

**EXPANDING INDONESIA'S ECONOMIC MARKET IN AFRICA: CONTRIBUTING
FACTORS OF THE INDONESIA - MOZAMBIQUE PREFERENTIAL TRADE**

AGREEMENT (IM-PTA) 2017-2021

UNDERGRADUATE THESIS



**UNIVERSITAS
ISLAM
INDONESIA**

Written by:

LU'AY MAULIDYA LATIFA

21323237

DEPARTMENT OF INTERNATIONAL RELATIONS

FACULTY OF SOCIO-CULTURAL SCIENCES

UNIVERSITAS ISLAM INDONESIA

2025

**EXPANDING INDONESIA'S ECONOMIC MARKET IN AFRICA: CONTRIBUTING
FACTORS OF THE INDONESIA - MOZAMBIQUE PREFERENTIAL TRADE**

AGREEMENT (IM-PTA) 2017-2021

UNDERGRADUATE THESIS

Proposed to the Department of International Relations

Faculty of Socio-Cultural Sciences

Universitas Islam Indonesia

As partial fulfillment of the requirements to earn

Bachelor Degree in International Relations



**UNIVERSITAS
ISLAM
INDONESIA**

Written by:

LU'AY MAULIDYA LATIFA

21323237

DEPARTMENT OF INTERNATIONAL RELATIONS

FACULTY OF SOCIO-CULTURAL SCIENCES

UNIVERSITAS ISLAM INDONESIA

2025

AUTHORIZATION PAGE

**Expanding Indonesia's Economic Market in Africa: Contributing Factors of the
Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) 2017-2021**

Defended in front of Board of Examiners
in the Department of International Relations
Faculty of Socio-Cultural Sciences

Universitas Islam Indonesia

As a partial fulfillment of requirement to earn
Bachelor Degree of International Relations



Department of International Relations
Faculty of Socio-Cultural Sciences



Universitas Islam Indonesia
of Department

[Signature]
Rizki Dian Nursita, S.I.P., M.A.

Board of Examiners

1. Rizki Dian Nursita, S.IP., M.H.I.
2. Farhan Abdul Majiid, S.Sos., M.A.
3. Hasbi Aswar, S.IP., M.A., Ph.D.
4. Alfredha Shinta Putri, S.IP., M.H.I.

Signature

[Signature]
[Signature]
[Signature]

STATEMENT OF ACADEMIC INTEGRITY

I hereby declare that this undergraduate thesis is the result of my own independent scientific work and that all material from the work of others (in books, articles, essays, dissertations, and on the internet) has been stated, and quotations and paraphrases are clearly indicated.

No other materials are used other than those contained. I have read and understood the university's rules and procedures regarding plagiarism.

Making false statements is considered a violation of academic integrity.

Monday, 26th of May 2025



Lu'ay Maulidya Latifa

TABLE OF CONTENT

TABLE OF CONTENT	v
LIST OF TABLES	vi
LIST OF ABBREVIATIONS	vii
STATEMENT OF ACADEMIC INTEGRITY	viii
ABSTRACT	ix
CHAPTER 1 INTRODUCTION	1
1.1 Background	1
1.2 Research Question	5
1.3 Research Objectives	5
1.4 Research Scope	5
1.5 Literature Review	6
1.6 Research Framework	9
1.7 Provisional Argument	12
1.8 Research Method	13
<i>1.8.1 Type of the Research</i>	13
<i>1.8.2 Subject and Object of the Research</i>	14
<i>1.8.3 Method of Data Collection</i>	14
<i>1.8.4 Process of the Research</i>	15
CHAPTER 2 TRADE RELATIONS INDONESIA & MOZAMBIQUE	16
2.1 Indonesia-Mozambique Trade Relations Before IM-PTA	16
2.2 Indonesia-Mozambique Trade Relations After IM-PTA	19
2.3 IM-PTA: From Negotiation to Agreement	23
2.4 Provisions and Scope of IM-PTA	29
<i>2.4.1 Tariff and Trade Preference Provisions</i>	29
<i>2.4.2 IM-PTA Review Mechanism</i>	31
<i>2.4.2 Opportunities and Barriers of IM-PTA</i>	32
CHAPTER 3 ANALYZING THE IM-PTA WITHIN A POLITICAL ECONOMY FRAMEWORK	35
3.1 Country Readiness	37
<i>3.1.1 Political Will</i>	38
<i>3.1.2 Trade Capacity</i>	39
<i>3.1.3 Legal System</i>	40

3.2	Economic/Commercial Benefit	41
3.3	Benefits of Broader Trade Liberalization Strategy	45
3.4	Compatibility with Indonesia's Interest	50
3.5	Congressional/Private Sector Support	53
3.6	Limited Indonesian Government Resources	55
CHAPTER 4 CONCLUSION		57
4.1	Conclusion	57
4.2	Recommendations	60
BIBLIOGRAPHY		62

LIST OF TABLES

Table 1 - Indonesia to Mozambique Trade Before The Initiation of IM-PTA Negotiations 2012-2016.....	18
Table 2 - Indonesia to Mozambique Trade After The Initiation of IM-PTA to The Ratification of IM-PTA in 2017-2021.....	20
Table 3 - Indonesia's Leading Export Commodities to Mozambique in 2017-2021.....	21
Table 4 - Top Commodities Imported by Indonesia from Mozambique in 2017-2021....	21
Table 5 - Timeline of The IM-PTA Negotiation Process.....	24
Table 6 - Details of Tariff Reduction IM-PTA	30
Table 7 - The Application of The PTA's Political Economy Concept.....	37

LIST OF ABBREVIATIONS

PTA	: Preferential Trade Agreement
FTA	: Free Trade Agreement
GAO	: General Accounting Office
WTO	: World Trade Organization
GDP	: Gross Domestic Product
NAM	: Non-Aligned Movement
MENA	: Middle East and North Africa
IORA	: Indian-Ocean Rim Association
IAF	: Indonesia-Africa Forum
SADC	: Southern African Development Community
SMEs	: Small and Medium Enterprises
LNG	: Liquefied Natural Gas
BHPL	: Buzi Hydrocarbons Pte Ltd
ROO	: Rules of Origin
JC	: Joint Committee
IAD	: Indonesia-Africa Dialogue
FTAA	: Free Trade Area of the Americas
TIFA	: Trade and Investment Framework Agreement
CFTA	: Continental Free Trade Area
KADIN	: Kamar Dagang dan Industri
APINDO	: Asosiasi Pengusaha Indonesia
DG PPI	: Direktorat Jenderal Perundingan Perdagangan Internasional
BKPM	: Badan Koordinasi Penanaman Modal

ABSTRACT

In 2017, Indonesia and Mozambique agree to cooperate within the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA), which became the first milestone of tariff-based trade cooperation between the two countries. This study aims to answer the question of why Indonesia chose Mozambique as a PTA partner. Using Olivier Cattaneo's Political Economy of PTA framework, this study analyzes six factors that influenced the decision, namely country readiness, economic benefits, trade liberalization strategy, compatibility of national interests, private sector and parliamentary support, and limited government resources. The research used a descriptive qualitative method with a case study approach, based on secondary data that included policy reports and bilateral trade data. The results of the analysis show that the selection of Mozambique as an IM-PTA partner was influenced by the country's political and economic readiness, Mozambique's strategic potential as a gateway to Africa, as well as political and private sector support from both countries. Thus, the IM-PTA reflects not only bilateral economic relations, but also Indonesia's long-term strategy of diversifying trading partners and strengthening its global role through trade diplomacy.

Keywords: IM-PTA, Political Economy, Preferential Agreement

CHAPTER 1

INTRODUCTION

1.1 Background

Cooperation between countries, both bilateral and multilateral, is crucial for advancing national interests. As nations face growing challenges in areas such as the economy, politics, health, environment, and security, their interdependence consequently rises. Among these challenges, economic needs are particularly important, as they form the backbone of international relations. No country can remain economically self-sufficient for an extended period, making global partnerships essential for long-term survival. To address their evolving needs, countries must collaborate not only in trade, but also across a variety of sectors.

Economic cooperation is a common feature of International Relations and is typically formalized through agreements that bind the parties involved. One such example is the economic partnership between Indonesia and Mozambique, which has been strengthened by the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA). Formed after a lengthy negotiation process that began in 2019, this agreement seeks to boost market access by reducing import duties on mutually agreed-upon products, thus benefiting both nations. Unlike a Free Trade Agreement (FTA), a PTA is tailored to the specific preferences and needs of the participating countries, offering more targeted benefits (Karo and Firdaus, n.d.).

PTAs are defined as international agreements with limited membership that include articles that apply only to their members and aim to secure or improve each other's market access. PTA members come from the WTO membership but can only be countries that have ratified the PTA agreement (Limao 2016). PTAs have become an important element in global trade as a first step to broader trade liberalization. Countries can increase intra-regional trade and strengthen their economic ties through PTAs. In a geopolitical context, PTAs are often used by countries to build strategic alliances with specific trading partners, which helps them face the challenges of globalization arising from other economic powers (Handoyo 2020).

PTAs are a way to overcome the limitations of multilateral trade agreements under the WTO by providing an alternative that speeds up the trade process and provide direct benefits to its members. PTAs give countries better market access without having to extend it to all WTO members and provide flexibility for member countries to negotiate trade terms that suit their needs (Bhagwati 1991). In the context of the IM-PTA, this approach can be seen as a strategy for the two countries to gradually increase their economic cooperation with potential for both countries to expand the volume of economic cooperation in the future.

Indonesia has diplomatic relations with 54 countries: 46 countries in the Sub-Saharan Africa region and 8 countries included in the Middle East and North Africa (MENA) regional cluster. Indonesia's political diplomacy capital to African countries is embedded in the organization of the Asian-African Conference (KAA) and active participation in the Non-Aligned Movement (NAM). However,

economic cooperation between Indonesia and African countries still needs to be deepened (Sari 2023).

Indonesia's consideration of Mozambique as a potential trade partner first surfaced during a bilateral meeting on the sidelines of the Indian Ocean Rim Association (IORA) Summit in March 2017. At the meeting, President of Indonesia, Joko Widodo, and President of Mozambique, Filipe Jacinto Nyusi, agreed on the need for increased economic cooperation which then led to the idea of establishing the IM-PTA (Arif 2022, 25). The focus of this research is directed at 2017, the year in which the idea of IM-PTA was initiated by both countries. The choice of 2017 as the main point of analysis is based on the consideration that all contributing factors—country readiness, economic benefits, political support, and national strategic interests—converged in the final decision to sign the IM-PTA.

The existence of this PTA shows that Indonesia has started trading with non-traditional partners. The PTA trade cooperation between Indonesia and Mozambique could potentially be a positive stimulus for Indonesia to reach and exploit markets in Africa. There are specialty products from Indonesia sent to Mozambique that are regulated in the IM-PTA tariff reduction regulations. These specialty products include palm oil and its derivatives, food and beverage products, fatty acids, paper, garments and soap (Larasati and Aseilla 2021). Even though the African market is a non-traditional market that is not large, opening the African market through IM-PTA is a step forward to broadening trade liberalization in Africa. Thus, Indonesia's export performance can improve and have greater overall consistency with the opening of alternative export countries.

The African region is considered strategic because it is rich in natural resources, has positive economic growth, and a large young population. In the midst of global economic uncertainty due to trade wars and geopolitical crises, strengthening relationships with non-traditional markets is a strategic necessity to maintain Indonesia's export performance. Mozambique, as a country with a strategic geographical position in Africa and a deep-sea port, is one of the potential partners in Indonesia's market expansion in Africa.

According to the African Development Bank's Bi-Annual Report, despite the region's economic slowdown due to the COVID-19 pandemic, the economies of 53 out of 54 countries in Africa continued to show positive growth, and it was predicted that Africa's average real Gross Domestic Product (GDP) could grow to 4% in 2023 and 2024. Amid global political and economic uncertainties that have disrupted trade with developed countries and increased commodity prices, such as the trade war between the United States (US) and China and Russia's invasion of Ukraine, targeting non-traditional markets such as African countries is important to boost Indonesia's exports (Sari 2023).

This research aims to examine the factors that contributed to Indonesia's decision to establish preferential trade cooperation with Mozambique through the IM-PTA. Using Olivier Cattaneo's Political Economy of PTA analytical framework, this research outlines how factors such as country readiness, potential economic/commercial benefits, compatibility with Indonesia's interests, and limited government resources influenced the decision-making process.

The IM-PTA is expected to be an early model in diversifying Indonesia's trading partners, while strengthening Indonesia's economic presence in the

African region. With this agreement, it is expected that Indonesia's superior products, such as palm oil, soap, paper products, and chemicals, will have greater access to the African market, while also allowing Indonesia to benefit from imports of strategic raw materials, such as cotton and minerals, from Mozambique.

1.2 Research Question

Why did Indonesia proceed a Preferential Trade Agreement (PTA) with Mozambique?

1.3 Research Objectives

Based on the research questions above, the aim of this research is:

1. To describe the general description of IM-PTA;
2. To assess the factors of Indonesia's decision to establish the IM-PTA by applying the concept of Political Economy of PTAs from Olivier Cattaneo.

1.4 Research Scope

This research discusses the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) using the PTA political economy approach. The main focus of the research is on 2017, when the idea of IM-PTA was first initiated, as this moment represents a crucial point of decision-making and consolidation of the strategic factors behind the decision-making. This research specifically analyzes

the factors that led to the formation of the IM-PTA using Olivier Cattaneo's framework which includes six key dimensions of the PTA partner selection. Trade data between Indonesia-Mozambique was analyzed from 2017-2021. Data from 2017 to 2021 was used to identify initial trends and potential for cooperation, also factors that are used to see why Indonesia choose Mozambique as a strategic trading partner.

1.5 Literature Review

Several previous studies have been used by the author to review research for this thesis. Academics have widely discussed research on the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA), all of the studies explain the process of forming the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA). There are three studies that are used, the first one is research conducted by Nurul Sakinah Arif in 2022 entitled “*Indonesia-Mozambique Preferential Trade Agreement; The Stepping Stone of Indonesia in African Continent?*”. Nurul Sakinah Arif explained three main essential points in this area of research, the first of which is bilateral trade relations between Indonesia and Mozambique. Economic and trade cooperation between countries has increased due to the IM-PTA compared to previous years. Currently, relations between countries are not only dominated by defense and security cooperation, but economic cooperation is also one of the areas of cooperation that is receiving special attention in international relations (Arif 2022).

Second, apart from IM-PTA, Indonesia has several types of partnerships with other countries. These partnerships are divided into partnerships that are already underway (Entry into Force), partnerships that are in the process of completion and ratification (Conclude and Ratification), partnerships that are still in the negotiation process (ongoing), and partnerships that are being designed as part of future plans (Future). IM-PTA itself, as previously mentioned, is a partnership that is in the process of completion and ratification (Conclude and Ratification). Third, Indonesia's motivation in signing the IM-PTA as a foreign policy was that Indonesia would gain great economic benefits from cooperating with Mozambique. There are benefits of the PTA in general and these benefits specifically link to Indonesia's national interests (Arif 2022).

The second literature using research conducted by Rafii Putra Bakti in 2021 entitled "*Cooperation Between Indonesia and Mozambique Through the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) in 2019*". Similar to the research conducted by Nurul Sakinah Arif, research conducted by Rafii Putra Bakti explains the reasons for Indonesia collaborating with Mozambique through IM-PTA. In this research, the factors driving Indonesia to carry out trade cooperation with Mozambique are mentioned. The selection of Mozambique as the preferential cooperation partner on the African continent was based on Indonesia's strategic interests. Indonesia considers that Mozambique has strategic significance when viewed geographically. Mozambique is a port/hub country for other countries in southern Africa, where in economic trade, southern African countries rely heavily on Mozambique as an entry point. This entry point is a direct medium for expanding Indonesian products to southern Africa. The

commodity needs of countries neighboring Mozambique are also regulated by reducing tariffs for Indonesian exports to Mozambique (Bakti 2021).

Further research was conducted by Febrianti and Suryadipura in 2021 entitled "*Diplomasi Perdagangan Indonesia di Afrika Selatan (2015-2019): Upaya Peningkatan Perdagangan di Pasar Afrika Selatan*", who discussed South Africa as a prospective country for Indonesia to increase its exports in 2015-2019. To increase exports to South Africa, the Indonesian Government carried out trade diplomacy, which included: holding the 2017 Joint Trade Agreement forum, seeking to establish a bilateral free trade agreement, forming the Preferential Trade Agreement (PTA), following IAF and IORA multilateral economic cooperation, seeking to reduce trade tariffs through a bilateral approach and with the SACU, saving Indonesian products from anti-dumping policies, as well as conducting visits to discuss the establishment of an instant noodle factory in South Africa (Febrianti and Suryadipura 2022).

From the discussion above, it can be seen that research regarding the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) and its economic diplomacy strategy has been widely carried out. However, the author of this present research sees that analysis of contributing factors to the establishment of IM-PTA in 2017 has not been discussed. Therefore, this research examined what the contributing factors of the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) were when Indonesia took the step to expand economic trade on the African continent in 2017.

1.6 Research Framework

This research examines the factors contributing to the establishment of the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) in 2017, highlighting it as a strategic step in Indonesia's efforts to expand its economic presence in the African market. To explore this issue, this study applies Olivier Cattaneo's concept of the Political Economy of Preferential Trade Agreements (PTAs). This framework provides a lens to explain and analyze the key factors that influenced the formation of the IM-PTA in 2017.

According to Cattaneo, Preferential Trade Agreements, such as bilateral trade, can be broadly considered a combination of economic and other political factors. Bilateral/regional trade agreements are not based on a single motive; in an agreement, two or more countries often have different and even conflicting objectives. For example, one party may aim to seek market access while the other may aim to gain political support. There are six factors that drive the selection of potential preferential trade agreement (PTA) partners:

1. Country readiness

The first factor is a country's readiness to select potential preferential trade agreement partners. This factor assesses whether potential partner countries are ready to engage in economic cooperation (Cattaneo 2014, 29). Three aspects; political will, trade capacity, and legal system, are used to measure country readiness in determining the sustainability and effectiveness of PTAs.

2. Economic/commercial benefits

Economic and commercial benefits are the second factor that evaluates the potential economic benefits for countries involved in the agreement, including increased trade volume and improved market access for goods and services (Cattaneo 2014, 29).

3. Benefits of broader trade liberalization strategy

The third factor is the benefits of a broader trade liberalization strategy. This factor involves considering how PTAs can contribute to a long-term trade strategy and fit into the larger context of trade objectives, including regional and multilateral trade initiatives (Cattaneo 2014, 30).

4. Compatibility of interests

Compatibility of interests is the fourth factor, which measures the alignment of potential partners' policies and practices with the strategic interests of the country seeking an agreement, including political, economic, and security considerations (Cattaneo 2014, 31).

5. Congressional/private sector support

The fifth factor is support from Parliament and the private sector. The level of support from parliament and private sector stakeholders is crucial to ensure legislative approval and successful implementation of the agreement. Meanwhile the private sector has an important role in implementing the benefits of PTAs, such as increasing investment, expanding production, and utilizing greater market access (Cattaneo 2014, 31).

6. Limited government resources

The last factor is the limited resources of the government. Recognizing the limited government resources available to negotiate and manage multiple PTAs simultaneously is a factor, especially in terms of institutional capacity, human resources, and available budget. Under the right strategy, resource limitations do not have to be the main obstacle in developing and managing PTAs (Cattaneo 2014, 32).

The IM-PTA is the result of a bilateral trade agreement based on the mutual interests of both countries. Indonesia encourages this cooperation as part of efforts to expand export access to non-traditional markets, while Mozambique utilizes it to meet domestic needs that have not been able to be met by local production (Ministry of Trade 2022). The IM-PTA reflects a form of trade liberalization driven not only by economic calculations but also by political considerations and foreign strategy. In line with Cattaneo's view, PTAs are the result of political arbitration between free trade interests and protectionism, where each liberalization policy creates different impacts on various domestic groups, both as winners and losers (Cattaneo 2014, 37). In the context of the IM-PTA, Indonesia not only sees the benefits of increased exports—such as palm oil products, textiles, and food—but also opportunities for strengthening bilateral relations and strategic expansion into the African region (Karo and Firdaus, n.d.).

According to the book entitled *Bilateral and Regional Trade Agreements*, there are six main factors in PTA partner selection, which are relevant to the analysis of the IM-PTA. Indonesia points out that all of these factors, including country readiness, economic benefits, and alignment of national interests, were

taken into consideration when selecting Mozambique as a partner. Furthermore, Cattaneo emphasizes that PTAs are foreign policy instruments that are closely related to geopolitical strategies, including control over major navigation routes. This is also reflected in the IM-PTA, where the agreement serves not only to expand export markets, but also to strengthen Indonesia's position in the African continent and build strategic partnerships that support foreign policy agendas as well as domestic policies based on improving economic competitiveness.

1.7 Provisional Argument

The IM-PTA reflects both economic and political objectives, aligning with the broader rationale behind Preferential Trade Agreements as described by Olivier Cattaneo. This agreement was not solely driven by economic interests but was also shaped by geopolitical considerations, demonstrating the interplay of multiple factors in bilateral trade agreements.

The six factors put forward by Olivier Cattaneo regarding the selection of potential partners in PTAs provide a strong conceptual framework for analyzing the background of Indonesia choosing Mozambique as a trading partner in 2017. The country readiness factor reflects Mozambique's readiness as a country that is institutionally and economically capable of responding to opportunities for cooperation with Indonesia. Then, consideration of economic and commercial benefits is the potential for bilateral economic benefits, especially in the export of Indonesia's superior products to the southern African market.

Furthermore, the benefits of broader trade liberalization emphasize the strategic value of the IM-PTA as Indonesia's first step to expanding its influence

and involvement in trade liberalization in the African region, which is in line with the continent's economic integration trend through the Africa Union Continental Free Trade Area (CFTA). The factor of compatibility with Indonesia's interest was also key, as Mozambique is considered to be aligned with Indonesia's geopolitical and economic interests of expanding access to non-traditional markets and diversifying trading partners outside the Asia-Pacific region. In addition, congressional and private sector support from domestic businesses that saw new export opportunities to Africa also strengthened the basis of support for this cooperation. Finally, the factor of limited Indonesian government resources showed that Indonesia, with limited diplomatic and economic capacity, chose Mozambique as a relatively easy-to-reach partner in the context of negotiating and implementing the initial PTA. Therefore, the application of these six factors in the context of the IM-PTA is key in understanding why Indonesia chose Mozambique as a strategic partner in market expansion into Africa.

1.8 Research Method

1.8.1 Type of the Research

This research uses a qualitative approach with a case study method. The case study method was chosen because researchers want to understand in-depth and detail the contributing factors of the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) in 2017. Qualitative research was carried out by collecting non-numerical data.

1.8.2 Subject and Object of the Research

The subject of this research is Indonesia as the primary country of interest because the research objectives emphasize expanding Indonesia's economic trade in Africa. However, Mozambique is a critical component since the IM-PTA is bilateral. Thus, the analysis should incorporate Mozambique but with an emphasis on how the agreement serves Indonesia's broader economic expansion goals in Africa. The object of this research is the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) itself and its contributing factors in the form of export and import data as well as information regarding tariff policies implemented by the two countries.

1.8.3 Method of Data Collection

Data collection in this research used library research as a secondary source. In this research, the author collected data reports from organizations like the World Trade Organization (WTO), the World Bank, the African Union, and ASEAN that provided insights into how PTAs impact market access, economic growth, and trade creation, especially in developing countries. Also used were literary or bibliographic sources originating from online media in the form of trade statistics, government reports, academic journals, and publications from international trade organizations. Journals, reports, news, and websites referring to the two countries and making policies regarding their problems were also included. For data obtained from secondary sources, the data were selected and categorized by the researcher so that they were relevant to the research and could help answer the research question.

1.8.4 Process of the Research

In the research process, the author began conducting research by collecting accurate data from internet media in the form of journals, reports, news, as well as official websites and books regarding the forming and the initiation of the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA). This included looking for related sources regarding economic diplomacy strategies of Indonesia in expanding its economic market on the African continent. After that, the researcher conducted the research using literature studies concerning the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) and its contributing factors. Conclusions were then made from the analysis of the factors supporting the establishment of the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) as Indonesia's effort to expand economic trade on the African continent in 2017.

CHAPTER 2

TRADE RELATIONS BETWEEN INDONESIA AND MOZAMBIQUE

2.1 Indonesia-Mozambique Trade Relations Before IM-PTA

Geographically, Indonesia and Mozambique are two countries that are part of two different continents, Asia and Africa. In terms of position, these two countries are separated by the vast waters of the Indian Ocean, which stretches from the west coast of the island of Sumatra in Indonesia to the east coast of Mozambique in Africa. Indonesia is a country that is part of the Asian continent, surrounded by various islands and has a population of more than 280 million people (Badan Pusat Statistik 2024). Meanwhile, Mozambique is an island country on the African continent that has a wide area, located in the east of the Indian Ocean, bordered by Tanzania in the north, Zimbabwe, Zambia, and Malawi in the west, and South Africa and Eswatini in the south. The country is also relatively close to Madagascar, with the Mozambique Strait separating the two.

Given this geographical condition, there is an opportunity for Indonesia to expand its penetration and access to African markets, especially in the southern part, by making Mozambique one of its gateways to non-traditional market expansion. Mozambique and several countries in Southern Africa already have a Southern African Development Community (SADC) trade protocol to reduce trade barriers and tariffs, thereby facilitating trade flows in the region (Novalinda 2024).

Cooperative relations between Indonesia and Mozambique were established in 1991. Over time, bilateral relations between Indonesia and Mozambique have

become closer, marked by increasing visits of government officials and businessmen from both countries. Various Memorandum of Understanding (MoU) have been signed between the two countries in various fields, especially in the field of trade. Indonesia-Mozambique bilateral relations were further marked by the inauguration of the operation of the Indonesian Embassy in Maputo by the Indonesian Minister of Foreign Affairs, Dr. R.M. Marty M. Natalegawa in Jakarta on December 29, 2010. Various MoU have been signed in the fields of trade, industry, police, SMEs, science and technology, women's empowerment and affairs involving the sister cities of Jakarta and Maputo (Kementerian Luar Negeri, n.d.). A commission or forum to discuss bilateral cooperation between Indonesia and Mozambique was established on May 7, 2003. To develop a country's economy, cooperation is necessary, which can be achieved when countries share the primary goal of meeting their resource needs and addressing the shortcomings that the other country is experiencing.

Bilateral relations between Indonesia and Mozambique are growing, especially in the fields of economy and trade. Before the IM-PTA agreement was initiated in 2017, Indonesia-Mozambique trade relations were still limited, but Indonesia's increasing need to expand market access to Africa as well as Mozambique's economic potential encouraged both countries to build a closer partnership. This cooperation also provides benefits for Mozambique in the form of diversification of trading partners and increased investment.

Before the IM-PTA agreement, the relationship between the two countries was very limited, where the value of Indonesia's exports to Mozambique in 2012 amounted to \$35,804, while imports amounted to \$21,055 (Kementerian Luar

Negeri, n.d.). The value of exports between the two countries has significant potential to rise. Before the IM-PTA agreement was ratified, Indonesia and Mozambique carried out trade cooperation in the field of engineering and capacity building. In the framework of technical cooperation and capacity building, Indonesia, since 2011, has channeled technical assistance by inviting participants from Mozambique in the textile, agriculture, and oil and gas industries for training in Indonesia and organizing capacity building training in Mozambique. In 2013, the Indonesian government provided 15 scholarships for master's programs in mining, agribusiness, agro-industry, infrastructure, irrigation, and fisheries to Mozambique students (Kementerian Luar Negeri, n.d.). The cooperation, however, did not have a significant impact on the economies of the two countries, as indicated by the trade balance between the two countries in 2013 which amounted to \$41,425, a value that is very small at 0.2%, but does have the potential for improvement.

Table 1. Indonesia to Mozambique Trade Before The Initiation of IM-PTA Negotiations 2012-2016

(Value: Thousand US\$)

Description	2012	2013	2014	2015	2016	Trend (%)
Total trade	56,859	129,921	141,676.50	119,458.40	44,514.30	-21.70
Oil & Gas	0	0	0	0	0	
Non-oil & gas	56,859	129,921	141,676.50	119,458.40	44,514.30	-21.70
Export	35,804	71,982	114,962.90	103,005.20	35,109.10	-1.94
Oil & Gas	0	0	0	0	0	
Non-oil & gas	35,804	71,982	114,962.90	103,005.20	35,109.10	-1.94
Import	21,055	57,939	26,713.70	16,453.20	9,405.20	-55.33
Oil & Gas	0	0	0	0	0	

Non-oil & gas	21,055	57,939	26,713.70	16,453.20	9,405.20	-55.33
Trade balance	14,749	14,043	88,249.20	86,552.00	25,703.90	+74.32
Oil & Gas	0	0	0	0	0	
Non-oil & gas	14,749	14,043	88,249.20	86,552.00	25,703.90	+74.32

Source: Trade Map 2025

Data shows that Indonesia-Mozambique trade in the 2012-2016 period was entirely dominated by the non-oil and gas sector. Total trade fluctuated, with a downward trend of 21.7%. Exports were relatively stable, while imports fell sharply by 55.3%. The trade balance remained in surplus, increasing 74.3%, reflecting Indonesia's export dominance over Mozambique prior to the initiation of the IM-PTA in 2017.

Reporting from the Directorate General of International Trade Negotiations of the Ministry of Trade of the Republic of Indonesia, bilateral relations between Indonesia and Mozambique before the IM-PTA were more specific to the field of politics and diplomacy, such as sister cities cooperation between Jakarta and Maputo in 2010, technical cooperation and capacity building in 2011, and in 2013 the Indonesian government provided master program scholarships to students from Mozambique (Direktorat Jenderal Perundingan Perdagangan Internasional Kementerian Perdagangan, n.d.).

2.2 Indonesia-Mozambique Trade Relations After IM-PTA

The establishment of the IM-PTA cooperation is a form of bilateral and regional economic integration of Indonesia and Mozambique. This agreement was motivated by economic and political factors in which the agreement guaranteed

national economic progress and a reduction in the intensity of dependence on developed countries (Bakti 2021). In addition, Indonesia's interest in the IM-PTA framework also stemmed from Africa being a “Continent of Hope” - it contains many material values that can be utilized wisely to expand and increase Indonesia's trade in non-traditional markets in one of the African regions (Krisan 2023).

Table 2. Indonesia to Mozambique Trade After The Initiation of IM-PTA to The Ratification of IM-PTA in 2017-2021

(Value: Thousand US\$)

Description	2017	2018	2019	2020	2021	Trend (%)
Total trade	82,151	91,877	149,329	69,270	124,200	+51.24
Trade balance	26,011	30,874	110,103	48,586	102,494	+293.97
Export	54,081	61,375	129,716	58,928	113,347	+109.54
Oil & Gas	0	0	0	0	0	
Non-oil & gas	54,081	61,375	129,716	58,928	113,347	+109.54
Import	28,070	30,501	19,613	10,342	10,853	-61.34
Oil & Gas	0	0	0	0	0	
Non-oil & gas	26,011	30,874	19,613	10,342	10,853	-61.34

Source: Trade Map 2025

Following the initiation of the IM-PTA in 2017, Indonesia–Mozambique trade saw notable improvements compared to the pre-agreement period (2012–2016). Total trade increased by 51.24%, exports more than doubled (up 109.54%), and the trade surplus surged by 293.97%. Meanwhile, imports declined by 61.34%, highlighting Indonesia’s growing export dominance. Before IM-PTA, trade was more volatile, with declining trends in total trade and imports. Post-2017, however, exports consistently outpaced imports, especially in 2019 and

2021. All trade continued to be non-oil and gas. Overall, the IM-PTA appears to have positively impacted bilateral trade, strengthening Indonesia's export position and widening its trade surplus with Mozambique.

Tables 3 and 4 below list the leading import-export commodities of Indonesia and Mozambique for 2012-2021.

Table 3. Indonesia's Leading Export Commodities to Mozambique in 2017-2021

(Value: Thousand US\$)

No	Description	2017	2018	2019	2020	2021
1	Organic chemicals	79	1064	1192	895	2278
2	Paper and paperboard	2991	3401	3402	2144	2573
3	Miscellaneous chemical products	4005	7960	10912	9962	14552
4	Soap, organic surface-active agents	11194	13039	13416	18627	19736
5	Animal, vegetable, or microbial fats and oils and their cleavage products	30756	29096	73096	22943	63419

Source: Trade Map 2025

Table 4. Top Commodities Imported by Indonesia from Mozambique in 2017-2021

(Value: Thousand US\$)

No	Description	2017	2018	2019	2020	2021
1	Cotton	2789	2773	8848	1260	5111
2	Iron and steel	8483	246	0	0	711

3	Mineral fuels, mineral oils and products of their distillation	0	0	0	0	0
4	Tobacco and manufactured tobacco substitutes products	3249	4067	4220	5952	4845
5	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	13105	22622	4777	3093	181

Source: Trade Map 2023

After the initiation of the IM-PTA in 2017 until ratification in 2021, Indonesia-Mozambique trade showed a fairly consistent pattern in terms of the types of commodities traded. In terms of Indonesian exports, the main commodities shipped to Mozambique include vegetable and animal oil products, soaps and organic active ingredients, other chemical products, paper and cardboard, and organic chemicals. These five commodity groups are the mainstay of Indonesia's trade, with export trends showing diversification and growth in several product categories.

Meanwhile, in terms of imports, Indonesia mainly imports cotton, tobacco products, oil seeds, iron and steel, and a small amount of mineral commodities, although not consistently every year. This import pattern suggests that Indonesia tends to import agricultural raw materials and intermediate products from Mozambique. Overall, trade between the two countries during this period was dominated by the exchange of agricultural commodities, chemical processed products, and industrial raw materials.

From both tables, it can be seen that bilateral trade between Indonesia and Mozambique focuses more on non-energy commodities, with Indonesia exporting chemicals and vegetable oils, while Mozambique exports cotton, minerals, and agricultural products.

2.3 IM-PTA: From Negotiation to Agreement

The Indonesian government has categorized Indonesia's trading partners into two categories: traditional markets and non-traditional markets. Traditional markets refer to Indonesia's export markets to developed countries such as the United States, China, and Japan. Meanwhile, Indonesia's non-traditional markets refer to Indonesia's export markets to developing countries such as Africa, the Middle East, Latin America, and Latin Europe (Direktorat Bilateral, n.d.).

The IM-PTA was first initiated in 2017 based on a proposal submitted by Indonesian Minister of Foreign Affairs Retno Marsudi to Mozambique President Filipe Nyusi during a mission visit by the Government of Indonesia and the Indonesian Chamber of Commerce and Industry (KADIN) to Maputo. On the sidelines of the Indian Ocean Rim Association (IORA) meeting earlier in March 2017 in Jakarta, the President of Mozambique conveyed his country's willingness to start negotiations with President Joko Widodo. On August 27, 2019, the IM-PTA was signed by the Indonesian Minister of Trade Enggartiasto Lukita and the Mozambique Minister of Industry and Trade Ragendra Berta de Sousa in Maputo, Mozambique. The signing coincided with Mozambique's largest trade fair, the 55th International Trade Fair-FACIM 2019. This cooperation has

provided an opportunity for Indonesia to enter markets not only in Mozambique, but also in all countries on the African continent (Larasati and Aseilla 2021).

Table 5. Timeline of The IM-PTA Negotiation Process

No	Date	Description
1.	March 7, 2017	President Joko Widodo and President Filipe Jacinto Nyusi met on the sidelines of the Indian Ocean Rim Association (IORA) Summit in Jakarta. Both heads of state agreed to increase bilateral trade through PTA cooperation.
2.	May 15, 2017	The Indonesian Ministry of Trade officially submitted the proposed IM-PTA agreement through the Mozambique Embassy in Jakarta.
3.	April 10, 2018	Preliminary Meeting between the technical teams for the IM-PTA negotiations on the sidelines of the Indonesia-Africa Forum (IAF) in Bali.
4.	April 11, 2018	The Trade Ministers of Indonesia and Mozambique made a joint statement on the sidelines of the Indonesia-Africa Forum (IAF) in Bali.
5.	May 31 - June 1, 2018	The first IM-PTA negotiations took place at the Mozambique Ministry of Industry and Trade Office in Maputo, discussing the draft PTA text.
6.	November 6-9, 2018	Second round of PTA negotiations in Maputo, Mozambique. Finalization of PTA draft text, discussion of tariff reduction modalities, request/offer list and draft text of Rules of Origin (ROO).
7.	December 6, 2018	Dissemination of information by the Directorate of Bilateral Affairs aimed at stakeholders and businesses and regarding the potential for exports to non-traditional markets.
8.	February 4-6, 2019	Third round of IM-PTA negotiations and the completion of the series of negotiations.

9.	February - July 2019	Indonesia and Mozambique exchanged updated offer lists and finalized offers.
10.	August 27, 2019	The two parties completed the IM-PTA negotiations with signing by the Indonesian Minister of Trade and the Mozambican Minister of Industry and Trade in Maputo, Mozambique.
11.	October 6, 2021	Presidential Regulation on the ratification of IM-PTA No.90 of 2021.
12.	June 6, 2022	The Indonesian Ministry of Trade effectively enforced the IM-PTA and issued Permendag No. 37 of 2022 on Indonesia's export provisions to Mozambique.

Source: FTA Center Kementerian Perdagangan RI 2023

The formation of the IM-PTA involved a series of economic diplomacy processes that included seven stages that Indonesia undertook to maximize the achievement of national interests in the IM-PTA negotiations. The first stage was taking the lead: the expansion of traditional markets encouraged Indonesia to aggressively conduct economic diplomacy in Mozambique. The Indonesian Ministry of Trade was chosen as the lead department based on instructions from President Joko Widodo regarding the expansion of non-traditional markets. The Ministry of Trade was assisted by the Directorate of Bilateral Negotiations of the Ministry of Trade as a team of negotiators as well as Indonesia's coordinator in the IM-PTA (Larasati and Aseilla 2021). In Indonesia, the Ministry of Trade is generally responsible for bilateral or multilateral agreements such as FTAs, CEPAs, and PTAs.

The second stage was external consultation, followed by external coordination outside the scope of government, after determining the negotiating team, namely the Indonesian Ministry of Trade. Here, the negotiating team usually consults with business stakeholders to obtain input from those who deal directly in

trade practices and to test how the market sees the policies planned to be taken by the department. In addition, the negotiating team also consults with NGOs, academics, and think-tanks to formulate policies that will be brought to the negotiations. In the IM-PTA negotiations, there were several collaborations with company associations including KADIN and APINDO. KADIN Indonesia organized the Public Private Dialogue: International Trade and Investment event in which several related agencies were also involved, such as DG PPI, BKPM, Ministry of Foreign Affairs, and representatives of trading partners. The gathering of government and public figures is an important key to harmonizing interests that will then be brought to the negotiating table (Larasati and Aseilla 2021).

The third stage was internal coordination, and the purpose of this stage was to reach an understanding at the government level. At this stage, the negotiating team must formulate strategies and resolve internal differences. In addition, results of external consultations are usually discussed with relevant officials. In complex negotiations, such as multilateral negotiations, more ministries are involved. Ni Made Ayu Marthini, Director of the Ministry of Trade's Bilateral Directorate, revealed that the negotiating team coordinated with technical ministries such as the Ministry of Environment and the Ministry of Industry to harmonize various interests. The Directorate General of Trade Negotiations of Indonesia also participated in the Economic Diplomacy Panel Discussion and the Working Meeting of the Indonesian Representative Heads to discuss trade cooperation with non-traditional market countries. In addition, coordination was also carried out with the Indonesian Embassy in Mozambique, the Embassy of Mozambique in Indonesia, and the Directorate General of National Export

Development to support the promotion of Indonesian products in the IM-PTA (Larasati and Aseilla 2021).

The next stage was the political decision. At this stage, the draft economic diplomacy policy is formed through coordination with relevant agencies and ministries (Larasati and Aseilla 2021). The draft is then submitted to the central government for evaluation which may result in input or revision. In this case, the central government established a policy to expand Indonesia's access to non-traditional markets, including Mozambique. This policy made it easier for agencies responsible for economic diplomacy to carry out the IM-PTA negotiations.

The fifth stage was democratic legitimation. In a democratic system, legitimation from the central government often requires additional processes, such as voting in the legislature (Bayne and Woolcock 2016). In the case of the IM-PTA, the Indonesian Parliament held an open session with the Minister of Trade in December 2020 to discuss the agreement. The results of the hearing showed approval for the signing and ratification of the IM-PTA, with the majority of the votes from the factions involved supporting this agreement.

The sixth stage is international negotiation. After the internal policy was formulated and approved by the government, the negotiating team continued the IM-PTA economic diplomacy to the international negotiation stage. The progress of this negotiation was documented on Instagram @ditbilateral. On April 11, 2018, the Ministers of Trade of Indonesia and Mozambique issued a joint statement on the sidelines of the IAF in Bali to accelerate the IM-PTA negotiations. The first round of negotiations took place on 31 March-1 June 2018

in Maputo, led by Ni Made Ayu Marthini and Amrih Jinangkung, with a focus on finalizing the draft agreement text. During this process, domestic coordination continued, such as the visit of the Indonesian Ambassador to Maputo to the Directorate of Bilateral Negotiations ahead of the second negotiation. The second negotiation was held on 6-9 November 2018 in Maputo, resulting in an agreement on the IM-PTA draft text, completion of legal scrubbing, and finalization of 80% Rules of Origin (RoO). Remaining issues were resolved by intersession. The third round of negotiations, which took place on February 4-6, 2019 in Maputo, finalized the RoO text and market access. Subsequently, in February-July 2019, both countries exchanged updated offer lists and finalized them. The IM-PTA was officially signed on August 27, 2019 in Maputo by the Indonesian Minister of Trade and the Mozambican Minister of Industry and Trade (Larasati and Aseilla 2021).

The final stage was ratification. After reaching an agreement, both countries needed to ratify the agreement so that the IM-PTA could be enforced. In Indonesia, ratification is considered complete after the issuance of a Presidential Regulation or Law on the Ratification of the IM-PTA as well as the issuance of a Minister of Finance Regulation related to its implementation (Larasati and Aseilla 2021). With coordination between various ministries and the legislature, the IM-PTA was ratified through a Presidential Regulation on December 8, 2020. As part of this process, the Directorate of Bilateral Affairs at the Ministry of Trade (MoT), together with the Secretariat of the Directorate General of International Trade Negotiations (Setditjen PPI), held a meeting to discuss the draft Presidential Regulation (Perpres) and the Consideration Paper, which were important steps in

completing ratification. Once this process was complete, the two countries sent diplomatic notes to each other, and the agreement came into force 60 days after the exchange of the notes.

2.4 Provisions and Scope of IM-PTA

After a long process of negotiation and economic diplomacy, the preferential trade agreement between Indonesia and Mozambique was finally signed. The IM-PTA covers various sectors and certain products that receive tariff preferences. The following section will outline the leading commodities that receive tariff reductions in the IM-PTA as well as the commodities that are prioritized through 100% tariff elimination in this bilateral cooperation.

2.4.1 Tariff and Trade Preference Provisions

It is necessary to know that a preferential Trade Agreement (PTA) is a trade agreement between two countries that aims to reduce tariffs (PTA 2019). In this case, the tariff reduction covers several products needed by the countries involved in the agreement. With the formation of a PTA, the country gets an advantage, especially in terms of meeting the country's needs. In the IM-PTA, there is similar emphasis on Indonesia and Mozambique in terms of gaining benefits by reducing tariffs on several products that are of concern or need for both. Several trade requirements have been set on several products according to the needs of both countries to ensure mutual benefit (Smith 2010). From the IM-PTA, it can be seen that there are commitments from both countries in the form of tariff posts on certain commodities.

In the IM-PTA, commitments from both countries include tariff reductions provided by Indonesia to Mozambique through 242 tariff posts. Meanwhile, Mozambique has provided tariff reductions to Indonesia through 217 tariff posts (Free Trade Agreement Center, n.d.). These tariff reductions differ in value, depending on the type of commodity. The existence of these tariff reduction preferences can strengthen Indonesia's exports to Africa because all countries in Africa are prioritized for free trade agreements (FTAs). Below is Table 6 which lists the tariff reductions between Indonesia and Mozambique.

Table 6. Details of Tariff Reduction IM-PTA

Category	Mozambique Tariff Reduction	Products Covered (Mozambique)	Indonesia Tariff Reduction	Products Covered (Indonesia)
1. 100% Reduction (Elimination)	100%	Coconut seed, palm oil, some tea products, fishing vehicles, vaccines, and medicines	100%	Nuts (soybeans, almonds, hazelnuts, chestnuts), sunflower seeds, natural gas, aluminum tires
2. 60-70% Reduction	20% → 7.5%	Fresh or chilled fish, milk and cream, onion, soy beans, palm oil	15% → 6%	Packaged crab, processed shrimp
	7,5% → 2.5%	Wheat flour, glucose, glucose syrup, fodder	10% → 4%	Fresh or chilled fish fillets, rock salt
3. 50% Reduction	20% → 10%	Coconut, sugar, cloves, wheat flour	20% → 14%	Mango
	5% → 2.5%	Medical medicine, printing ink	10% → 7%	Fruit juice, aluminum wire
4. 25% Reduction	5% → 2.5%	Petroleum, notebook, paint, printing ink	20% → 16%	Fermented black tea, paste

5. 20% Reduction	20% → 16%	Coffee/tea concentrate, soap, cosmetics, wooden furniture	10% → 8%	Frozen vegetables, Chinese radish, onions, kidney beans, cotton, insecticides
---------------------	-----------	--	----------	---

Source: Kemenkeu Learning Center 2024

2.4.2 *IM-PTA Review Mechanism*

With the IM-PTA agreement ratified and entered into force, both countries are able to conduct a review of the implementation of the agreement. The review mechanism can be implemented after the agreement has been running for at least two years, or sooner if proposed by one of the parties. This mechanism is an essential part of the agreement as it allows for the evaluation and adjustment of the IM-PTA scope following the economic development and trade needs of both countries. Some aspects that can be changed through the review process include the list of commodities that get tariff preferences as well as the level of tariff reduction of a product (Direktorat Bilateral, n.d.).

The review process is conducted by the Joint Committee (JC) which consists of government representatives from each country. The JC has the task of ensuring that the agreement runs according to its original objectives and remains relevant to the dynamics of global trade. This committee meets regularly, at least once every two years, to review and discuss various aspects of IM-PTA implementation. The main functions of the Joint Committee in the IM-PTA review mechanism include:

- a. Reviewing the implementation and execution of the agreement to ensure the IM-PTA is effective in increasing bilateral trade volume.

- b. Discussing and considering various issues related to the implementation of the agreement, including constraints and opportunities that arise during implementation.
- c. Carry out other functions agreed by both countries, including the possibility of expanding the scope of the agreement or adjusting policies to be more favorable to both parties (Direktorat Bilateral, n.d.).

2.4.3 Opportunities and Barriers of IM-PTA

Mozambique is a country that is not a member of the customs union, thus the economic diplomacy process with Mozambique can be smoother and faster. Mozambique has a strategic geographic location because it is directly adjacent to several landlocked countries (countries that do not have territorial waters) so that all trade activities must pass through Mozambique first. This is certainly one advantage for Indonesia in expanding its non-traditional market diversification to Africa.

Tariff reduction is one of the direct benefits of this cooperation. In general, tariffs in the African region are high, causing Indonesian products to be more expensive. Through the IM-PTA, some products get a tariff reduction to 0% and some to a lower tariff than before. The existence of this agreement can also attract Indonesian investors to invest in Mozambique, considering that this country has a growing market (Direktorat Bilateral, n.d.). Through cooperation with Mozambique, Indonesia can also expand its market to Mozambique's neighboring countries, which are Mozambique's main trading partners, namely Tanzania, Zimbabwe, Zambia, and Malawi (Bakti 2021).

The market potential that emerges after the IM-PTA agreement is characterized by product diversification, which is encouraged by both countries. There are opportunities to import products that are unavailable or expensive in their respective countries so as to meet wider consumer demand. In addition to product diversification, Mozambique also has great potential in the agriculture and natural resources sectors. The IM-PTA can open up opportunities for Indonesia to invest in the development of the agricultural, mining and energy sectors in Mozambique (Krisan 2023).

In the process of establishing the IM-PTA, there have been obstacles. The IM-PTA is a preferential agreement so that only certain products get low tariffs. Many Indonesian exporters still think that African countries have a low economic status. Currently, the African market is growing and Indonesia must take advantage of these conditions by establishing cooperation so as not to be left behind by other countries (Standard Bank Africa Trade Barometer 2023).

One of the main obstacles in the establishment of the IM-PTA is a technical obstacle related to the revision of the numbering of Indonesian export goods which has not yet been completed. This transposition process, which takes place every five years, causes uncertainty in the classification of products to be exported or imported between Indonesia and Mozambique. As a result, Indonesia has not been able to exchange diplomatic notes with Mozambique, which is an important step in the implementation of the agreement. In addition, the Preferential Trade Agreement (PTA) form of agreement limits the scope of products that receive tariff reductions without eliminating tariffs. Products that are not included in the preference list are still subject to normal tariffs, so Indonesia's market access in

Mozambique is not fully open. Another influential factor is the limited scale of the Mozambican market. With a population of only around 30 million, in which the majority of the population lives in rural areas and relies on natural products, there is low demand for imported goods. This limitation poses a challenge for Indonesia to expand its market in Mozambique and maximize the benefits of the IM-PTA (Krisan 2023).

CHAPTER 3
ANALYZING THE IM-PTA WITHIN A POLITICAL ECONOMY
FRAMEWORK

The Political Economy of the PTA concept proposed by Olivier Cattaneo emphasizes that Preferential Trade Agreements (PTAs) are not just economic instruments, but also part of foreign policy driven by political considerations. As a form of bilateral or regional agreement, PTAs are the result of a combination of various economic and political factors that influence a country's decision to choose its strategic trading partners. In practice, trade agreements are not always based on a single motive, but often reflect different, even conflicting, interests between the countries involved (Cattaneo 2014, 25). Therefore, in this chapter, the author will discuss and apply Cattaneo's Political Economy of the PTA concept to answer the formulated problem, with reference to the six main factors that motivate partner selection in preferential trade agreements, as follows:

- A) Country readiness, which is the extent to which a country is considered feasible and capable of establishing economic cooperation in the form of a PTA. This factor includes aspects of political will, trade capacity, and legal system in supporting the implementation of the agreement.
- B) Economic or commercial benefits, which measure the potential benefits of a PTA for the countries involved, such as increased trade volume, export diversification, and expanded market access for goods and services, especially for Indonesia in the context of trade with Mozambique.
- C) Benefits to broader trade liberalization strategies, which assesses how PTAs can contribute to long-term trade strategies and global economic

integration, including within the larger framework of regional and multilateral cooperation.

- D) Compatibility with Indonesia's interests, which reflects the compatibility of the partner country's policies and practices with Indonesia's political, economic, and national security objectives.
- E) Congressional/private sector support, which is a key element in ensuring successful PTA implementation, as political legitimacy and business support are needed to ensure the sustainability of the agreement.
- F) The limited resources of the Indonesian government are also an important consideration, given the limited institutional capacity, human resources, and budget in negotiating and managing several PTAs simultaneously (Cattaneo 2014).

Cattaneo also emphasized that PTAs are a form of trade liberalization that have a strong political dimension. Any changes in the terms or volume of trade agreed in the agreement will have different impacts on different groups of people in the affected countries. In other words, trade liberalization, whether unilateral, bilateral, regional or multilateral, not only creates new economic opportunities but can also have political and social consequences, including the emergence of beneficiaries and losers in the process. Therefore, in analyzing and implementing PTAs, it is important for governments to consider the balance between economic benefits and social stability to ensure that trade liberalization is sustainable and inclusive for all parties (Cattaneo 2014, 44).

Table 7. The Application of The PTA’s Political Economy Concept

No	Concept	Application
1.	Country readiness	Mozambique was chosen as a partner due to its infrastructure readiness in the agriculture and energy sectors, as well as regulations that support bilateral trade with Indonesia.
2.	Economic/commercial benefits	The IM-PTA benefits Indonesia by increasing exports of manufactured products, palm oil, and pharmaceuticals, while Mozambique gains wider market access for its agricultural and fisheries commodities in Indonesia.
3.	Benefits of broader trade liberalization strategy	This agreement supports Indonesia's strategy to expand its international trade network in Africa and strengthen integration with regional and multilateral free trade policies.
4.	Compatibility with Indonesia’s interest	Mozambique has strategic importance for Indonesia in diversifying trading partners, especially to strengthen relations with countries in Africa as part of an economic diplomacy strategy.
5.	Congressional/private sector support	The PTA has the support of the Indonesian private sector, particularly the palm oil and manufacturing industries, as well as the parliament, which sees the potential for strengthening exports and economic cooperation with Africa.
6.	Limited Indonesian government resources	The Indonesian government prioritized the IM-PTA as part of its foreign trade strategy, taking into account the efficiency of resources available to manage agreements with non-traditional trading partners such as Mozambique.

Source: United States General of Accounting Office

3.1 Country Readiness

In choosing potential partner countries for Preferential Trade Agreements, there are six factors, the first of which is country readiness. This factor highlights Indonesia’s perspective on Mozambique’s value as a partner, this factor is a basic indicator in measuring whether potential partner countries are ready to participate

in economic cooperation. There are three aspects used to measure country readiness in determining the sustainability and effectiveness of PTAs, namely political will, trade capacity, and legal systems owned by potential partner countries (Cattaneo 2014, 29). This factor highlights Indonesia's perspective on Mozambique's value

3.1.1 Political Will

Political will refers to the extent to which the partner country's government is committed to supporting trade liberalization to achieve the goals of both countries. Partner trade should be willing to remove or reduce trade barriers such as tariffs, import quotas, or domestic subsidies. Political will is also indicated by a commitment to transparent and inclusive negotiations, meaning that the partner country should be prepared to negotiate in an open and cooperative manner and be willing to resolve trade disputes in a fair manner. (Manurung 2022, 4).

Throughout the entire series of negotiations, Mozambique showed a cooperative attitude by actively participating in every stage of discussions and negotiations. Transparency in the negotiation process was evident in Mozambique's openness in expressing its national interests and its willingness to seek common ground with Indonesia on various aspects of the agreement. Mozambique's full involvement in the process also reflects the principle of inclusiveness, where all interested parties contribute to the formation of trade policies that benefit both parties. As such, the IM-PTA is not only a strategic economic instrument for both countries, but also tangible evidence of

Mozambique's commitment to open, transparent and equality-based trade negotiations.

From Indonesia's perspective, according to former Minister of Trade, Agus Suparmanto, during an interview with kontan.id in 2020, Mozambique is a strategic partner that shows strong political will in supporting the establishment of IM-PTA cooperation. This can be seen from Mozambique's willingness to be actively involved in all stages of negotiations, from multilateral forums such as the Indonesia-Africa Dialogue (IAD) to high-level bilateral meetings between heads of state. The direct involvement of the President of Mozambique in international trade forums confirms the country's political commitment to open markets and strengthen economic relations with Indonesia. Indonesia views Mozambique's commitment to provide tariff preferences on 217 tariff posts for Indonesian products as a concrete form of political will in trade liberalization. In addition, Mozambique's cooperative attitude in drafting the Rules of Origin and transparency in conveying national interests during the negotiation process reflect the country's readiness to integrate into the preference-based trading system.

3.1.2 Trade Capacity

Trade capability is one of the indicators to see the extent to which partner countries can effectively participate in trade agreements. In this case, the partner country must have an economic sector that is sufficiently developed and able to compete in traditional markets. Mozambique, in international trade, has an economic structure dominated by the extractive sector and industrial products,

with its main exports being aluminum, coal, natural gas and other mineral products (United States International Trade Administration 2024).

In this regard Mozambique has a strong position in international trade, especially in the extractive sector which has massive export figures to European markets, and China, India, South Africa, Italy and the United States. This is demonstrated by the total value of Mozambique's exports reaching around \$5,160,904 in 2018 (International Trade Centre 2021).

From Indonesia's perspective, according to former Minister of Trade, Agus Suparmanto, during an interview with kontan.id in 2020, Mozambique's trade capacity provides strategic opportunities for strengthening bilateral cooperation, particularly through leading sectors that are part of Mozambique's export structure. For Indonesia, cooperation with Mozambique under the IM-PTA provides access to important industrial raw materials, such as cotton for the textile sector, at more competitive prices than other import sources. In addition, by providing tariff preferences to Mozambique's main export commodities, Indonesia is helping to increase Mozambique's production and trade capacity, which in turn creates a mutually beneficial relationship. Mozambique also has great potential to become a diversified partner for raw material supply, thus helping Indonesia to reduce dependence on traditional supplier countries.

3.1.3 Legal System

Indonesia views Mozambique's legal system, which still faces structural challenges such as complex bureaucracy and slow customs processes, as indeed one of the concerns in shaping trade cooperation. However, the IM-PTA is seen as

a strategic instrument to encourage such improvements through positive pressure towards regulatory harmonization and increased legal certainty in bilateral trade. Indonesia sees that, despite Mozambique's constraints in its legal system, the country has shown openness to reform and integration efforts into a more modern and efficient international trade. In addition, through the IM-PTA, Indonesia gains more certain and legally protected market access, as the agreement contains internationally binding provisions on tariffs and rules of origin. In the long run, the stabilization of Mozambique's legal system driven by agreements such as the IM-PTA can create a safer business environment for Indonesian businesses, reduce the risk of regulatory uncertainty, and strengthen Indonesia's position as a major trading partner in the African region. The other support factors is that Mozambique's legal system for trade is based on a civil law tradition, with regulations and procedures governed by national statutes and international commitments. The country is a member of the World Trade Organization (WTO) and the Southern African Development Community (SADC), and it has ratified the African Continental Free Trade Area (AfCFTA). This means Mozambique's trade laws are influenced by both regional and global standards, including tariff schedules, customs procedures, and trade facilitation measures. (Direktorat Jenderal Bea dan Cukai 2023).

3.2 Economic/Commercial Benefit

This factor highlights Indonesia's motivation to secure concrete economic gains through expanded market access for key export products such as palm oil and soap, made possible by the tariff reductions provided by Mozambique under

the IM-PTA. Economic and commercial benefits is the second factor used to evaluate the potential economic benefits for countries involved in the agreement, including the benefits of increased trade volume and improved market access for Indonesian goods and services. Increased trade volume is an important instrument in the success of PTAs, as it is in line with the objective of these agreements which is to eliminate or reduce tariff and non-tariff barriers that may restrict trade flows. National exports can be boosted by the presence of tariff preferences that make Indonesian products more competitive in trading partner markets. In addition, PTAs can improve market efficiency by expanding the choice of imported goods at more affordable prices for domestic consumers. To increasing trade volume, PTAs also improve market access for goods and services. With greater market access and more conducive trade regulations, this can create new jobs, improve technology transfer, and encourage innovation in industry and services (Cattaneo 2014, 29).

In terms of economic theory, PTA is based on the concept of comparative advantage proposed by David Ricardo, where each country can obtain greater benefits by specializing production in sectors that have high efficiency and trading with other countries (Nurtjahjo, n.d.). In this case, Indonesia excels in exports of manufactured products, vegetable oils, and chemicals, while Mozambique excels in agricultural commodities and minerals. With tariff preferences in the IM-PTA, both countries can further optimize these advantages to improve their respective economic welfare.

In the context of the IM-PTA, these economic benefits were one of the main factors driving the formation of the agreement. Before the IM-PTA was signed in

2019, trade relations between Indonesia and Mozambique were still limited, with the value of Indonesia's exports to Mozambique only around \$114,963 in 2014, while its imports amounted to \$26,719. However, after the implementation of IM-PTA, bilateral trade has increased with the total value of Indonesia's exports to Mozambique around \$115,465 in 2023, while its imports amounted to \$88,000 (Free Trade Agreement Center, n.d.).

One indicator of the economic benefits of the IM-PTA can be seen from the growth in the value of bilateral trade after the agreement came into force. In 2019, total trade between Indonesia and Mozambique increased to \$149.329, although it declined due to the COVID-19 pandemic in 2020. However, by 2023, the trade value reached \$203.644, which was the highest figure in a decade. In addition, Indonesia's imports from Mozambique increased sharply from under \$30,000 per year before the IM-PTA to \$117,000 in 2023 (Free Trade Agreement Center, n.d.), showing that the PTA not only benefits Indonesia as an exporter but also opens Indonesia's market access to Mozambique products.

In the spice sector, Indonesia has potential that can be developed further. Currently, imports of spices from Indonesia to Mozambique are still relatively low, reaching only \$8,000. With competition from other countries such as Africa, Portugal, Brazil, India and China, Indonesia needs to strengthen its competitiveness in this sector. Although Mozambique's economy is not as large as some other African countries, the market in this country still has significant appeal for Indonesian exports. Mozambique's geographical advantages make it a strategic point for regional trade. Bordering six countries and directly connected to the Indian Ocean, Mozambique is an important route for the distribution of

goods to southern and central Africa (Kemenkeu Learning Center 2024). In the context of bilateral trade, the IM-PTA agreement allows Indonesia to expand its market through Mozambique, which serves as a trade gateway for its neighboring countries.

Furthermore, the IM-PTA provides tariff preferences to each country for various superior commodities. Indonesia reduced import duty rates on 242 tariff items, while Mozambique reduced 217 tariff items, with various categories of reduction, ranging from full elimination to gradual reduction. For example, Indonesia eliminated 100% of tariffs on beans, sunflower seeds, and natural gas, while Mozambique eliminated tariffs on palm oil, vaccines, and medicines. In a macroeconomic perspective, the benefits of PTAs are not only seen from the value of trade, but also from follow-on effects such as technology transfer, job creation, and foreign direct investment (FDI). The IM-PTA allows Indonesia to increase its investment in Mozambique, especially in the energy sector, as demonstrated in PT Pertamina's cooperation with Buzi Hydrocarbons Pte Ltd in natural gas exploration (Kementerian Luar Negeri, n.d.). This shows that trade agreements not only encourage export-import but also open up opportunities for cooperation in strategic industries.

From a market efficiency perspective, the IM-PTA contributes to reducing production costs and increasing the competitiveness of Indonesian products in Africa. With tariff reductions, the prices of Indonesian products become more affordable in Mozambique, thereby increasing demand and market penetration. Conversely, Indonesian consumers also benefit from access to imported Mozambican products at more potential prices.

Overall, the IM-PTA proves that preferential trade agreements can provide extensive economic benefits for the countries involved, both in terms of increasing trade volume, diversifying trading partners, expanding investment, and strengthening global competitiveness. Various forms of economic cooperation between Indonesia and Mozambique show that the bilateral relationship is not only based on trade in goods, but also includes investment, industry, fisheries, and science and technology. The existence of the IM-PTA provides a stronger foundation for both countries to maximize their respective economic potential, optimize trade through tariff reductions, and expand export markets. With tariff preferences in the IM-PTA, Indonesia can more easily penetrate the Mozambican market, while Mozambique can increase its product access to Indonesia. This is in line with the principle of economic benefits, where preferential trade agreements can create inclusive economic growth, improve market efficiency, and expand investment opportunities and bilateral cooperation in various sectors.

3.3 Benefits of Broader Trade Liberalization Strategy

This factor highlights Indonesia's long-term strategy to diversify its export markets beyond traditional partners, using Mozambique not only as a trade partner but also as a gateway to access the wider Southern African region through regional trade frameworks like SADC and AfCFTA.

Trade liberalization strategy refers to a country's efforts to open its market by reducing trade barriers such as tariffs, quotas, and regulations that restrict the flow of goods and services between countries. In the context of PTA, this strategy is used to enhance economic cooperation, accelerate trade growth, and create

more open and competitive trade relationships. Countries that wish to become PTA partners are expected to share a common vision in supporting a freer global trade policy. This includes a commitment to resolving trade issues through bilateral agreements, compliance with World Trade Organization (WTO) rules, and willingness to participate in regional and multilateral trade negotiations (Cattaneo 2014, 31).

When applied in the context of the IM-PTA, this agreement can be considered a part of Indonesia's trade liberalization strategy to expand market access to Africa. Prior to the IM-PTA, trade relations between Indonesia and Mozambique were limited, and trade barriers such as high import tariffs made it difficult for Indonesian products to compete in the Mozambican market. With this agreement, Indonesia benefits from reduced tariffs and easier market access in Mozambique, which in turn can increase the competitiveness of Indonesian products in the southern African region. In addition, the IM-PTA also helps Indonesia demonstrate its commitment to a more open global trading system, in line with WTO rules. Under this agreement, both Indonesia and Mozambique agreed to reduce tariffs on a wide range of export and import products, aiming to increase bilateral trade and encourage investment in strategic sectors such as agriculture, industry, and fisheries (Silviani 2023).

More broadly, the IM-PTA also reflects Indonesia's strategy to diversify trading partners and reduce dependence on traditional markets such as the United States, the European Union, and China. By expanding trade cooperation with countries in Africa, Indonesia not only strengthens its economic position in the global market but also creates new opportunities for domestic businesses to

penetrate non-traditional markets. The IM-PTA not only provides benefits in the form of increased trade volume, but also strengthens Indonesia's position in the global trade liberalization strategy. This agreement is an important step for Indonesia in building a more open, efficient, and competitive trade ecosystem, while expanding its role in the international economy (Karo and Firdaus, n.d.).

The preferential trade agreement between Indonesia and Mozambique opens up great opportunities for Indonesia to expand its market reach in Africa. Mozambique plays a crucial role in the African region's trade, especially as a distribution center for countries in the southern and central parts of the continent. With direct borders to Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and Eswatini, and supported by three major ports, Mozambique is the gateway for trade flows into Africa. Market diversification is a strategic step to maintain the stability of Indonesia's exports and imports. The IM-PTA is a potential means to increase market access for Indonesian products in Mozambique, especially in sectors such as palm oil and its derivatives, paper, garments, food and beverages, fatty acids, and soap. These leading products have been incentivized with tariff reductions in the IM-PTA agreement, further strengthening Indonesia's competitiveness in the Mozambican market (Karo and Firdaus, n.d.).

Although Africa is not a major traditional market for Indonesia, developing exports to the region is a progressive step towards creating long-term trade stability. Currently, Indonesia's exports are still focused on certain countries and commodities. By exploring new markets such as Africa, Indonesia can strengthen its export resilience through more diverse trading partners, one of which is Mozambique. In this trade cooperation, Indonesian national products that have a

competitive advantage in Mozambique include palm oil, which has dominated the market with an import volume of 130,971 tons. In addition, the paper sector has also shown strong performance, with 85,000 tons of Mozambique's total paper imports of 93,000 tons coming from Indonesia. Indonesia has also started working on export opportunities for other products, such as biscuits, with an initial shipment of 14 tons, while Mozambique's import needs reached 3,380 tons in 2019. In addition, textile-based sack products also still have a large room for growth, where Indonesia only exports 436 tons out of Mozambique's total import needs of 23,000 tons. By utilizing the IM-PTA, these figures can be increased (Kemenkeu Learning Center 2024).

One potential market that can be reached through Mozambique is Tanzania, which has an agriculture-based economy. Currently, the volume of trade between Indonesia and Tanzania is still limited and is generally conducted through a third party, namely Mozambique. Indonesia's main export products to Tanzania include garments, soap, instant noodles, stationery, furniture and clothing. These products are included in the IM-PTA preferential tariff category, so they have the opportunity to grow more widely. Besides Tanzania, Indonesia also has the potential to penetrate markets in Malawi and Zambia. In general, these two countries depend on the mining, agriculture, manufacturing, energy, infrastructure, tourism, and banking sectors. Indonesia can take advantage of this to improve the potential of its commodities in the region. Although the volume of trade with Malawi and Zambia is still small and often carried out through Tanzania, Indonesian products have the potential to become an alternative for the market needs in these two countries (Bakti 2021).

The market reached through Mozambique also has the potential to expand to Zimbabwe. The country relies on imports to meet its demand for finished goods, including machinery and equipment, food products, pharmaceuticals, and chemical products. Apart from goods, the services sector is also an important part of its imports, such as insurance services, sea transportation, and other modes of transportation. In international trade, Zimbabwe still maintains major trade relations with countries in Africa, with South Africa and Mozambique being the largest trading partners providing most of its imported goods. Meanwhile, Zimbabwe's trade relations with Indonesia are dominated by non-energy commodities. Indonesia's main export products to Zimbabwe include woven fabrics, footwear, textile yarn, glass, car tires, soap, garments, and home furnishings. Zimbabwe's demand for these products is supported by the tariff reduction rules in the IM-PTA, which provides an opportunity for Indonesia to expand its market and improve its export competitiveness. The same is true for Eswatini, which is a direct export destination for several Indonesian products such as furniture, garments, and batik. These products are shipped to Eswatini via ports in Mozambique, emphasizing Mozambique's strategic role as a key conduit for Indonesian trade in the southern African region (Bakti 2021).

According to former Minister of Trade, Agus Suparmanto, during an interview with *kontan.id* in 2020, Mozambique was chosen as a cooperation partner in the IM-PTA because it has strategic potential for Indonesia to expand trade in the African region. One of the main factors taken into consideration in the selection of PTA partners is political stability and security, which are fundamental in ensuring smooth and risk-free trade. This stability makes Mozambique an ideal

entry point for Indonesian products into southern and central Africa. Thus, through the IM-PTA, Indonesia not only strengthens bilateral relations with Mozambique, but also opens up wider trade opportunities with surrounding countries (Bakti 2021).

From the perspective of trade liberalization strategy, IM-PTA is in line with Indonesia's economic interests because it provides opportunities for national businesses to more easily export goods to Mozambique with lower tariffs (Karo and Firdaus, n.d.). The more limited scope of the IM-PTA compared to the Free Trade Agreement (FTA) makes the negotiation process faster, so that the benefits can be immediately felt by the industrial and trade sectors. The reduction in import duty tariffs agreed upon in this agreement allows Indonesian products, such as palm oil, paper, garments, food and beverages, soap, and fatty acids, to become more competitive in the Mozambican market. This gives Indonesia an advantage in increasing export volumes and diversifying markets that were previously still heavily dependent on traditional market partners, such as Japan, the United States and Europe.

3.4 Compatibility with Indonesia's Interest

This factor highlights the mutual alignment of national interests, where Mozambique offers access to key raw materials like cotton and a strategic location in Africa, while Indonesia provides manufactured goods and seeks to strengthen its economic diplomacy in the Global South.

Simply put, before entering into a preferential trade agreement (PTA), a country will consider whether its potential partners have common interests in

economic and political policies. Potential PTA partners should support foreign policy and have good diplomatic relations. Sometimes, a visit by a country's leader or trade representative can be an important moment to build closer ties and open up opportunities for trade cooperation. However, countries that want to become PTA partners must also meet several other conditions, such as membership in the World Trade Organization (WTO) and participation in the Trade and Investment Framework Agreement (TIFA) (Cattaneo 2014, 31).

According to the Free Trade Agreement Center from the Ministry of Trade Republic of Indonesia website, it is stated that Indonesia's national interest in this agreement is the expansion of Indonesia's export market to non-traditional markets. In this case, Mozambique is expected to become a hub, especially for the African region. In addition, another goal is that Indonesia can encourage the interest of entrepreneurs to further utilize the potential of non-traditional markets, especially Africa.

The Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) also reflects the compatibility of the national interests of both countries. Indonesia and Mozambique have aligned goals, namely strengthening bilateral trade and expanding their market access in their respective regions. Indonesia considers economic potential, stability of diplomatic relations, as well as long-term benefits before signing a trade agreement. In addition, diplomatic visits and high-level meetings between officials of both countries played an important role in accelerating the realization of the IM-PTA. Before the IM-PTA was signed in 2019, trade relations between Indonesia and Mozambique were still relatively limited. However, through bilateral economic dialogues, negotiations, and

delegation exchanges, the two countries successfully reached an agreement to lower tariff barriers and increase trade.

Indonesia and Mozambique benefit based on their needs and advantages. Indonesia has strong industrial capacity, especially in the production of manufactured goods, while Mozambique has high demand for such goods as it is still at the stage of economic development. Conversely, Indonesia also benefits from this cooperation by getting supplies of raw materials such as cotton, oilseeds and minerals, which are important inputs for the textile and manufacturing industries in the country. In other words, this agreement enables more efficient import-export transactions, creates greater trade opportunities, and accelerates the flow of goods between the two countries (Reuters 2019).

Furthermore, the IM-PTA also strengthens diplomatic relations between Indonesia and Mozambique. In the framework of international trade, trade is often used as a tool of economic diplomacy, where close cooperation in the field of trade will have a positive impact on the stability of bilateral relations. This agreement not only increases trade transactions, but also opens up opportunities for cooperation in other sectors, such as investment, technology, and industrial and labor capacity building. In the long run, Indonesia can utilize this cooperation to increase its influence in the African region and strengthen its position as one of the major players in global trade (Larasati and Aseilla 2021).

IM-PTA is in line with Indonesia's interests in three main aspects. The first is the economic aspect. This agreement provides wider market access for Indonesian products and increases the value of national exports. Second is trade liberalization where the IM-PTA accelerates the import-export process with a

lighter preferential tariff scheme, supporting the market diversification strategy. Third is diplomacy and stability which strengthens Indonesia-Mozambique bilateral relations, creates sustainable economic cooperation, and opens opportunities for trade expansion to other African countries. Thus, the IM-PTA is not just a trade agreement, but also part of Indonesia's long-term strategy to become a major player in the global economy, strengthen economic diplomacy, and create a wider and more sustainable trade network in Africa.

3.5 Congressional/Private Sector Support

This factor highlights Indonesia's strong domestic support for the agreement, particularly from the private sector eager to explore new markets, and from the legislature, which ratified the IM-PTA as part of Indonesia's economic diplomacy agenda. This factor plays a crucial role in ensuring the successful implementation of trade agreements, as political legitimacy and business sector involvement are needed to ensure the long-term viability and effectiveness of the agreement. In this context, parliamentary support serves to create regulations conducive to PTA implementation, while the private sector has an interest in capitalizing on the trade opportunities opened up by the agreement (Cattaneo 2014, 31).

Political legitimacy and support from government agencies were crucial in supporting the success of the IM-PTA agreement. Before there was an agreement on the provisions for implementing the IM-PTA, there was a long negotiation process involving government agencies. As the author described in chapter 2, there was a series of Indonesian economic diplomacy processes consisting of

seven stages carried out by Indonesia to maximize the achievement of national interests in the IM-PTA negotiations. The economic diplomacy process included a series of actors from Indonesian government agencies consisting of the Directorate of Bilateral Negotiations of the Ministry of Trade as the negotiating team, the Ministry of Industry, the Ministry of Foreign Affairs, and the Ministry of Environment. In addition, in this economic diplomacy process, the legislative parliament had a very important role in providing legitimacy from the government for the IM-PTA, including voting by the legislature.

To ensure its political legitimacy, the House of Representatives of the Republic of Indonesia (DPR-RI) held an open meeting session with the Indonesian Minister of Trade to discuss various aspects of this agreement. In a session that took place in December 2020, the DPR-RI officially approved the signing and ratification of the IM-PTA after going through a voting mechanism. The results of the vote showed that the majority of the factions involved supported the agreement, confirming a political consensus in favor of Indonesia's trade expansion into Africa. The support from the House of Representatives in ratifying the IM-PTA reflects the strategic role of parliament in international trade policy.

In addition to support from government agencies and legislative parliaments, support from the private sector is also needed when determining the sustainability of IM-PTA trade policies. In the IM-PTA negotiations were documented on Instagram @ditbilateral, the Indonesian government actively collaborated with various company associations and business organizations, such as the Indonesian Chamber of Commerce and Industry (KADIN) and the Indonesian Employers Association (APINDO). The involvement of the private

sector in the negotiation process aimed to ensure that business interests were reflected in the resulting trade agreement. The negotiating team proactively informed the associations of key aspects of the negotiations, as well as received strategic input from businesses before and during the negotiation process.

As part of the synergy efforts between the public and private sectors, KADIN Indonesia organized the Public Private Dialogue: International Trade and Investment forum, which involved various relevant agencies, including the Directorate General of International Trade Negotiations (DGTI), the Investment Coordinating Board (BKPM), the Ministry of Foreign Affairs, as well as representatives of trading partners. This forum was a strategic platform to harmonize national and business interests, which was then used as the basis for IM-PTA negotiations (Direktorat Bilateral, n.d.).

3.6 Limited Indonesian Government Resources

This factor highlights Indonesia's need for efficient and targeted trade cooperation, given its limited diplomatic and institutional capacity, making Mozambique a practical choice for a relatively low-cost, limited-scope PTA to test the waters of African trade expansion. The last factor that was an indicator in determining potential partner countries in preferential trade agreements is Indonesian government resource constraints. This factor explains that in choosing partner countries for PTAs, the Indonesian government must consider the limited resources available. The resource constraints of the Indonesian government are also an important consideration, given the limited institutional capacity, human resources, and budget in negotiating and managing several PTAs simultaneously

(Free Trade Agreement Center, n.d.). The selection of Mozambique as a partner in the IM-PTA is not only based on market potential, but also on the limited resources available in negotiating and implementing trade agreements. From the Ambassadorial Lecture held by the Ministry of Population and Family Development in 2021 with , the government of Indonesia recognizes that in any international trade negotiation, there are limitations in the number of experts, budget, and institutional capacity to manage the agreement. Therefore, the IM-PTA is designed as a simpler agreement compared to the Free Trade Agreement (FTA), where the scope is only limited to trade of goods. The focus on trade of goods allows governments to be more efficient in negotiation and implementation, without having to allocate additional resources to other aspects such as services and investment that usually require more complex regulations and longer legal harmonization processes (Cattaneo 2014, 32).

In addition, the IM-PTA was also designed for quick implementation given the government's time and resource constraints. The IM-PTA is one of the first agreements whose formulation was completed in just one year. Complex trade agreements often take years to ratify and implement, especially if they cover a wide range of sectors and have strict requirements that both parties must meet. With a limited scope of tariff reductions for several key product types, the IM-PTA can be immediately utilized by businesses, so that its effects on bilateral trade are felt more quickly. This also reflects the government's strategy of ensuring that existing resources can be optimally utilized, without hampering other trade negotiations that may be ongoing with other countries.

CHAPTER 4

CONCLUSION

4.1 Conclusion

Indonesia and Mozambique are two countries that have a close relationship with each other. Cooperative relations between the two were established in 1991 and bilateral relations have increased with visits by government officials and businessmen from both countries. In 2011, Indonesia distributed various kinds of assistance in various fields involving a number of government, private, and academic institutions to strengthen relations and increase opportunities for economic cooperation between the two countries.

The IM-PTA agreement was a new milestone for both countries in enhancing comprehensive economic partnerships in agriculture, textile industry, palm oil, pharmaceuticals, and manufacturing. The IM-PTA was initiated in March 2017, as a result of further discussions from the sidelines of the Indian Ocean Rim Association (IORA) to increase the long-term economic growth of both countries. Through the IM-PTA, the two countries agreed that the agreement was not just an ordinary PTA, but a comprehensive economic agreement that has a broad scope with the aim of forming an economic powerhouse to target markets in the region or in other countries.

In chapter II, the geographical and historical background as well as the bilateral relationship between Indonesia and Mozambique were discussed as important foundations for the establishment of the IM-PTA. Although the two countries are located on two different continents and have unequal levels of

economic development, there have complementary strategic interests. Mozambique is considered a potential gateway for Indonesia to the southern African market, given its strategic location and position as a logistics hub for neighboring countries that do not have direct access to the sea. This makes Mozambique not just an ordinary bilateral partner, but also a key point in Indonesia's non-traditional trade expansion in Africa.

In the context of economic and trade relations, prior to the IM-PTA, cooperation between the two countries was limited and not yet structured in a comprehensive framework. Through the signing of the IM-PTA in 2019, bilateral trade relations experienced a significant increase, both in terms of export and import values. The tariff preferences agreed upon by both countries not only provide efficiency in trade, but also encourage the entry of Indonesia's superior products, such as palm oil, soap, and chemical products, into the Mozambican market. Conversely, Indonesia benefits through imports of essential raw materials, such as cotton, tobacco, and mineral materials, from Mozambique to support domestic industries.

More than just a tariff agreement, the IM-PTA also reflects Indonesia's strategic policy in forging economic partnerships based on active diplomacy and strengthening south-south connections. The rapid and structured negotiation process is proof that both countries have the political will to push for deeper economic cooperation. In the long term, the IM-PTA is not only a tool to expand market access, but also an important instrument to encourage investment, technology transfer and cross-sector collaboration between Indonesia and Mozambique. Thus, the IM-PTA has strategic value in supporting Indonesia's

economic growth through diversification of trading partners in regions that have been underutilized.

Meanwhile, in Chapter III, this research analyzed the reasons why Indonesia chose Mozambique as a partner in the IM-PTA using the Political Economy of PTA approach developed by Olivier Cattaneo. Through six main factors, namely country readiness, economic/commercial benefits, benefits of broader trade liberalization, compatibility with Indonesia's interests, congressional/private sector support, and limited government resources, it can be understood that Indonesia's decision was not only based on economic potential, but also broader political and strategic considerations.

From Indonesia's perspective, Mozambique is considered a partner that has relative readiness in establishing trade cooperation, both in terms of infrastructure and policy stability. Mozambique also offers comparative advantages that support Indonesia's industrial interests, particularly in the provision of raw materials, such as cotton and minerals. In addition, the IM-PTA strengthens Indonesia's position in expanding its market to southern Africa, while creating efficient trade channels through tariff preferences. Mozambique was chosen not only for its market potential, but also for its political openness to trade integration, as well as its strategic position as an entry point to the wider African region.

The overall analysis in this chapter shows that the IM-PTA is the result of Indonesia's rational calculations for overcoming limited diplomatic resources and optimizing market expansion opportunities. With the support of the private sector and parliament, as well as a strategy that considers efficiency and national interests, the IM-PTA is a concrete example of how preferential trade instruments

are used as part of Indonesia's foreign policy. Therefore, the political-economic approach is an important foundation in understanding the dynamics of this cooperation, as well as answering the formulation of the problem regarding Indonesia's motives and strategies in forming the IM-PTA with Mozambique.

4.2 Recommendations

Based on the research results and conclusions that have been presented, the author realizes that there are a number of limitations, both in terms of access to information and the scope of analysis that would benefit from further development. Therefore, the author presents several recommendations for further research and policy development relevant to Indonesia-Mozambique cooperation within the framework of the IM-PTA.

First, further studies should expand the analysis of the substantial content of the IM-PTA, especially regarding tariff and non-tariff provisions in more detail. One sector that deserves more attention in future research is the oil and gas sector, considering that the cooperation between PT Pertamina and Buzi Hydrocarbons in Mozambique is a concrete form of expansion of bilateral economic relations beyond trade in consumer goods. Research is also recommended to include a more in-depth Mozambican perspective in order to create a balanced understanding of the dynamics of IM-PTA negotiations and implementation.

Second, the Indonesian government together with strategic partners such as KADIN and technical training institutions are advised to continue strengthening the capacity of human resources in the field of international trade, especially those related to Africa. This could include training in international trade regulations,

trade agreement drafting, cross-border supply chain management, and export-import skills adaptive to non-traditional markets. Given the importance of stability in the implementation of the agreement, this technical capacity building is key to the long-term success of the IM-PTA.

Third, Indonesia needs to actively anticipate and address obstacles that may arise in the implementation of the IM-PTA, such as bureaucratic constraints, lack of harmonization of technical rules, and fluctuations in Mozambique's economy that could impact bilateral trade. The government can develop a concrete and measurable roadmap for IM-PTA implementation by establishing focal points to monitor the effectiveness of tariff preferences and opening regular dialogue with businesses so that the implementation of the agreement remains adaptive to market dynamics. With a more comprehensive and responsive strategy, Indonesia-Mozambique cooperation through the IM-PTA has the potential to develop into a sustainable market expansion model in the African region.

BIBLIOGRAPHY

- Abstraks, Makmun S. n.d. "POTENSI PELAKSANAAN DIALOG KEBIJAKAN INDONESIA – NEGARA- NEGARA DI KAWASAN AFRIKA." Badan Kebijakan Fiskal. Accessed May 23, 2024. <https://fiskal.kemenkeu.go.id/files/berita-kajian/file/POTENSI%20PELAKSANAAN%20DIALOG%20KEBIJAKAN%20INDONESIA%20DAN%20NEGARA%20DI%20KAWASAN%20AFRIKA.pdf>.
- Arif, Nurul S. 2022. "MYPustaka." *INDONESIA-MOZAMBIQUE PREFERENTIAL TRADE AGREEMENT; THE STEPPING STONE OF INDONESIA IN AFRICAN CONTINENT?*, (February), 1-16. <https://mypustaka.umy.ac.id/search?kategori=etd&cari=INDONESIA-MOZAMBIQUE+PREFERENTIAL+TRADE+AGREEMENT;+THE+STEPPING+STONE+OF+INDONESIA+IN+AFRICAN+CONTINENT>.
- Asmara, Chandra G. 2019. "Jokowi ke Negara Afrika: Indonesia Is Your Trusted Friend." *CNBC indonesia*, August 20, 2019. <https://www.cnbcindonesia.com/news/20190820182041-4-93412/jokowi-ke-negara-afrika-indonesia-is-your-trusted-friend>.
- Atmaja, Mude S. 2023. "Implementasi Indonesia Mozambique Preferential Trade Agreement Dalam Bidang Ekonomi." *Research Gate*, (December). <https://www.researchgate.net/publication/376954765>.
- Badan Pusat Statistik. 2024. "Data Kependudukan Indonesia 2024." <https://www.bps.go.id/id/statistics-table/2/MTk3NSMy/jumlah-penduduk-pertengahan-tahun--ribu-jiwa-.html>.

- Bakti, Rafii P. 2021. "Repository Unri." *COOPERATION BETWEEN INDONESIA AND MOZAMBIQUE THROUGH THE INDONESIA-MOZAMBIQUE PREFERENTIAL TRADE AGREEMENT (IM-PTA) IN 2019* 8 (June): 1-13.
- Bayne, Nicholas, and Stephen Woolcock. 2016. "The New Economic Diplomacy." *Routledge*, (November).
https://www.routledge.com/The-New-Economic-Diplomacy-Decision-Making-and-Negotiation-in-International-Economic-Relations/Bayne-Woolcock/p/book/9781472483195?srsId=AfmBOorxDW9IiRPjLNhCQZPxJTCs_jbyfQy1bLDTkWm5BMkLDPIyw5dd7.
- Bhagwati, Jagdish N. 1991. *The World Trading System at Risk*. N.p.: Princeton University.
- Cattaneo, Olivier. 2014. *Bilateral and Regional Trade Agreements: Commentary and Analysis*. Edited by Simon Lester. N.p.: Cambridge University Press.
- Chauffour, Jean-Pierre. 2011. *Preferential Trade Agreement Policies for Development: A Handbook*. Edited by Jean-Pierre Chauffour and Jean-Christophe Maur. N.p.: World Bank Publications.
- Delanova, Mariane. 2021. "DIPLOMASI EKONOMI INDONESIA KE KAWASAN AFRIKA." *Academia Praja* 4 (August).
<https://ejournal.fisip.unjani.ac.id/index.php/jurnal-academia-praja/article/download/414/272>.
- Direktorat Bilateral. n.d. *Factsheet IM-PTA*. N.p.: Direktorat Perlindungan Bilateral Kementerian Perdagangan.

- Ditjen Migas*. 2019. "Indonesia-Mozambik PTA Rampung." November 21, 2019.
<https://migas.esdm.go.id/post/indonesia-mozambik-pta-rampung>.
- Ditjen Migas Kementerian ESDM. 2023. "Total Nilai Ekspor LNG 6,6 M, Indonesia Optimis Jadi Key Player LNG." Ditjen Migas.
- Evaluation of Danish Engagement in Mozambique 1992-2016*. 2017. N.p.:
Evaluation Department, Ministry of Foreign Affairs of Denmark.
- Febrianti, Sekar W., and Dadan Suryadipura. 2022. "Padjadjaran Journal of International Relations." *Diplomasi Perdagangan Indonesia di Afrika Selatan (2015-2019): Upaya Peningkatan Perdagangan di Pasar Afrika Selatan* 4 (January): 1-18. :10.24198/padjir.v4i1.35169.
- Free Trade Agreement Center. n.d. "Perkembangan Ekspor dan Impor Indonesia dengan Mozambik Tahun 2023."
<https://ftacenter.kemendag.go.id/indonesia-mozambique-preferential-trade-agreement>.
- Handoyo, Rossanto D. 2020. "Preferential Trade Agreement (PTA) dan Ekspor ASEAN+4." *unairnews*, November 9, 2020.
<https://unair.ac.id/preferential-trade-agreement-pta-dan-ekspor-asean4/>.
- "IM-PTA Buka Peluang Pasar Kawasan Afrika." 2022. *Harian Ekonomi Neraca*.
<https://sinerco.co.id/wp-content/uploads/2022/06/Iklan-Koran-Laporan-Keuangan-Tahunan-31-Des-2021.pdf>.
- International Trade Centre. 2021. *Mozambique: Sustainable Investment Requirements*. N.p.: International Trade Centre.
- Karo, Ananto K., and Muhammad Y. Firdaus. n.d. "Diplomasi Ekonomi Indonesia dan Mozambik Melalui Forum Indonesia Mozambique Preferential Trade

Agreement (IM-PTA).” *Academia Edu.*
https://www.academia.edu/44871836/Diplomasi_Ekonomi_Indonesia_dan_Mozambik_Melalui_Forum_Indonesia_Mozambique_Preferential_Trade_Agreement_IM_PTA_.

Kemenkeu Learning Center. 2024. “Indonesia-Mozambique Preferential Trade Agreement (IM-PTA).” Kemenkeu Learning Center.

Kementerian Energi dan Sumber Daya Mineral. 2023. “Total Nilai Ekspor LNG 6,6 M, Indonesia Optimis Jadi Key Player LNG.” *Direktorat Jenderal Minyak dan Gas Bumi*, November 1, 2023.
<https://migas.esdm.go.id/post/total-nilai-ekspor-lng-6-6-m-indonesia-optimis-sebagai-key-player-lng>.

Kementerian Luar Negeri. 2019. “IAID 2019: Perwujudan Konkret Salah Satu Prioritas Kebijakan Diplomasi Ekonomi Indonesia.” August 21, 2019.
<https://kemlu.go.id/portal/id/read/540/berita/iaid-2019-perwujudan-konkret-salah-satu-prioritas-kebijakan-diplomasi-ekonomi-indonesia>.

Kementerian Luar Negeri. 2019. “Penandatanganan Preferential Trade Agreement (PTA) RI-Mozambik.” August 28, 2019.

Kementerian Luar Negeri. 2023. “President Jokowi Affirms Indonesias Commitment To Strengthen Indonesia Mozambique Cooperation | Portal Kementerian Luar Negeri Republik Indonesia.” Kemlu.
<https://kemlu.go.id/portal/en/read/5118/berita/president-jokowi-affirms-indonesias-commitment-to-strengthen-indonesia-mozambique-cooperation>.

Kementerian Luar Negeri. n.d. “Keterangan Umum Negara Republik Mozambique.” Kedutaan Besar Republik Indonesia Maputo, Mozambique.

<https://kemlu.go.id/maputo/kebijakan/hubungan-bilateral/profil-negara/kerjasama-umum-negara-republik-mozambique?type=publication>.

Kementerian Perdagangan. 2022. "IM-PTA." *Kementerian Perdagangan*, June 6, 2022.

<https://ftacenter.kemendag.go.id/indonesia-mozambique-preferential-trade-agreement>.

Kementerian Perdagangan. 2022. "IM-PTA Mulai Berlaku, Mendag: Manfaatkan Peluang Pasar Kawasan Afrika." *Kementerian Perdagangan*, June 6, 2022.

<https://ftacenter.kemendag.go.id/im-pta-mulai-berlaku-mendag-manfaatkannya-peluang-pasar-kawasan-afrika>.

Kompas. 2019. "Indonesia-Mozambik: Perjanjian Dagang Ditandatangani, Penurunan Tarif Jadi Magnet." *Kompas*, August 28, 2019.

Krisan, Hilda U. 2023. "Kerja Sama Indonesia-Mozambik dalam Indonesia Mozambik Preferential Trade Agreement (IM-PTA)." *Fajar University Repository*, (November).

<https://repository.unifa.ac.id/id/eprint/1405/1/HILDA%20URSIA%20KRISAN%20HI23.pdf>.

Kumparan. 2019. "PTA Indonesia-Mozambik Selesai dan Siap Ditandatangani." August 22, 2019.

<https://kumparan.com/kemendagri/pta-indonesia-mozambik-selesai-dan-siap-ditandatangani-1riKkkSwYm>.

Larasati, Langgeng, and Dike Aseilla. 2021. "Media Neliti." *Upaya Diplomasi Ekonomi Indonesia di Afrika Melalui Preferential Trade Agreement*

- Indonesia Mozambik* 2 (October).
<https://media.neliti.com/media/publications/496704-none-f604f861.pdf>.
- Latief, Muhammad N. 2021. "Indonesia Kembangkan Pasar Afrika Tengah dan Selatan lewat Mozambik." *AA*, February 18, 2021.
- Limao, N. 2016. "Handbook of Commercial Policy: Chapter 6 - Preferential Trade Agreements." *Science Direct* 1:279-367.
<https://doi.org/10.1016/bs.hescop.2016.04.013>.
- Malik, Nazaruddin. 2017. *Ekonomi Internasional*. N.p.: UMM Press.
- Manurung, Siti H. 2022. "Perjanjian Dagang: Negara Mitra Memiliki Produk Bersifat Komplementer." *Bisnis*, September 17, 2022.
- Masykur, Shohib. 2023. "Makna Lawatan Presiden Jokowi ke Afrika." *Kompas*, August 28, 2023.
- Medina, Ayman F. 2023. "An Overview of Indonesia's Free Trade Agreements." *ASEAN Briefing*, March 28, 2023.
<https://www.aseanbriefing.com/news/an-overview-of-indonesias-free-trade-agreements/>.
- Novalinda, Lussy. 2024. "Sriwijaya University Repository." *Kepentingan Nasional Indonesia Melakukan Kerja Sama Indonesia Mozambique Preferential Trade Agreement (IM-PTA) Tentang Ekspor CPO Indonesia ke Mozambik*, (July). <https://repository.unsri.ac.id/153068/>.
- Nurtjahjo, Rianto. n.d. "Teori Keunggulan Komparatif David Ricardo." *Binus University Business School*.

- Republic of Mozambique. 2016. *Positioning of Mozambique in The International Trade*. N.p.: Ministry of Industry and Commerce Republic of Mozambique.
- Republik. 2019. "Indonesia-Mozambik Jajaki Kerja Sama Pengolahan Kapas." *Republik*, June 12, 2019.
- Reuters*. 2019. "Indonesia, Mozambique sign new trade deal." August 27, 2019. <https://www.reuters.com/article/idUSKCN1VIOJG/>.
- Rozak, Abdul. 2019. "IM-PTA Diteken, Apindo Tekankan Diversifikasi Pasar Ekspor." *Gatra*, August 29, 2019. <https://www.gatra.com/news-440860-economy-im-pta-diteken-apindo-tekan-diversifikasi-pasar-ekspor.html>.
- Sari, Lusiana N. 2023. "Diplomasi Ekonomi Indonesia ke Afrika: Tantangan dan Peluang." *THC INSIGHTS*, (September). www.habibiecenter.or.id.
- Sekretariat Kabinet*. 2023. "Perkembangan Perjanjian Perdagangan Bilateral antara Indonesia dengan Negara Mitra." April 8, 2023. <https://setkab.go.id/perkembangan-perjanjian-perdagangan-bilateral-antara-indonesia-dengan-negara-mitra/>.
- Silviani, Chelsea. 2023. "Ratifikasi Perjanjian Perdagangan Preferensial Indonesia dan Mozambik dalam IM-PTA: Dampak Penerapannya." *Research Gate*, (December). <https://www.researchgate.net/publication/376800463>.
- Smith, Adam. 1947. *An Inquiry Into the Nature and Causes of the Wealth of Nations*. N.p.: 關書院.
- Smith, Adam. 2010. *An inquiry into the nature and causes of the Wealth of Nations*. N.p.: Harriman House Limited.

“Sosialisasi Kebijakan Tarif Bea Masuk dalam kerangka D-8 PTA, Indonesia-Mozambik PTA dan Indonesia-Korea CEPA – DJBC – FTA Knowledge Base.” 2022. DJBC – FTA Knowledge Base. <https://fta.beacukai.go.id/2022/12/20/sosialisasi-kebijakan-tarif-bea-masuk-dalam-kerangka-d-8-pta-indonesia-mozambik-pta-dan-indonesia-korea-cepa/>.

Standard Bank Africa Trade Barometer. 2023. “Highlights of The Current Cross-border Trade Landscape in Mozambique.” *Africa Trade Barometer*, September, 2023.

Syahputra, Eqqi. 2023. “Ekspansif! Pertamina Perkuat Kolaborasi Strategis di Mozambik.” *CNBC Indonesia*, August 24, 2023.

Trading Economics. n.d. “Mozambique - Export.” <https://id.tradingeconomics.com/mozambique/exports>.

United States General Accounting Office. 2004. “International Trade: Intensifying Free Trade Negotiating Agenda Calls for Better Allocation of Staff and Resources.”

United States International Trade Administration. 2021. “Mozambique Heavy Industries.” International Trade Administration.

United States International Trade Administration. 2024. “Mozambique Country Commercial Guide.” International Trade Administration.

Worldometer. n.d. “Mozambique GDP.” Worldometers.

Xinhuanet. 2018. “Indonesia, Mozambique start PTA negotiations: official.” June 5, 2018. http://www.xinhuanet.com/english/2018-06/05/c_137232653.htm.

Zuhriyah, Dewi A. 2019. "Indonesia Teken PTA dengan Mozambik, Apa Saja Keuntungannya bagi Ekspor." *Ekonomi*, August 28, 2019. <https://ekonomi.bisnis.com/read/20190828/12/1142043/indonesia-teken-pta-dengan-mozambik-apa-saja-keuntungannya-bagi-ekspor>.