INSTITUTIONALIZING SECTORAL BUSINESS STRATEGY THROUGH NATIONAL SINGLE WINDOW TO IMPROVE SMES’ EXPORT PERFORMANCE

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Abstract

The Indonesia National Single Window (INSW) system is carried out with data governance policies to support the delivery and processing of data, information, and decisions in a single way, as in the research of Sobar, Deni, Riswandi, Hamidi, and Permadi (2021), and Riswanto (2021) to deal with the competition process and granting customs permits by the President’s mandate in Presidential Regulation No. 76 of 2014. This study aims to analyse how small and medium-sized enterprises (SMEs) in Central Java perform against the INSW in international trade. The research method used in this study is qualitative, namely, a research method that provides more analytical and subjective explanations. The results concluded that INSW uses an electronic portal to input documents. The use of electronic portals causes the import-export process to be faster and more efficient. However, the INSW system in its implementation is considered rudimentary because there are often problems in processes such as difficulty accessing the INSW portal or in other electronic service portals integrated with the INSW System. Therefore, intensive assistance and training are needed so that there is synergy in carrying out export activities to destination countries that have collaborated in Free Trade Asia with Indonesia.

Keywords: National Single Window, SMEs, Import Export, Customs, Indonesia

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1. INTRODUCTION

Technological advances in Industry 4.0 are considered to be very influential on developments in the world of trade, especially in cross-border trade (Gnangnon & Iyer, 2018). Business actors and buyers can use electronic devices to communicate and relate to each other so that the interests of producers, consumers, and the entire market can run without being limited by space and time (Saura, Palos-Sanchez, & Correia, 2019). Especially because of the COVID-19 pandemic that has hit the world, the government is required to find solutions regarding the efforts that must be made to maintain the sustainability of the domestic economy (Liu, Lee, & Lee, 2020; Ulwan, 2021; Rachmawati, Savitri, Musdalifah, & Prasetyaningtyas, 2022; Pedaugua, Sáez, & Delgado-Márquez, 2022).

With the 4th Industrial Revolution coupled with a program from the government regarding a system for integrating data in export and import transactions, it is hoped that international trade will not experience serious obstacles due to the COVID-19 virus pandemic. As one example to tackle the delivery of export-import services, the data integration system in export and import transactions is conducted in Indonesia by using Indonesia National Single Window (INSW) (Tijan, Agatić, Jović, & Aksentijević, 2019).

The idea for the existence of INSW originated from the mandate of Association of Southeast Asian Nations (ASEAN) leaders at the time of the Concorde II Declaration in 2003 where it was stated that the ASEAN community needed the ASEAN Single Window (ASW) as a gateway for international trade activities, especially to exchange intra-ASEAN trade documents electronically (Chow, 2018). Previously, this document exchange was done by sending the required physical documents. However, before the document arrives sometimes the shipment first arrives at the export destination country. So, the goods must wait for the documents to arrive before they can be released from the port. With the length of time, the goods stay at the port, the business actor must also pay a fee according to the preferential tariff applicable in the ASEAN region.

The existence of the ASW makes document exchange easier through electronic media. The process of establishing the ASW was preceded by the requirement for each ASEAN member to form a National Single Window (NSW), which is a single system for collecting, processing, and making decisions relating to data and information on customs clearance cargo (Yuliana & Setyadi, 2019). INSW is a system that is used as a collaborator between Business to Business (B2B), Business to Government (B2G), and Government to Government (G2G) to realize efficient, transparent, and consistent trade activities through a digital platform (Bussel & Rajput, 2018). As an effort to integrate business processes in international trade related to various ministries and institutions, the INSW was designed so that it can produce efficiencies which currently cover 15 ministries and/or institutions. Through the 9th World Trade Organization (WTO) Ministerial Conference in Bali in December 2013, this single window began to be regulated in the Marrakesh Protocol amendment by a new Facilitation Agreement to the WTO Agreement which then came into force on 22 February, 2017.

To follow up on the agreement, through Law No. 17 of 2017 concerning the Ratification of the Protocol to Amendment to the Marrakesh Agreement regarding the Establishment of the WTO, Indonesia ratified it internally (Tentowi, 2019). Previous studies conducted in various countries have examined the effectiveness of a single window to boost the performance of the sectoral industry in general and particularly, small and medium-sized enterprises (SMEs) (Tambunan, 2019; Singh, 2011; Kim & Kim, 2014; Das, 2017; Morrall, Rainbird, Katsoulakas, Koliousis, & Varelas, 2016; Schwaiger Calvo & Campos, 2017; Saerang, Tulung, & Ogi, 2018). Based on the description of the background, the problem which can be formulated is to analyse how is the performance of SMEs in Central Java on export-import trade within the framework of the INSW. And what are the obstacles experienced by service users in implementing the INSW?

Therefore, the main purpose of this study is to analyse how the performance of SMEs in Central Java against the INSW in international trade using qualitative methods, where the method used in this study will provide a more analytical and subjective explanation which concludes that the INSW which uses an electronic portal in the document input process causes the export-import process to be faster and more efficient because the required export-import documents can be inputted anytime and anywhere. However, the INSW system in its implementation is considered imperfect because there are often problems in the process such as difficulties in accessing the INSW portal or in other electronic service portals that are integrated with the INSW system. Therefore, intensive assistance and training are needed so that there is synergy in carrying out export activities to destination countries that have collaborated in Free Trade Asia with Indonesia.

The structure of this paper is as follows: Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct qualitative empirical research, research methods that provide a more analytical and subjective explanation. Section 4 presents results of the study. Section 5 discusses how the INSW system is implemented. Section 6 introduces conclusions obtained from the results of the study.

2. LITERATURE REVIEW

According to Article 1 point 1 of the Regulation of the Ministry of Finance of the Republic of Indonesia No. 199/PMK.012/2020 concerning management of the INSW and implementation of the Indonesia National Single Window System (INSWS), the INSW is defined as a national system integration that allows the submission of data and single information. It refers to single and synchronous data and information processing, and single delivery of decisions for granting customs permits and releasing goods by the provisions of laws and regulations (Tijan et al., 2019; Tsen, 2011).

The INSWS uses the www.insw.go.id domain with subdomains in it to make it easier for users to use the service. INSW is a system that contains data and information that is closely related to export and/or import trade. To carry out the information management function of laws and regulations,
the National Single Window Institution (NSWI) provides information management services for laws and regulations as the main reference in filing customs documents for export and/or import activities according to the Regulation of the Ministry of Finance of the Republic of Indonesia No. 199/PMK.012/2020 concerning management of the INSW and implementation of the INWS (Bryan, McKnight, & Houmes, 2021; Debnath, Chowdhury, & Khan, 2021).

**Figure 1.** Number of micro, small, and medium enterprises (MSMEs) in Indonesia

![Graph showing number of micro, small, and medium enterprises (MSMEs) in Indonesia from 2016 to 2018](Image)

Source: Florentin (2021).

| Business size | Asset (Not including land & building for business) | Criteria | Turnover (within 1 year) |
|---------------|-----------------------------------------------|----------|-------------------------|
| Micro business | Maximum IDR 50 million | More than IDR 500 million | Maximum IDR 300 million |
| Small business | More than IDR 50 million | More than IDR 300-2.5 billion | More than IDR 300-2.5 billion |
| Medium business | More than IDR 300-1 billion | More than IDR 2.5 billion | More than IDR 2.5 billion |
| Big business | More than IDR 10 billion | More than IDR 50 billion | More than IDR 50 billion |

Source: Law No. 20/2008 on micro, small, and medium enterprises.

Table 1. Criteria for MSMEs and large enterprises based on assets and turnover

Through Presidential Regulation No. 76 of 2014, the president mandates the establishment of an INSW Portal Manager who is directly under and responsible to the Ministry of Finance. Then through Ministry of Finance Regulation No. 138 of 2013, the Ministry of Finance stipulates the organization and work procedure of the INSW Portal Management Unit under the auspices of the Ministry of Finance. INSW is a form of trade facilitation which currently plays a key role which not only supports smooth intra-ASEAN trade and cross-border trade between Indonesia and other countries, but also as a form of bureaucratic reform in public services for export-import, customs, and port activities. So, it is hoped that the existence of INSW will increase industrial and investment needs, increase business certainty and efficiency in export activities, and optimize state revenues from international trade activities (Sobar, Deni, Risswandi, Hamidi, & Permadi, 2021).

On May 31, 2018, the Indonesian government officially enacted the Presidential Regulation of the Republic of Indonesia No. 44 of 2018 concerning the INSW. Presidential Regulation No. 44 of 2018 is motivated by the government's efforts to maintain continuity in the implementation of the Indonesian economy so that it can compete with the international economy through the integration of data and information systems, as well as efforts to change the global strategic environment that demands increased transparency, consistency, and efficiency of the export process and/or imports. According to data on the jatengprov.go.id page, the number of SMEs in Central Java was recorded at 4,174,210 units in 2020 (Terkait, 2020). According to Mansyur (2021), Alika, Santoso, Nurmalik, and Anisa (2021), Karyadi and Rizki (2018), SME business actors, especially those who want to export goods abroad, necessary to carry out socialization regarding the INSW as a whole. The shift in the process of sending documents related to exports and imports from a manual method to an electronic one certainly has weaknesses which are then felt by business actors.

The development of the INSW is carried out based on two main pillars, namely the trade system and the port system. Trade system is a system that integrates the customs system with the licensing system at all government agencies issuing permits and export-import recommendations to encourage the acceleration of customs clearance and cargo releases. This trade system is intended to encourage acceleration in the completion of export and import service documents (flow of documents). Meanwhile, the port system is a system that integrates the customs system with systems in the port/airport sector, to encourage the acceleration of customs clearance and cargo release. The port system is intended to encourage acceleration in handling physical traffic of export and import goods (Wang, 2018).

The INSW is held through simplification and standardization of policies that have been determined by the ministry relating to national export, import, and/or logistics activities. The INSW is carried out with data governance policies and electronic transactions to support the submission of single data and information, single data and information processing, and single decision submission as an effort to speed up the process of releasing goods and granting customs permits. By using the governance of electronic data and information, it is expected to produce electronic data and information that is accurate, up-to-date, integrated, accountable, and can be shared. In this INWS, a reference code is used which is a sign containing characters where there is a certain meaning, intent, or norm that is used as a reference for unique data identity. In addition, there is a master data set for shared use, where this master data is used to represent objects in government business processes. The existence of this reference code and/or master code is updated periodically, i.e., at least once a year or as needed, ratified by the head of the NSWI or an appointed official.

The NSWI institution is tasked with implementing the management of the INSW and the implementation of the INSW system in handling port/airport documents, licensing documents, customs documents, and other documents related to export-import. The ease of inputting documents electronically makes export-import activities for business actors more efficient. As a basis for carrying out supervision, law enforcement, dispute resolution, verification, and/or testing in all activities carried out through the INSWs, the NSWI and the relevant ministries/agencies are required to provide audit trail records. According to the provisions, this audit trail must be stored in the INSWS for a minimum period of ten years.
According to Article 13 of the Regulation of the Ministry of Finance of the Republic of Indonesia No. 199/PMK.012/2020 concerning management of the INSW and implementation of the INSWS, the services provided in the INSWS include information service, transaction services and reporting services.

Firstly, an information service is an INSW service in the context of implementing information management regarding laws and regulations as the main reference in filing customs documents in the context of export and/or import activities. Secondly, transaction service is an INSW service in the context of providing facilities for filing customs documents, quarantine documents, licensing documents, port/airport documents, and other documents, which are related to exports and/or imports singly. Thirdly, reporting service is an INSW in the context of reporting on the submission of a single decision in the handling of customs documents, quarantine documents, licensing documents, port/airport documents, and other documents related to exports and/or imports singly.

3. RESEARCH METHODOLOGY

Related to this background described above, two problems will be studied, namely the performance of SMEs in Central Java on export-import trade in the framework of the INSW and the constraints experienced by service users in the implementation of the INSW. The research was conducted by field research methods using data obtained from interviews with business actors in Central Java. The data used comes from laws and regulations, journals, and scientific articles.

The research method used in this study is qualitative, namely, a research method that provides more analytical and subjective explanations. The qualitative method is used based on several considerations, namely where this qualitative method can and is easily adaptable when dealing with multiple realities, this method presents the nature of the relationship between the researcher and the respondent directly and this method is more sensitive so that it can adapt and a lot of sharpening of mutual influence on value patterns faced by researchers (Ferdiles, 2019).

Table 2. Secondary/empirical data related to the performance of the INSWS in the large business sector or SMEs in the form of a table

| No. | INSWS performance | Commodities/Goods | Explanation |
|-----|-------------------|-------------------|-------------|
| 1.  | Export            | Crude palm oil (CPO) | According to the Indonesian Palm Oil Association (GAPKI), Indonesia’s palm oil exports increased by 3% to reach 2.96 million tons in March 2019, when compared to 2.88 million tons in February 2019. |
| 2.  | Export            | Seaweed           | Based on data from the Nusabali Fishery Service, in 2018, Nunukan produced 349 thousand tons of wet seaweed and 28 thousand tons of dry seaweed. In 2019, once every 2 weeks, Nunukan exported up to 3 containers of seaweed in one shipment weighing up to 62 tons. |
| 3.  | Import            | Health goods for handling COVID-19 | NSW builds a permit application through the Single Submission mechanism. Based on the monitoring dashboard for the importation of goods handling COVID-19, as of June 23, 2020, the number of incoming applications was 13,638 (out of 5,023 applicants) and 9,908 (74%) of them were approved, 3,542 (24%) were returned, and 268 (1%) is under inspection. |
| 4.  | Import            | Choline Chloride  | The presence of the Quarantine Customs SSm can reduce the time and logistics costs of importing quarantine commodities. From June 2020 to September 2021, the estimated savings through the Customs Quarantine SSm program is IDR 59.135 billion and the average time efficiency is 14.72%. In October 2021, a trial of the implementation of the Customs Quarantine SSm was successfully carried out in the form of a joint inspection between the Makassar Agricultural Quarantine and the Makassar Customs for one 20 high cube (HC) container containing 17,000 kg of Choline Chloride from China. |
| 5.  | Export and import | Sugar, salt, meat, rice and fish | The government issued a policy, namely the development of information technology-based commodity balances as a benchmark for determining export or import approval (PE/PI). In this commodity balance development, the NSWI as the organizer of the INSWS is given the mandate to develop a National Commodity Balance System/SNANK that integrates systems and/or information related to the process of preparing and implementing the commodity balance. So, it is hoped that it will help regulate the quality of products that can be used as raw materials and industrial auxiliary materials. |

4. RESULTS

The scope of integration which was originally only related to licensing, after the operation of the INSWS has now been expanded by increasing trade facilities, monitoring the traffic of goods, and optimizing state revenues related to export and import trade, and has also integrated into the industrial sector and private sector to meet the demands of the business community. With the slogan “your export document become my import document”, in conveying the obligation of notification of the fulfillment of the obligations of the business community, it can be carried out smoothly without obstacles so that it can run more easily.
Figure 2. Distribution of non-agricultural MSME business fields (N = 26,263,649)

| Description                                             | Sem-1 | Sem-2 | 2021 | 2020 | 2019 |
|---------------------------------------------------------|-------|-------|------|------|------|
| Other services                                          | 1,155,111 |       |      |      |      |
| Human health activities and social activities           | 212,829 |       |      |      |      |
| Education                                              | 598,785 |       |      |      |      |
| Company services                                        | 376,940 |       |      |      |      |
| Real estate                                             | 92,000 |       |      |      |      |
| Financial and insurance activities                      | 114,645 |       |      |      |      |
| Information and communication                          | 633,905 |       |      |      |      |
| Provision of accommodation and provision of food and... |        |       | 4,447,247 |      |      |
| Transportation and warehousing                         |       |       | 1,302,455 | 12,255,194 |      |
| Wholesale and retail of repair and ...                  |       |       |      |      |      |
| Construction                                            | 253,663 |       |      |      |      |
| Water management, waste management, and management...   | 92,858 |       |      |      |      |
| Procurement of electricity, hot gas/steam, & cold air   | 31,220 |       |      |      |      |
| Processing industry                                     |       |       | 3,833,622 |      |      |
| Mining and excavation                                   | 171,82 |       |      |      |      |

Source: 2016 Economic Census (http://se2016.bps.go.id).

As the main stakeholder or stakeholders, the community must be ensured to have easy access to the facilities organized by the government. The facilities expected by the community, especially the business community, include some matters, such as clear information on the applicable regulations. It is hoped that there will be feedback on the fulfillment of the obligations that have been carried out. The existence of information related to the channel can still be accessed if a problem occurs clearly so as not to confuse service users. There is easy access to communication with the competent apparatus or related officers. There is no repetition of the same thing in fulfilling obligations. It only deals with "one government" so that in its implementation the process runs faster and easier.

In supporting the Indonesian economy, SMEs are one of the business sectors that also play a role in contributing. They are handled by the Coordinating Ministry for Cooperatives and SMEs, the Ministry of Trade and the Ministry of Finance where these ministries and/or institutions also provide both fiscal and non-fiscal incentives to SMEs. For the incentives given to SMEs, INSW will evaluate by providing profiles of SME entrepreneurs that have been provided by the relevant ministries/institutions and will integrate the information belonging to these Ministries/Institutions to create the goals of INSW.

One of the local SME products from Central Java that is exported abroad is furniture. Furniture and home decor products produced by SMEs in Central Java are facilitated by the Central Java Cooperatives and SMEs Service which is supported by Bank Jateng, Bank Indonesia Regional Representative Office of Central Java Province and other stakeholders to be exported to Japan and Belgium to reach the Asian market and European Union. According to Bank Indonesia data, Indonesia’s furniture exports grew by double digits in the second quarter of 2021, with the main export destinations being Europe, especially the Netherlands and Germany.

According to Andri Hadi, Indonesian Ambassador to Belgium, non-oil and gas exports from Indonesia were recorded at US$1.24 billion in the first semester of 2021, with furniture exports contributing quite a lot because during that period it grew by 40 per cent. Wood products from Indonesia themselves already have legal certification which has been accepted by the Belgian market so exports of this furniture have the potential to continue to be increased.

Table 3. Export-import performance for the 2019–2021 semester

| Description                      | USD (in billion IDR) | 2019 | 2020 | 2021 |
|---------------------------------|----------------------|------|------|------|
|                                 | Sem-1 | Sem-2 | Sem-1 | Sem-2 |
| Export                          | 80.0  | 86.8  | 76.3  | 86.9  | 102.9 | 3 (5.59) | 0.03 | 34.78 |
| Oil and gas                     | 5.7   | 6.1   | 3.9   | 4.3   | 5.8   | 31.28 | 28.82 | 48.04 |
| Non-oil and gas                 | 75.1  | 80.8  | 72.4  | 82.5  | 97.1  | 0.03 | 2.20 | 34.06 |
| Import                          | 82.7  | 88.6  | 70.9  | 70.7  | 91.1  | 14.29 | 14.29 | 28.42 |
| Oil and gas                     | 10.9  | 11.0  | 7.5   | 6.7   | 11.3  | 30.87 | 30.87 | 52.96 |
| Non-oil and gas                 | 71.8  | 77.6  | 63.4  | 63.9  | 79.5  | 11.77 | 11.77 | 25.50 |
| Total trade                     | 163.6 | 175.4 | 147.2 | 157.5 | 175.9 | 99.99 | 91.19 | 35.61 |
| Oil and gas                     | 11.6  | 17.5  | 11.1  | 11.0  | 17.3  | 31.01 | 31.01 | 51.29 |
| Non-oil and gas                 | 147.0 | 158.3 | 135.8 | 146.5 | 158.6 | 0.61 | 0.61 | 30.06 |
| Balance                         | (1.9) | (1.7) | 5.4   | 16.2  | 11.8  | -    | -    | -    |
| Oil and gas                     | (5.2) | (4.9) | (3.6) | (2.4) | (5.7) | -    | -    | -    |
| Non-oil and gas                 | 3.3   | 3.2   | 9.0   | 18.6  | 17.5  | -    | -    | -    |

Source: Statistics Indonesia (2022).
In addition to exporting furniture, Indonesia is also famous for its very distinctive export of spices. According to data from the Food and Agriculture Organization (FAO), in 2016 Indonesia was ranked 4th as a spice-producing country in the world. So, it is not surprising that Indonesia is one of the suppliers of spices in the world. One of the well-known export commodities of spices from Indonesia is vanilla. In the 2015-2019 period, the export trend of Indonesian vanilla products recorded a positive growth of 32.55 per cent. In 2019, Indonesia was ranked 3rd as the world’s largest exporter after Madagascar and France (Ministry of Trade of Indonesia, 2020). On March 3, 2021, the Surabaya Agricultural Quarantine Center (Balai Besar Karantina Pertanian, BBKP) in the Juanda Working Area, Adriadi Hentarto, inspected UD’s 1.5 tons of vanilla worth 1.2 billion rupiahs. The commodities will be sent to America as food fragrance via aeroplane mode (“BBKP Surabaya certified 1.5 tons”, 2021).

CV Tanaka Solution Agent, one of the spice export business players from Central Java once sent 4 x 30kg vanilla to Australia in 2021. According to Muhammad Husni Thamrin, owner of CV Tanaka Solution Agent, there are a lot of vanilla enthusiasts abroad but the stock of vanilla in Indonesia is low as the buyer’s request is very limited. Many buyers from abroad set a certain size and weight for each vanilla, while the stock provided by the vanilla supplier is sent randomly so it needs sorting and adjusting the vanilla before it is sent to the buyer.

In its implementation, CV Tanaka Solution Agent has used electronic-based services to process export documents. One of them is registration with the Agricultural Quarantine Center through the IQFast portal (Indonesian Quarantine Full Automation System). One Stop Services (OSS) IQFast is an integrated service that allows interconnection and interoperability of all types of quarantine services, both internal and external, to realize improvement in service aspects as well as optimization efforts in the aspect of supervision. IQFast has excellent features such as being integrated with the INSW and the Ministry of Finance’s Online Non-Tax Revenue Information System (SIMPOND), export acceleration, export commodity maps, real-time monitoring of agricultural commodities at all export-import entrances, and PPK Online (Application for Online Quarantine Examination).

According to Muhammad Husni Thamrin, owner of CV Tanaka Solution Agent, using this electronic portal becomes faster and more efficient because the required export documents can be inputted anytime and anywhere. The Ministry of Agriculture has also implemented e-government at ports and airports with related agencies which are manifested by the participation of agricultural quarantine in the implementation of the INSW. The use of the electronic portal facilitates the flow of export and import document traffic for business actors in Indonesia and is one of the objectives of the INSW.

5. DISCUSSION

Research conducted by the Deputy for the Assessment of SME Resources in collaboration with PT Nusa Narakarsa Consultant in 2004 indicated that some SMEs are still experiencing difficulties in penetrating the export market, thus requiring the facilitation of other parties in increasing access to the import market, both the government and its business partners (Nuryanto, 2016). Socialization regarding INSW to business actors, especially in Central Java, is considered uneven, where only certain business actors already know how to process documents using electronic portals in each relevant institution/ministry agency. So, business actors are required to be more independent in digging up information on the latest policies related to exports and imports.

This INSW is implemented to facilitate export and import transactions for business actors in finding markets. So, for business actors, the INSW portal is expected to be able to create certainty of cost and time of service as an effort to provide business certainty, speed up service time and reduce costs related to the process of export and/or import activities to increase business competitiveness, provide clear, complete and transparent information on all processes, activities, and decisions in services related to exports and/or imports (Riswanoto, 2021). Moreover, it is to provide certainty and solutions for solving problems in the export and/or import process in a very dynamic and complex field, encourage the effective and efficient use of resources in companies in the export and/or import business, encourage the growth and development of entrepreneurship, through providing complete and easy information to start import-export activities and support the application of the principles of good corporate governance in all export and/or import service activities.

However, the implementation of INSW in the field sometimes does not go according to the objectives to be achieved. Some of the obstacles experienced by many service users and government agents (GA) are that INSW is still not perfect and there are often troubles in the following processes (Muhni, Sulistiyowati, & Widayati, 2014), such as the difficulty in accessing the INSW portal for export and import activities for some service users and the response of the data that has been sent is often late so that the export timeliness is not achieved. Furthermore, the mechanism for determining the HS-CODE (Harmonized System Code) is often confused with each other so there are doubts for service users in determining which goods can or cannot be exported and whether goods that require special export license treatment or not. Unsatisfactory network infrastructure sometimes happens so sometimes network trouble occurs in services. There is still GA who perform services manually, making it difficult to combine data in the INSW. In addition, data crashes often occur due to some GA who already have an in-house system using their data and information, thus requiring harmonization and data conversion processes by the requirements of the INSW. Lastly, there are still unclear or unclear authority and licensing mechanisms for certain export/import commodities, making it difficult for service users in the INSW process.

6. CONCLUSION

The development of the Indonesian economy is inseparable from the contribution of SMEs which are one of the domestic business sectors. So that the participation of SMEs in the process of exporting
domestic products deserves attention from the government. To support the acceleration of import-export traffic, the government made the INSW policy that uses an electronic portal in the document input process. The use of electronic portals causes the export-import process to be faster and more efficient because the required exporting documents can be imported anytime and anywhere. However, in practice, the INSW is considered not perfect because there are often problems in processes such as difficulty in accessing the INSW portal or in other electronic service portals that are integrated with the INSW. Data responses are often delayed so that the export timeliness is not achieved, infrastructure an unsatisfactory network resulting in network trouble on the INSW service or in other electronic service portals that are integrated with the INSW, and there are still unclear authority and licensing mechanisms for a certain export/import commodity making it difficult for service users in the process of inputting documents in the INSW or in other e-service portals.

This research has an important role for the future, where advances in Industry 4.0 are considered very influential on the development of the world of trade, especially cross-border trade. The use of electronic portals makes the import-export process faster and more efficient. As a suggestion, the implementation of INSW itself is considered not optimal so maximum supervision and improvement are needed on the electronic portal from the relevant institutions/ministries. To advance Indonesian SMEs, it is hoped that there will be socialization and an even approach to all business actors, especially in Central Java regarding the INSW policy. This is because some business actors are not fluent in utilizing digital technology so it is necessary to provide information and assistance related to the export and import process that is integrated with the INSW.

Practical recommendations, it is necessary to disseminate information to business actors about international trade agreements, both bilateral, multilateral and plurilateral. Therefore, intensive assistance and training are needed so that there is synergy in carrying out export activities to destination countries that have collaborated in Free Trade Asia with Indonesia. Theoretically, international trade activities as one of the elective courses in the business law section are needed in responding to the progress of international trade (INWS), especially related to digital platform documents that connect B2B, B2G and G2G.

This study has several limitations related to the lack of empirical testing regarding the application of INSW to direct export-import performance. In terms of commodities, this research only examines certain export commodities. Future research is expected to be able to investigate empirically the effect of INSW on national export performance and the selection of superior commodities as a basis for future research.

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