSNR producer. Notably, Indonesia has developed the capability to produce and export a range of downstream rubber products, such as footwear and automobile and motorcycle tires. The greatest export potential in the rubber value chain lies in downstream products. Footwear is one of Indonesia's largest export commodities, and automotive tires are also among its leading exports. Based on FGDs with the Ministry of Industry, the Indonesian government plans to produce and export aircraft tires as a further trade creation initiative in rubber downstreaming. Accordingly, rubber represents a relatively successful example of a production chain in which Indonesia has advanced downstream to consumer goods with the highest value added.

4.4 Indonesia's Export Challenges

This study employs both qualitative and quantitative methods to analyze Indonesia's export challenges in the era of the Trump 2.0 tariff policy. Broadly, we classify these challenges into two categories: (1) domestic challenges, focusing on the footwear and textile sectors as well as a case study of the Batam region; and (2) external challenges, namely the potential dumping of export products originating from China.

4.4.1 Export Challenges in the Footwear and Textile Sectors

Based on the FGD results, we identify several export challenges faced by the footwear and textile sectors. Overall, beyond the pressure arising from reciprocal tariffs, these sectors also confront a range of challenges originating from domestic conditions. We identify seven main challenges affecting both industries.

First, there is a high dependence on imported raw materials. The reliance on imported inputs increases the vulnerability of both industries to external shocks and price fluctuations, constituting a major constraint for the footwear and textile sectors. Second, rising energy costs and uncertainty in energy supply pose significant challenges. These industries face high energy prices as well as unstable energy availability. Third, logistics costs in Indonesia remain relatively high compared with competing countries such as Malaysia, Vietnam, and China. Fourth, regulatory and licensing processes are excessively time-consuming. Complex and layered regulations and licensing requirements in Indonesia represent one of the most significant barriers, often requiring more than one year to complete. These include lengthy environmental impact assessment (AMDAL) approvals, raw material quarantine procedures, joint regulations related to holiday transportation, mandatory Indonesian National Standard (SNI) certification, as well as highly dynamic regulations and a lack of coordination across government agencies.

Fifth, the influx of illegal imported products presents a serious challenge. There has been a proliferation of illegal imports, particularly textile and footwear products originating from China. These products undermine the competitiveness of domestic industries due to their relatively lower prices. Sixth, there is a lack of security guarantees for industry players. Domestic firms also face widespread illegal levies and disruptions from certain groups or individuals at the operational level. Seventh, cost-sharing demands and price discount pressures have intensified. The imposition of reciprocal tariffs has led buyers to request that additional tariff costs be borne by producers and suppliers. In some cases, buyers have also demanded price discounts in order to maintain stable prices in the U.S. market.

4.4.2 External Export Challenges

Based on Indonesia's export data for 2025, we identify potential dumping of several export products originating from China. This potential dumping is part of the

broader impact of the Trump 2.0 tariff policy. As one of the countries most affected by the policy, China may seek to diversify its export destinations, with Indonesia emerging as one of its major trading partners. The risk of dumping is indicated by increases in export volumes accompanied by declines in export prices for several products in 2025 compared with their average levels in 2023–2024. These findings have also been confirmed by the Indonesian Anti-Dumping Committee (KADI) for several product categories, including textiles, iron and steel, machinery, and electric motorcycles. Figure A4.21 summarizes the changes in export volumes and prices of products originating from China.

5. Conclusion and policy recommendation

5.1 Conclusion

The Trump 2.0 tariff policy has generated heightened global uncertainty, particularly for countries that run trade surpluses with the United States. Under this policy, Trump imposed reciprocal tariffs on countries with the largest trade surpluses, including Indonesia. This study aims to analyze the impacts of the reciprocal tariff policy on Indonesia's exports, both directly and indirectly. In addition, the study employs granular data to map the potential of Indonesia's leading export commodities and to identify the challenges faced in the era of the Trump 2.0 policy.

The findings indicate that the Trump 2.0 tariffs are likely to have negative effects on Indonesia's exports. These impacts are also transmitted indirectly through domestic economic weakening and spillover effects from Indonesia's major trading partners, such as China and India. The domestic economic weakening reflects Indonesia's still limited participation in GVCs and RVCs, as evidenced by the dominance of raw material exports relative to ASEAN peer countries. At the same time, Indonesia continues to possess substantial export potential, both through export market diversification and trade creation. Europe, the Middle East, Canada, and Mexico emerge as promising trading partners for diversifying Indonesia's export markets. Moreover, Indonesia has significant potential to increase the value added of key export commodities, such as palm oil derivatives including fatty acids and fatty alcohols, as well as nickel-based products such as stainless steel cold-rolled coils (CRC) and nickel sulphate used as inputs for electric vehicle batteries.

Despite these opportunities, Indonesia's exports remain constrained by a range of domestic and external challenges. On the domestic side, key obstacles include heavy reliance on imported inputs, complex regulatory and licensing procedures, and escalating energy costs. Externally, Indonesia faces the threat of dumping practices by Chinese products as well as difficulties in penetrating new export markets. In light of these challenges, this study puts forward policy strategies and recommendations to strengthen and optimize Indonesia's export performance in the context of the Trump 2.0 tariff policy.

5.2 Strategy and Policy Recommendation

The policy recommendations proposed in this study are structured across three time horizons: short term, medium term, and long term. In the short term, policy measures should focus on export stabilization and mitigating the impact of reciprocal tariffs through three main approaches. First, export market diversification for products affected by the Trump 2.0 tariffs as well as for Indonesia's leading export commodities. Second, optimization of international trade agreements, particularly Comprehensive Economic Partnership Agreements (CEPAs), to expand Indonesia's

exports to partner regions. For example, leveraging the Indonesia–European Union CEPA (IEU-CEPA) for footwear, cocoa butter, paper, textiles, and jewelry products. Third, structural reforms related to export processes, including port services and customs clearance times, as well as improved access to financing and incentives for exporters. These measures should be reinforced by domestic industry protection through blanket policies aimed at restricting illegal imports.

Medium-term policy recommendations should emphasize value-added upgrading, innovation, and the integration of Indonesia's commodity production chains at both regional and global levels. First, downstreaming export products toward intermediate and final goods, particularly for Indonesia's key export commodities. Examples include palm oil derivatives such as fatty acids, fatty alcohols, and glycerin; nickel derivatives such as stainless steel cold-rolled coils (CRC) and welded pipes; and final goods derived from rubber, such as automotive tires, footwear, and latex gloves. Second, strengthening international partnerships to attract downstream investment and enhance technological capabilities, including the implementation of ASEAN integrated value-chain initiatives for semiconductors and electric vehicle value chains in collaboration with ASEAN+3. Third, reinforcing the digital export ecosystem and market intelligence systems, supported by adequate and integrated infrastructure and logistics. Fourth, improving the export and investment climate through greater regulatory certainty and enhanced security guarantees.

Long-term policy recommendations should focus on transforming Indonesia's export structure and enhancing the global competitiveness of its industries. First, advancing high-level downstreaming based on strategic commodities, such as exporting advanced palm oil derivatives (e.g., fatty esters and cosmetics), nickel-based products (e.g., electric vehicle batteries), and rubber derivatives (e.g., aircraft tires). Second, transforming exports toward more complex products, including participation in semiconductor production chains and electric vehicle ecosystems. Third, strengthening RVCs and GVCs by deepening Indonesia's integration into East Asian industrial value chains, particularly with Japan, Korea, and China, while also reinforcing intra-ASEAN integration. Finally, developing national export research and innovation centers. In this regard, the government plays a critical role in promoting and facilitating research and development of local raw materials to produce export products with higher levels of complexity and value added.

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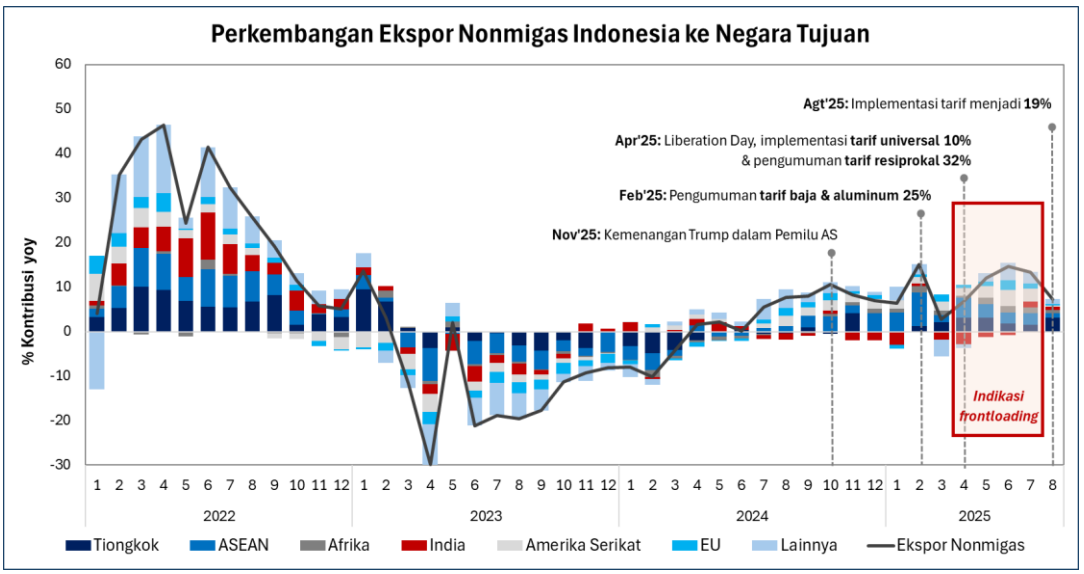
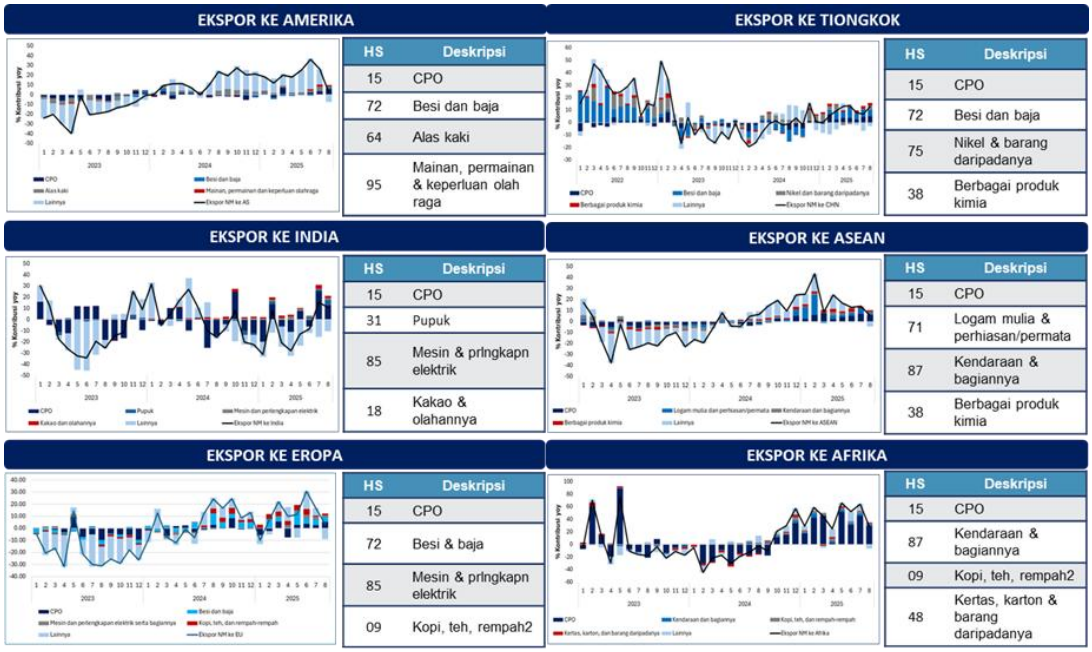
Appendix

Figure A4.1 The Trend of Indonesia's Non-Oil and Gas Exports



Source: estimated by authors

Figure A4.2 Trend of Indonesian Commodity Exports to Major Partners



EKSPOR KE AMERIKA

HS	Deskripsi
15	CPO
72	Besi dan baja
64	Alas kaki
95	Mainan, permainan & keperluan olah raga

EKSPOR KE TIONGKOK

HS	Deskripsi
15	CPO
72	Besi dan baja
75	Nikel & barang daripadanya
38	Berbagai produk kimia

EKSPOR KE INDIA

HS	Deskripsi
15	CPO
31	Pupuk
85	Mesin & prlngkapn elektrik
18	Kakao & olahannya

EKSPOR KE ASEAN

HS	Deskripsi
15	CPO
71	Logam mulia & perhiasan/permata
87	Kendaraan & bagiannya
38	Berbagai produk kimia

EKSPOR KE EROPA

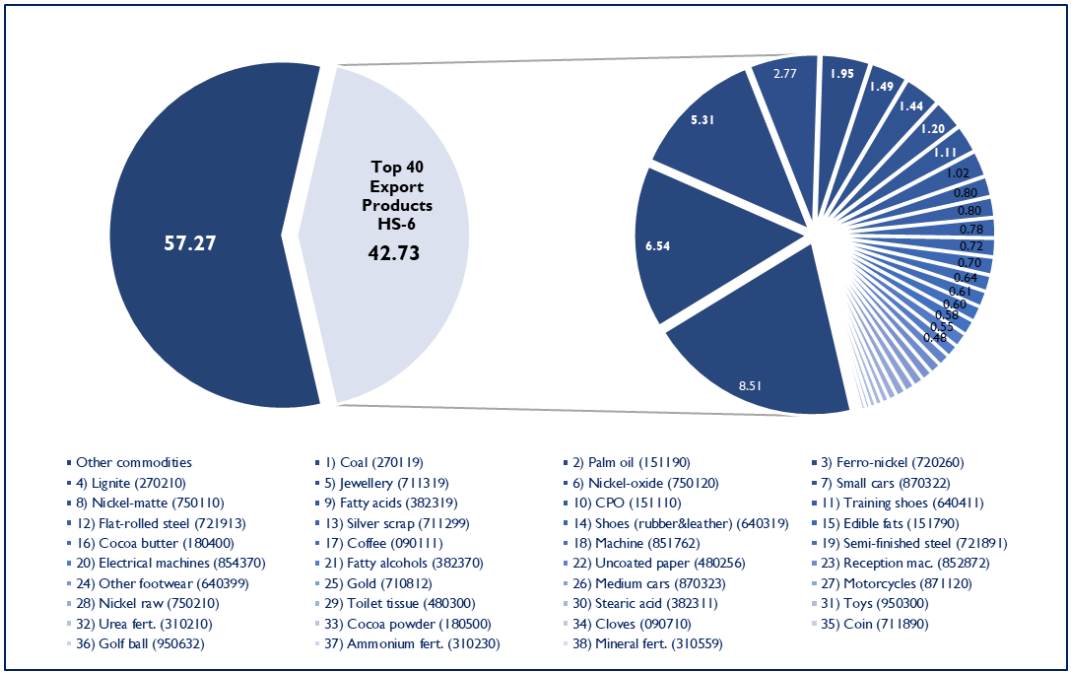
HS	Deskripsi
15	CPO
72	Besi & baja
85	Mesin & prlngkapn elektrik
09	Kopi, teh, rempah2

EKSPOR KE AFRIKA

HS	Deskripsi
15	CPO
87	Kendaraan & bagiannya
09	Kopi, teh, rempah2
48	Kertas, karton & barang daripadanya

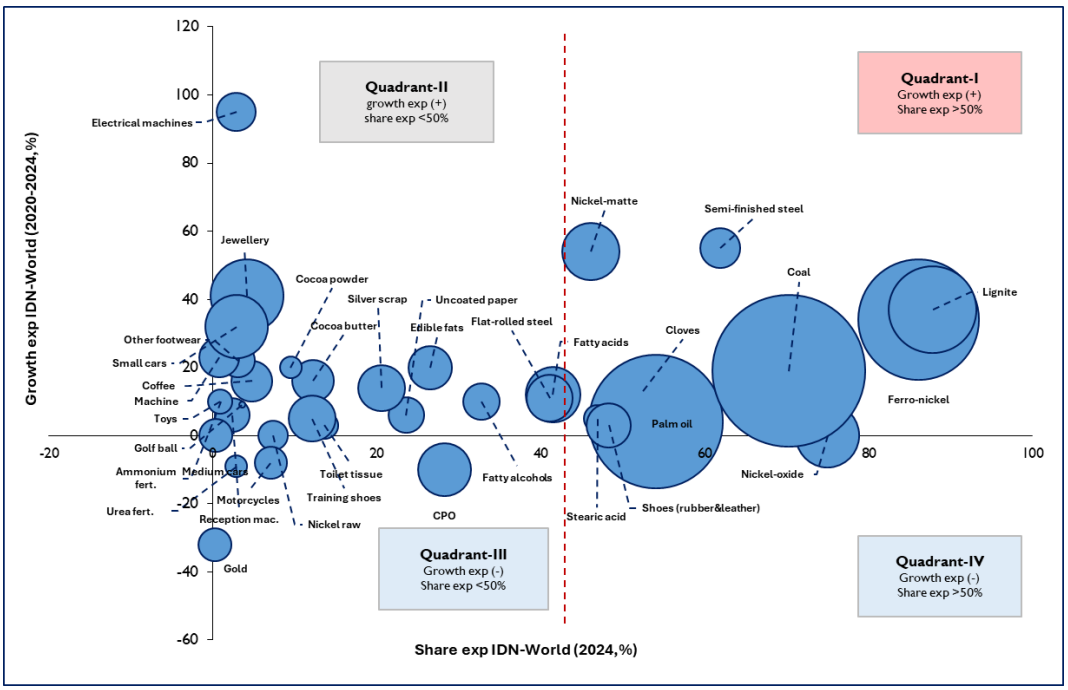
Source: estimated by authors

Figure A4.3 Positive Contributor Export Commodities (2024, % of Total IDN Exports)



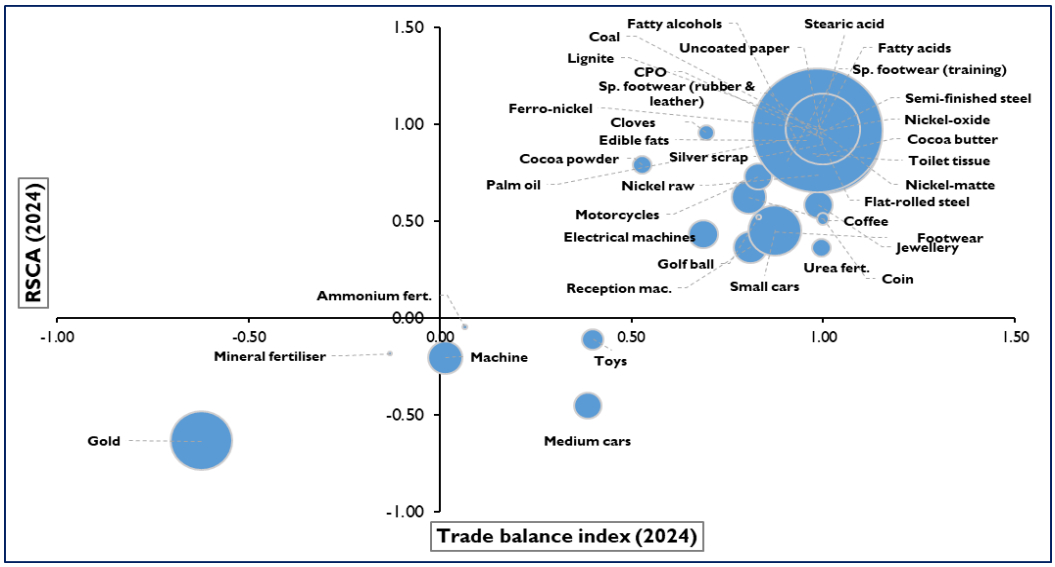
Source: estimated by authors using TradeMap data, 2024

Figure A4.4 Growth and Share of Indonesian Commodity Exports to World



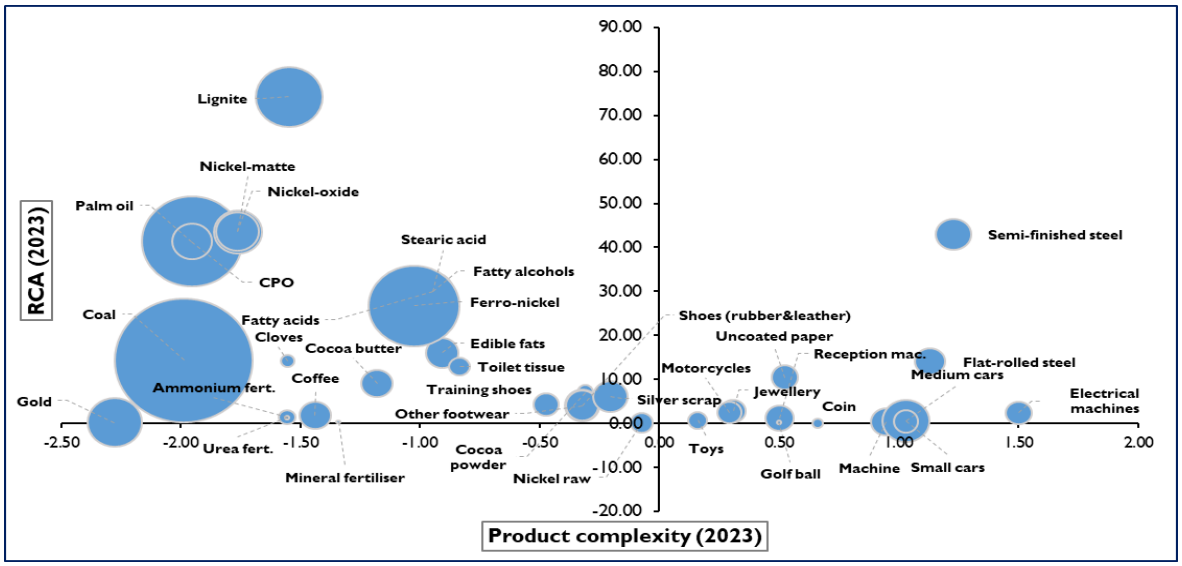
Source: estimated by authors using TradeMap data, 2024

Figure A4.5 Export Competitiveness of Indonesian Commodity Exports



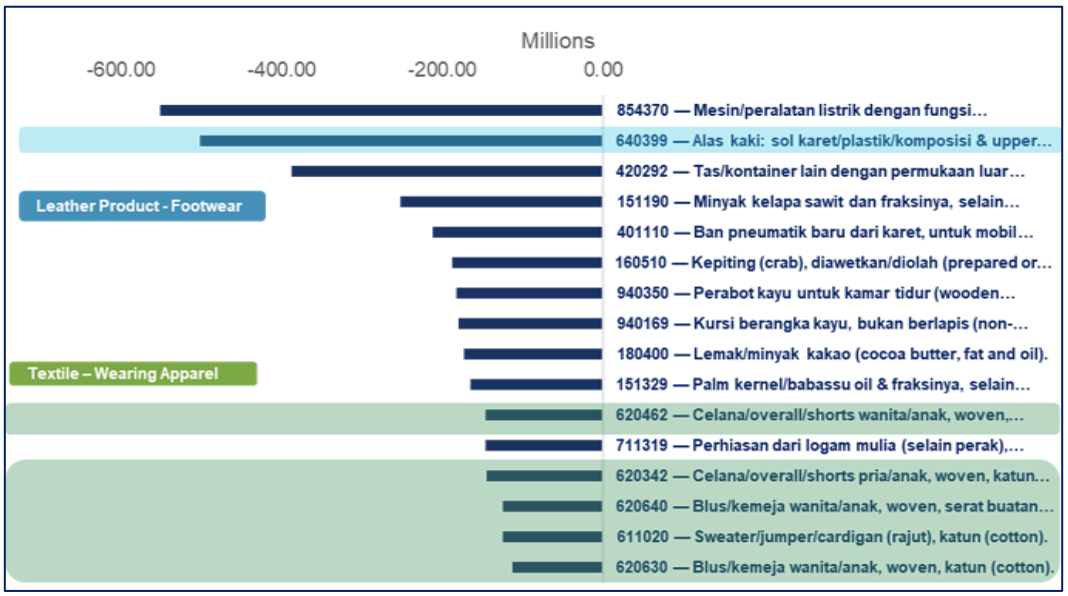
Source: estimated by authors using TradeMap data, 2024

Figure A4.6 Product Complexity and Competitiveness of Indonesia's Exports



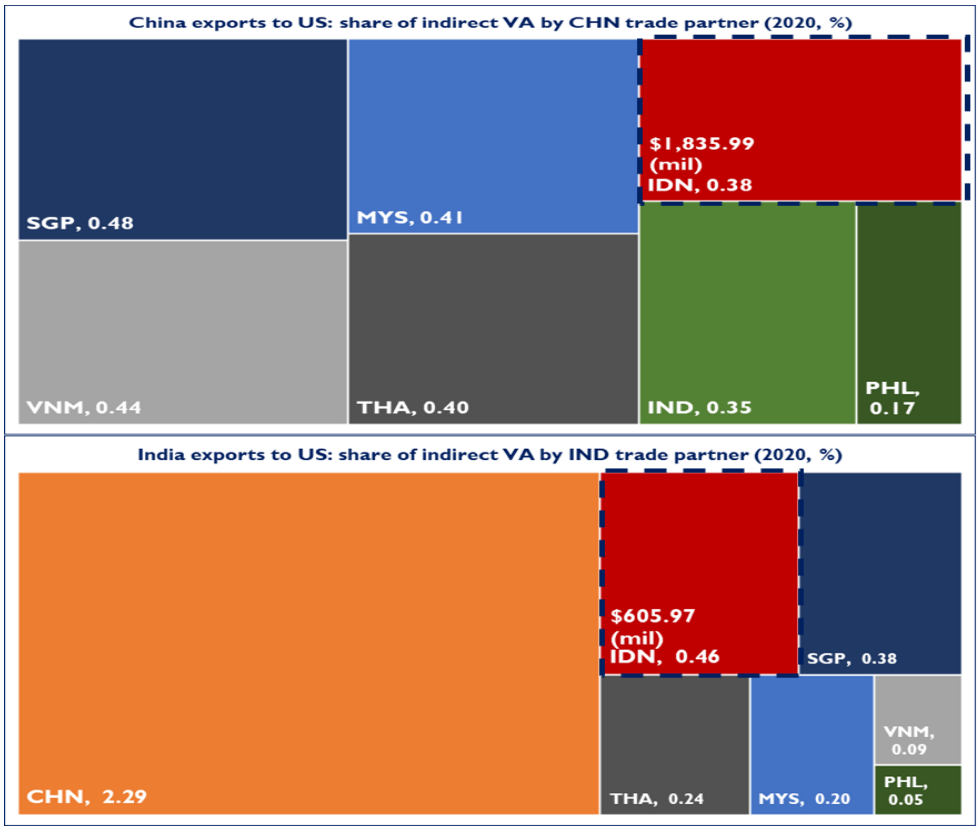
Source: estimated by authors using TradeMap data, 2024

Figure A4.7 Indonesian Export Commodities Negatively Affected



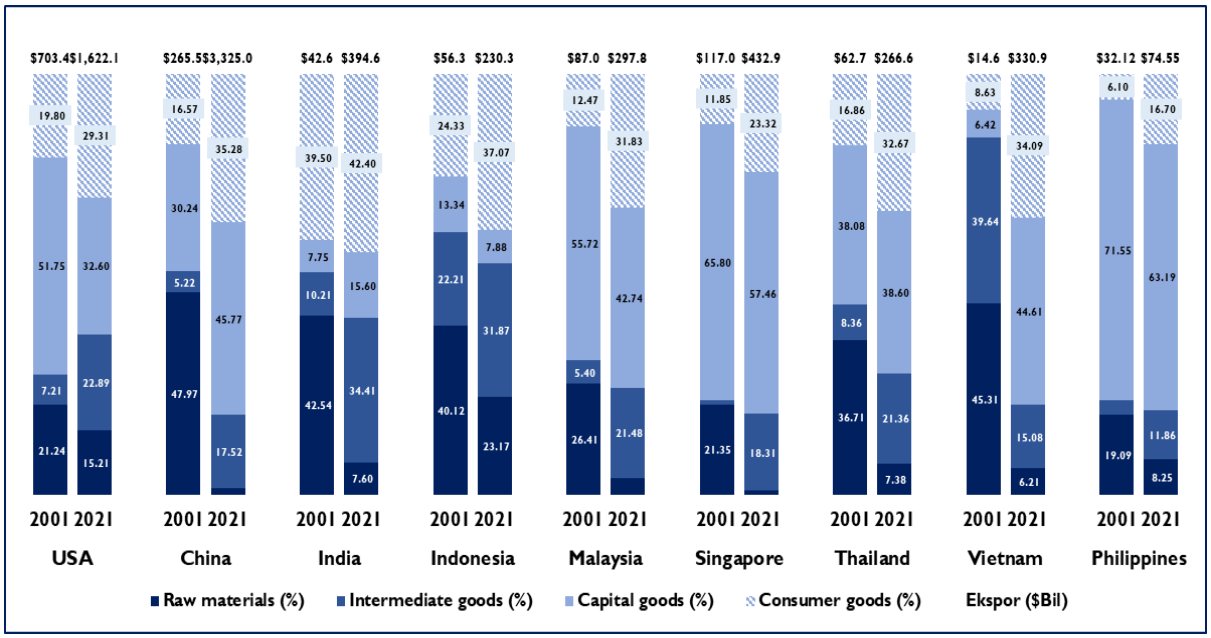
Source: UN-COMTRADE, UN-ESCAP, estimated by authors

Figure A4.8 Domestic Value-Added of Indonesia's Exports



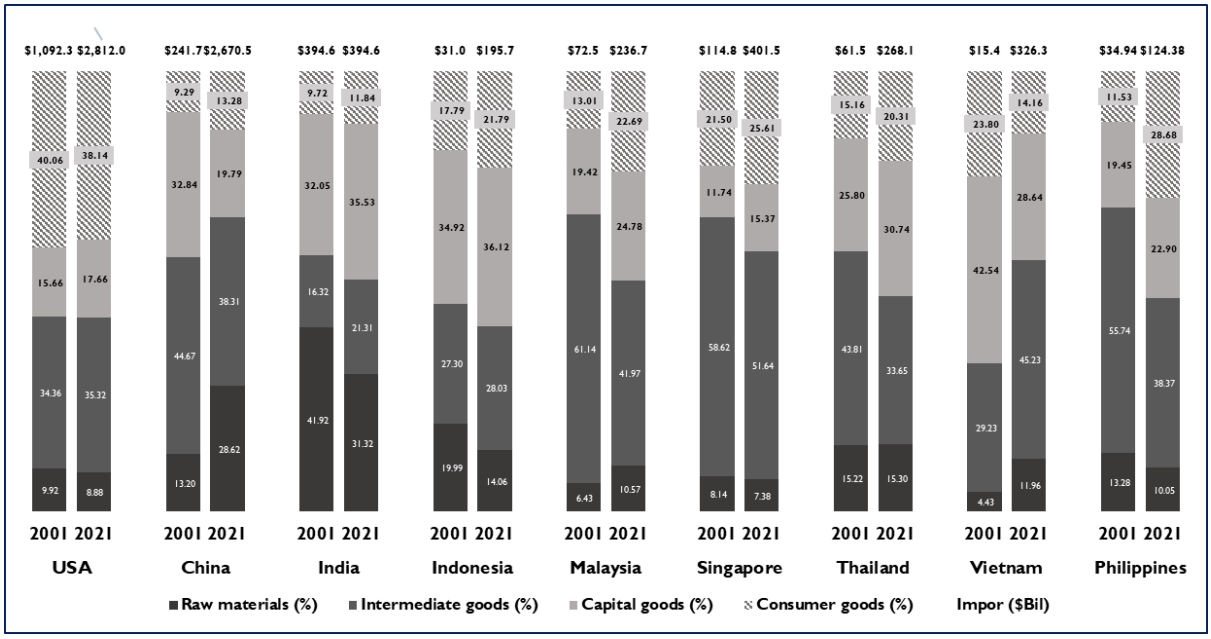
Source: TiVA database 2020, estimated by authors

Figure A4.9 Export Production Chain Composition: Indonesia vs. Peers



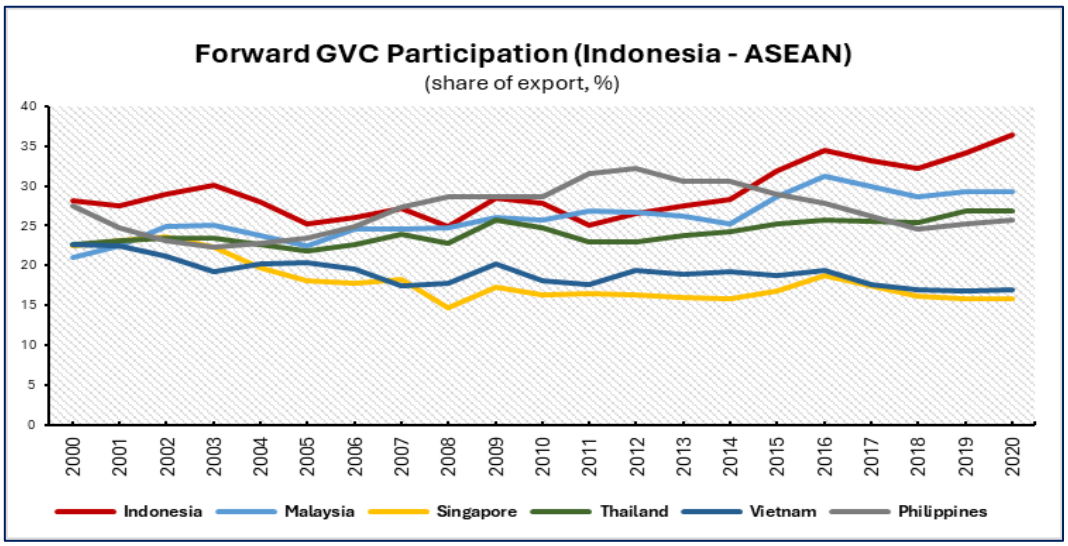
Source: UNCTAD data, estimated by authors.

Figure A4.10 Import Production Chain Composition: Indonesia vs. Peers



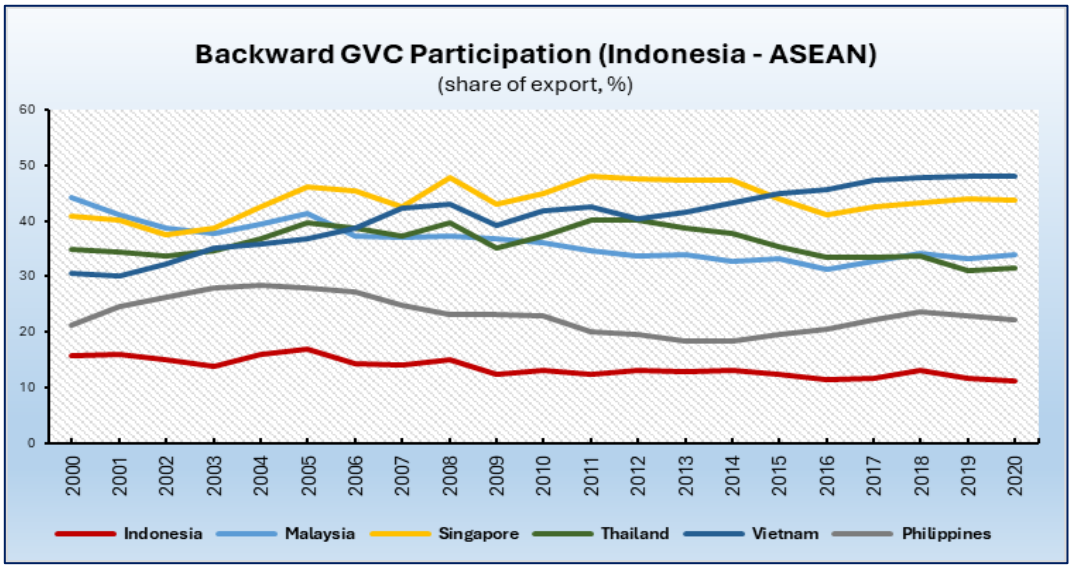
Source: UNCTAD data, estimated by authors.

Figure A4.11 Forward GVC Participation: Indonesia and Peers



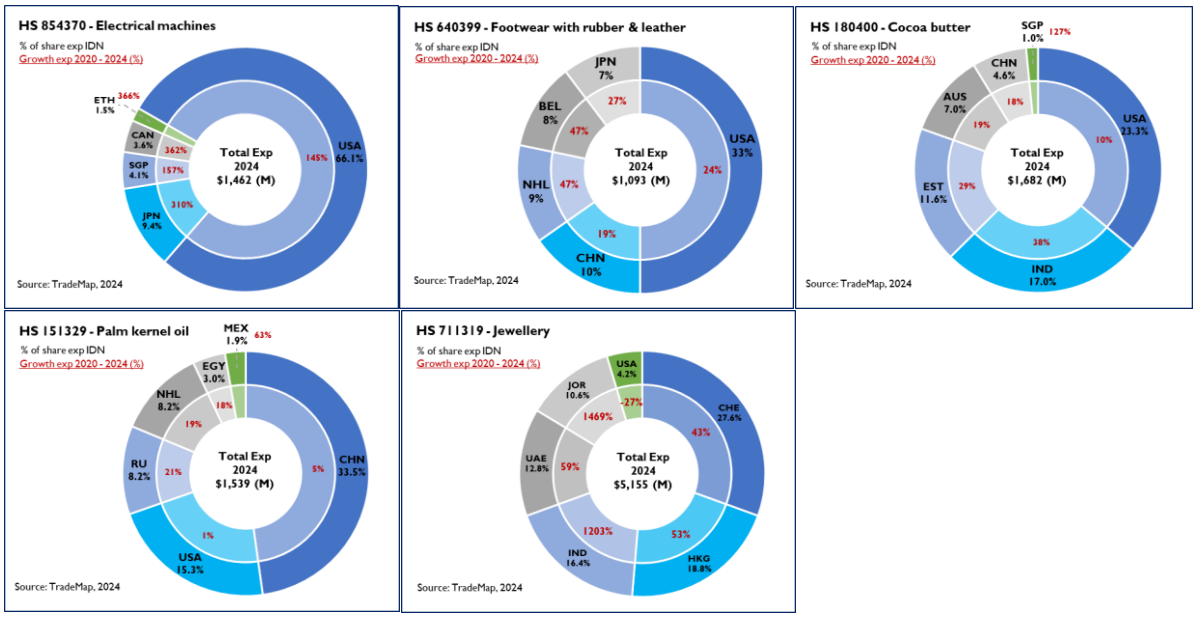
Source: TiVA database 2020, estimated by authors

Figure A4.12 Backward GVC Participation: Indonesia and Peers



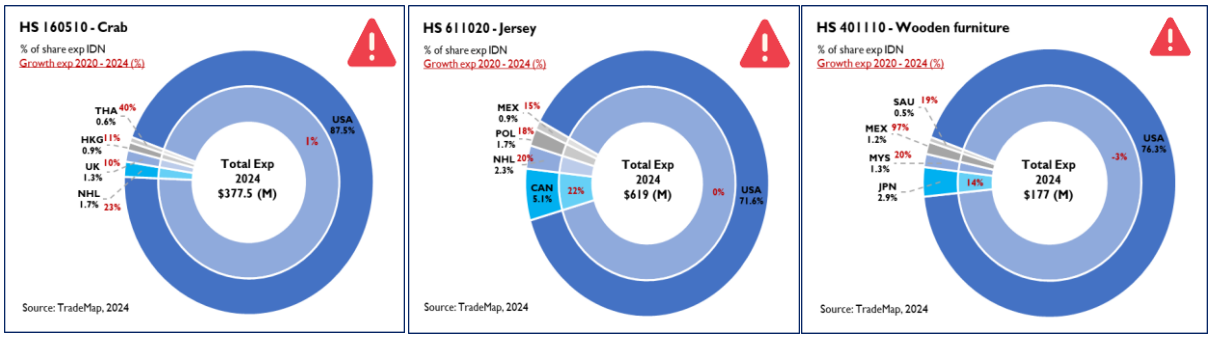
Source: TiVA database 2020, estimated by authors

Figure A4.13 Export Potential of Indonesia's "Winner Products"



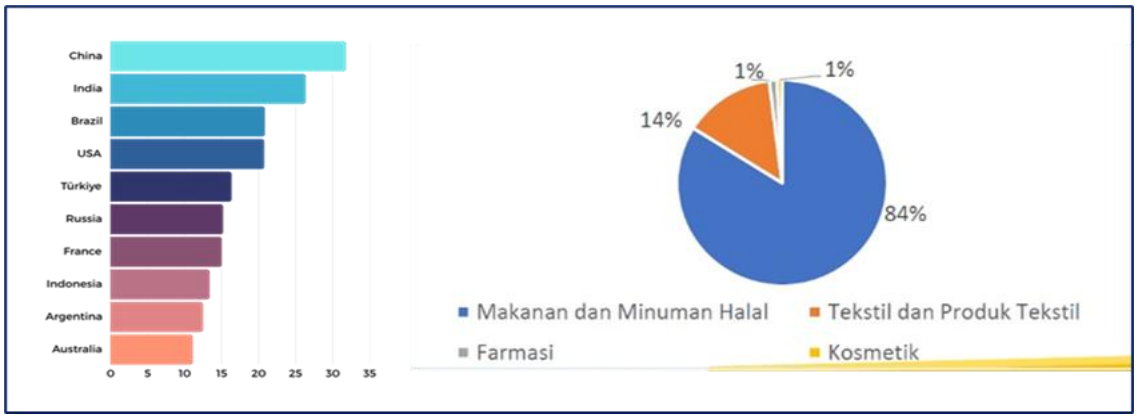
Source: TradeMap 2024, estimated by authors

Figure A4.14 Export Potential of Indonesia's "At-Risk" Products



Source: TradeMap 2024, estimated by authors

Figure A4.15 Export Potential of Indonesia's Halal Products



Source: Kemenkeu, 2024; Kemenag, 2023; SGIE, 2023.

Figure A4.16 Palm Oil Production Chain [Food Materials]

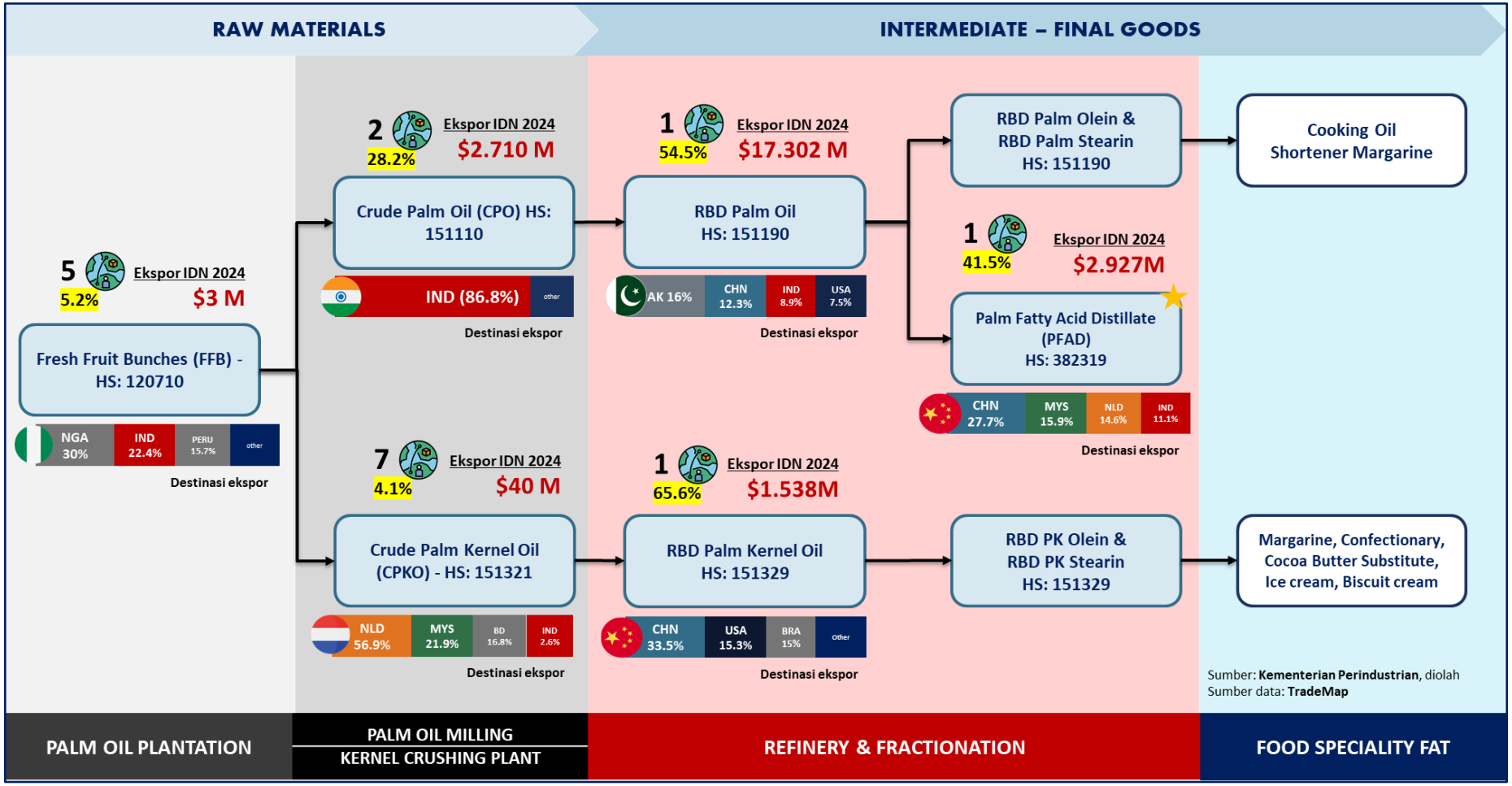


Figure A4.17 Palm Oil Production Chain [Other Product Materials]

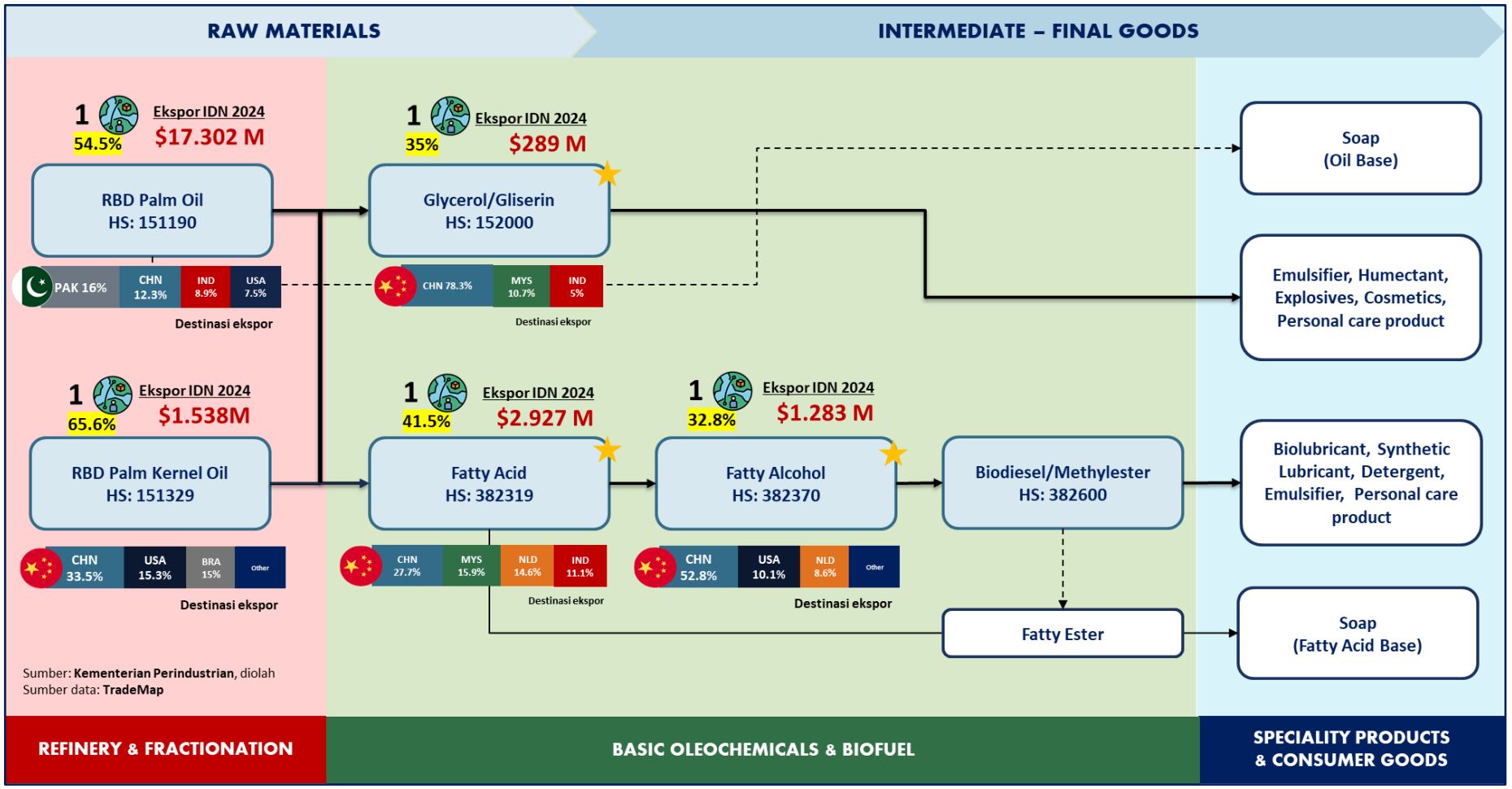


Figure A4.18 Nickel Production Chain [STAINLESS STEEL]

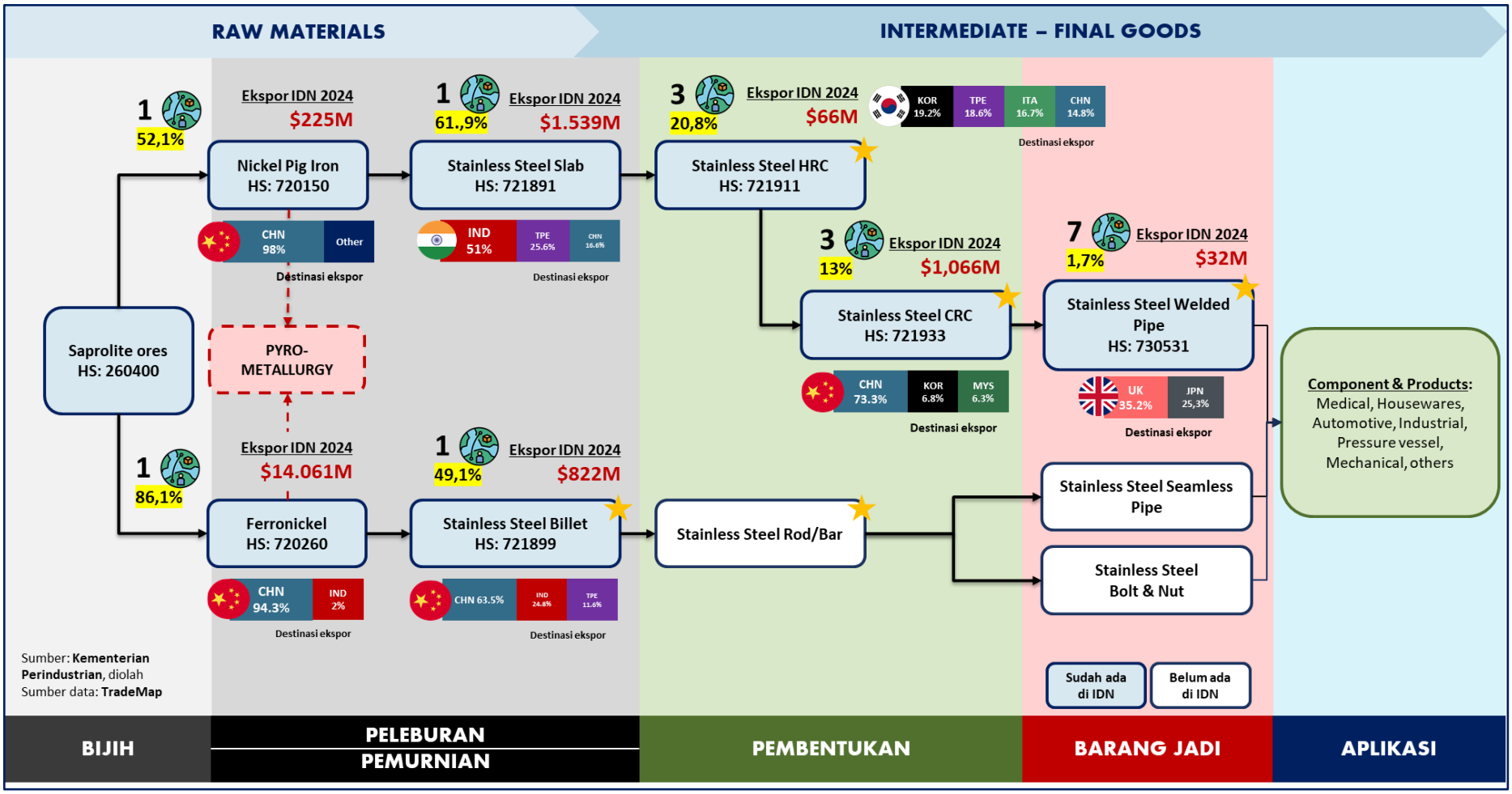


Figure A4.19 Nickel Production Chain [BATTERY]

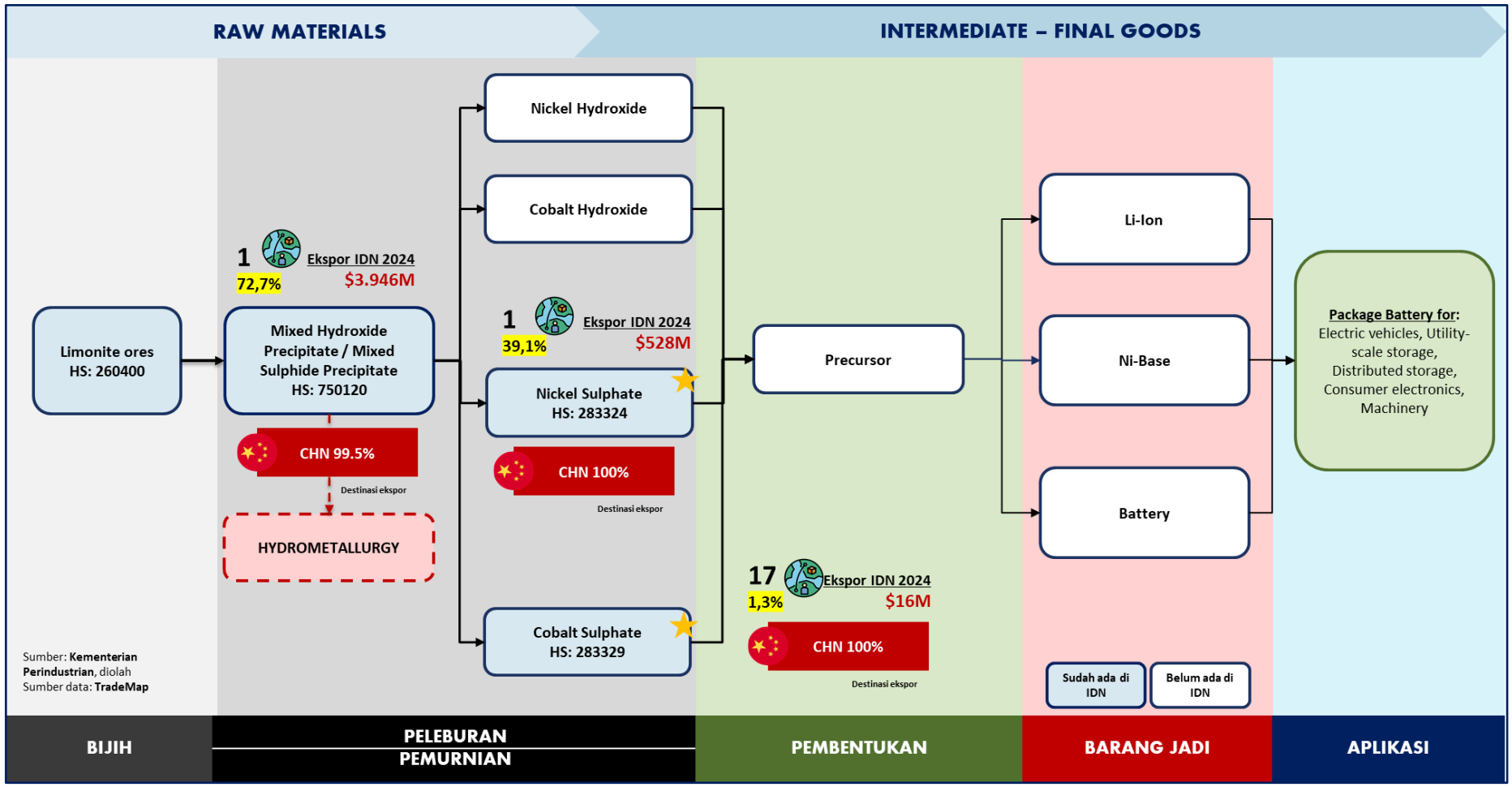


Figure A4.20 Rubber Production Chain

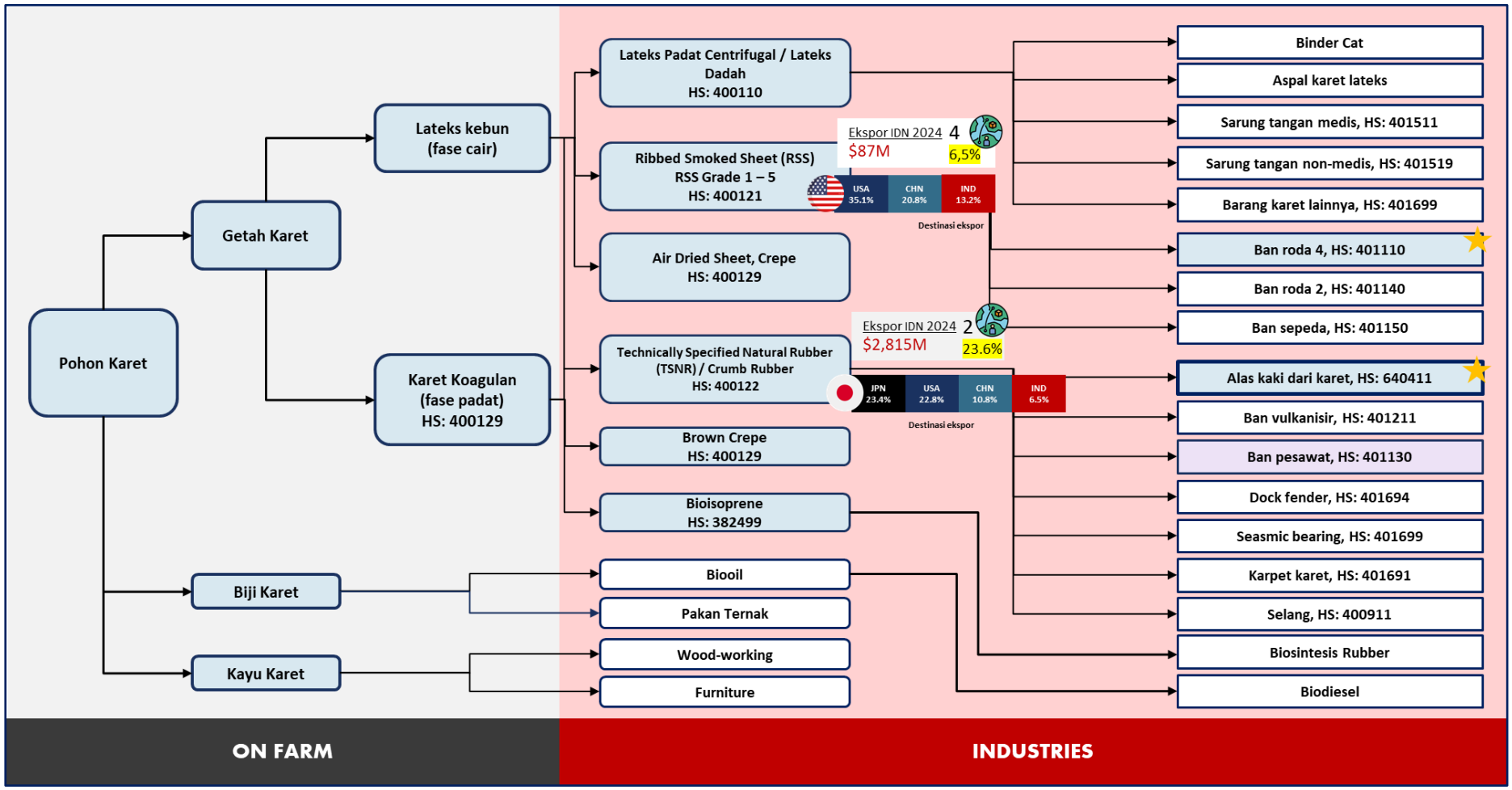
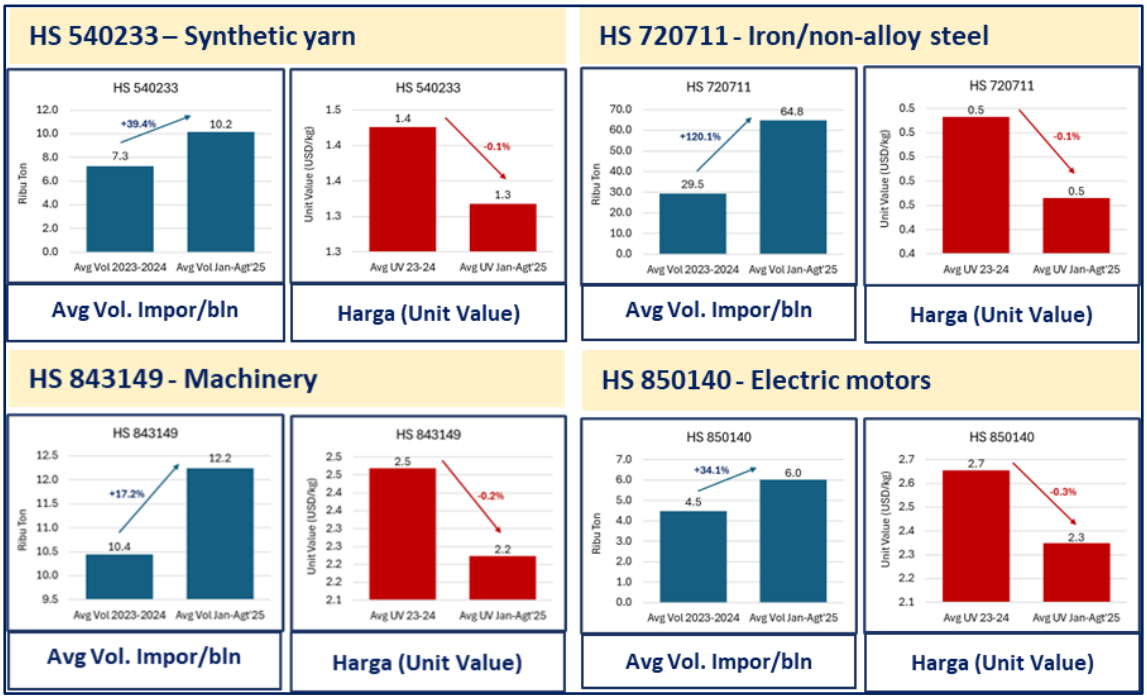


Figure A4.21 Potential Dumping of Chinese Export Products



Source: estimated by authors

Table A4.5 Export Diversification Potential for Textiles & Footwear

HS	Produk	Negara	Pangsa Ekspor	Pertumbuhan Ekspor 2020 - 2024
640399	**Footwear**	CHN	10%	19%
		NHL	**9%**	**47%**
		BEL	**8%**	**47%**
		JPN	7%	27%
620462	**Women trousers**	**TPE**	**2%**	**43%**
		HKG	**1%**	**24%**
		KOR	1%	23%
		MEX	1%	22%
620342	**Men trousers**	AUS	4%	30%
		MYS	**4%**	**89%**
		THA	**3%**	**118%**
		PHL	**3%**	**134%**
		SGP	**3%**	**117%**
620640	**Women blouses**	POL	4%	21%
		CAN	2%	16%
		TUR	**1%**	**71%**
		IND	**1%**	**44%**
611020	**Jersey**	**CAN**	**5%**	**22%**
		NHL	**2%**	**20%**
		POL	2%	18%
		MEX	1%	15%

Source: TradeMap 2024, estimated by authors

Table A4.6 Indonesia's Export Diversification Potential by Region

ASEAN		EROPA		TIMUR TENGAH	
HS	**Product**	**HS**	**Product**	**HS**	**Product**
1	Electrical machines	640399	Footwear	151190	Palm oil
401110	Car tyres	420292	Bags	401110	Car tyres
160510	Crab	160510	Crab	940350	Wooden furniture
940350	Wooden furniture	940169	Seats	151329	Palm kernel oil
180400	Cocoa butter	180400	Cocoa butter	711319	Jewellery
620342	Men trousers	151329	Palm kernel oil		
		711319	Jewellery		
		620640	Women blouses		
		611020	Jersey		

Source: TradeMap 2024, estimated by authors

Table A4.7 Indonesia's Export Diversification Potential by Country

CHINA		INDIA		JEPANG	
HS	**Product**	**HS**	**Product**	**HS**	**Product**
640399	Footwear	151190	Palm oil	640399	Footwear
180400	Cocoa butter	180400	Cocoa butter	854370	Electrical machines
		711319	Jewellery	940350	Wooden furniture
		620640	Women blouses		
AUSTRALIA		**KANADA**		**MEKSIKO**	
HS	**Product**	**HS**	**Product**	**HS**	**Product**
420292	Bags	854370	Electrical machines	401110	Car tyres
180400	Cocoa butter	420292	Bags	940350	Wooden furniture
620342	Men trousers	401110	Car tyres	151329	Palm kernel oil
		620640	Women blouses	620462	Women trousers
		611020	Jersey	611020	Jersey

Source: TradeMap 2024, estimated by authors

Table A4.8 Diversification Potential of Indonesia's Key Export Commodities

No	HS	Produk	Negara	Pertumbuhan exp. 2020-2024	Pangsa ekspor
1	090111	Kopi	EGY	20%	8.8%
			VNM	61%	4.4%
			PHL	55%	2.9%
			THA	75%	2.4%
2	090710	Cengkeh	CHN	38%	9.9%
			SAU	33%	7.9%
			BGD	42%	4.5%
			MEX	133%	1.6%
3	480256	Kertas uncoated	UK	38%	4.9%
			AUS	71%	3.7%
			BEL	27%	3.3%
			IND	69%	2.4%
4	721913	Flat-rolled steel	VNM	34%	34.1%
			TUR	30%	5.7%
			THA	67%	4.2%
5	721891	Semi-finished steel	CHN	515%	16.6%
6	851762	Perangkat jaringan	UK	655%	6.0%
			AUS	216%	4.4%
			CAN	1485%	2.8%
			NHL	213%	2.4%
7	854370	Mesin elektronik	JPN	310%	9.4%
			SGP	157%	4.1%
			CAN	362%	3.6%
8	852872	Perangkat televisi	KOR	20%	29.4%
			UAE	22%	6.0%
			JPN	15%	3.7%
			TPE	67%	3.4%
9	870322	Mobil kecil	PHL	44%	31.0%
			VNM	29%	18.4%
			MEX	42%	11.8%
			SAU	64%	11.4%
			UAE	63%	3.5%