

# Exploring Indonesia-Antigua & Barbuda Trade Potentials: A Revealed Comparative Advantage Approach

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## Abstract

This paper attempts to identify and analyze the Indonesia-Antigua and Barbuda bilateral trade potentials based on their respective export competitiveness. The analysis uses the Revealed Comparative Advantage Index for year 2012 obtained from World Integrated Trade Solution (WITS). The paper reveals that there are huge opportunities for both countries to further strengthen bilateral trade relations. Based on the RCA Index analysis, the paper revealed that only two Indonesian commodities were exported to Antigua and Barbuda with comparative advantages and meanwhile for Antigua and Barbuda there was only one commodity exported to Indonesia with a comparative advantage. Further, none of their top ten strongest export competitiveness were able to penetrate one another market. This study suggests both countries should remove trade barriers starting by providing access for the top 10 export commodities with the strongest comparative advantage to penetrate in both countries. This step could be a stepping stone towards strengthening bilateral trade relations. For the Indonesian policymakers, the paper suggests to establish Indonesia-CARICOM bilateral free trade agreement, to attempt export the Indonesian potential products, and to promote and bring the Antigua and Barbuda traders and businessman to participate the Trade Expo Indonesia (TEI) in Jakarta.

Keywords :Comparative Advantage, Export Competitiveness, Bilateral Trade Relation.

## 1 Introduction

The diplomatic relations between Indonesia and Antigua & Barbuda started recently since 23<sup>rd</sup> September 2011 in which Antigua & Barbuda's Prime Minister, Baldwin Spencer and Indonesia's Foreign Minister, Marty Natalegawa signed the instrument establishing diplomatic relations between the two countries in New York. As stated by Baldwin Spencer, both countries are past chairs of the G77 and China, and the establishment of this diplomatic relations is the beginning of a new phase to enhance bilateral cooperation between both countries [8]. To achieve this mission, both parties agreed to develop a road map covering areas among others: education, trade, tourism, ICT and investment in order to comprehensively enhance bilateral cooperation.

For Antigua & Barbuda, Indonesia is the sixth ASEAN counterparts in establishing diplomatic relations. Thailand started in (07/07/2005), followed by Singapore (12/12/2006), Brunei Darussalam (21/12/2009), Cambodia (28/04/2009), and the Philippines (16/07/2010)[10]. For Indonesia, in 2011 Indonesia has opened diplomatic relations with 9 countries: Mauritania,

San Marino, Montenegro, Dominican Republic, Niger, Sao Tome and Principe, Antigua & Barbuda, and Bhutan; meanwhile in 2012 Indonesia has opened diplomatic relations with Botswana, Tuvalu, Haiti and Nauru [5]. The establishment of the diplomatic relations with the countries in the Caribbean region is based on the cooperation framework so called Small Island Developing States (SIDS). As an archipelagic country, Indonesia has a common interest with countries in the region on issues such as climate change; energy and food security; and disaster management that can be further strengthened [9].

Indonesia diplomatic relations with Antigua & Barbuda is conducted by the Indonesian Embassy in Bogota. Some of the current activities implemented by the Indonesian side are the visit of the Indonesian Consular and Protocol Function to Antigua & Barbuda last April 2013 to discuss opportunities to enhance bilateral cooperation such as trade, investment and education. The Indonesian Consular and Protocol Function to Antigua & Barbuda had also an opportunity to meet seven Indonesian citizens currently working among others in restaurants and star hotels in Barbados. On 7-10 July 2013, Indonesian Ambassador based in

Bogota visited to Saint John, Antigua & Barbuda to discuss the visit plan of the Antigua & Barbuda's Prime Minister to Indonesia, the initial drafts MoU Free Visa Agreement and MoU Bilateral Consultation Forum [3].

For the bilateral trade relations, long before the establishment of the bilateral diplomatic relations, Indonesia has penetrated and exported various products among others Soaps (branded Lervia dan Eucalyptus, by PT. Megasurya Mas), coffee products sold by the Indonesian Coffee Shop called "Java", and handicrafts [3]. Over the last 15 years, except for the last two years the bilateral trade volume were very low and showed a decreasing trend. In 2011, the bilateral trade volume reached its peak to US\$14.92 million but mainly due to sudden huge increase in Indonesian imports from Antigua & Barbuda reaching US\$14.61 million. Over the years, Indonesian exports in fact showed a declining trend and in 2012 was the lowest level amounted only US\$0.28 million. This may demonstrate that Indonesia still do not make sufficient initiatives to penetrate not only in Antigua & Barbuda, but within the Caribbean region as a whole. Meanwhile for Antigua & Barbuda, the dramatic increase in its exports since the establishment of the bilateral diplomatic relations, the country has successfully make use this momentum to boost its export in Indonesian market. Thus, over the last two years it is not a surprise that Indonesia experience a trade deficit with Antigua & Barbuda.

Although Antigua & Barbuda has not yet recovered from the severely hit the global economic crisis, the collapse of its largest financial institution, a steep decline in tourism, a rise in debt and a sharp economic contraction during the period 2009-2011 [7], but however the country somehow manage to penetrate and boost its export in Indonesian market. Antigua & Barbuda sees Indonesia as a big market with an estimated GDP at US\$823 billion (2011) and a population of more than 240 million people and it seems able to make use the momentum to boost its export in Indonesia. Meanwhile for Indonesia, since the establishment of the bilateral diplomatic relations seems not yet been fully utilized to boost its export not only in Antigua & Barbuda but also within the Caribbean region.

In 2012, Indonesia-Antigua & Barbuda bilateral trade volume only ranked 17th out of 25 countries in South America and Caribbean regions (see table 2). Indonesian-Antigua & Barbuda bilateral trade only accounted 0.00088864 percent of the total Indonesian trade, in which the South America and Caribbean regions as a whole represented only 1.38 percent. But however, as mentioned above the last two years, the bilateral trade relations have significantly increased but mainly due to a sudden huge imports by the Indonesian side. In 2012, Indonesian main export com-

Table 1: Trade Relations between Indonesia and Antigua & Barbuda for the Period 1997-2012 (In Million USD)

Year	RI Export	RI Import	Total	Trade Balance
1997	2.23	0.004	2.234	2.226
1998	2.53	0.0006	25.306	25.294
1999	1.75	0.18	1.93	1.57
2000	1.11	0.35	1.46	0.76
2001	0.89	0.12	1.01	0.77
2002	1.41	0.29	1.7	1.12
2003	2.43	0.07	2.5	2.36
2004	2.29	0.005	2.295	2.285
2005	1.16	0.14	1.3	1.02
2006	0.72	0.006	0.726	0.714
2007	0.55	0.04	0.59	0.51
2008	0.41	0.04	0.45	0.37
2009	0.39	0.46	0.85	-0.07
2010	0.42	0.009	0.429	0.411
2011	0.31	14.61	14.92	-14.3
2012	0.28	5.75	6.03	-5.47

Source: World Integrated Trade Solution (2013)

modities to Antigua & Barbuda among others are-Motor cars and other motor vehicles principally (HS 8703);Electrical transformers,static converters and i (HS 8504);Seats whether or not convertible into beds,and (HS 9401); Other furniture and parts thereof (HS 9403); and Glass articles used for indoor decoration or si (HS 7013).While Indonesian main imports from Antigua & Barbuda are hugely dominated by Cruise ships,excursion/ferry-boats,similar for (HS 8901) accounted for 89.94 percent of the total Indonesian import. Other Indonesian imported products areCotton, not carded or combed (HS 5201), Ferrous waste,scrap remelting scrap ingots or I (HS 7204); andTapes, valves, for pipes pressure reducing, thermo (HS 8481).

Antigua & Barbuda's economy which is known as the dual island nation has GDP amounted US\$1.535 billion (2012), susceptible from natural disasters and mainly depends on the tourism sector particularly from the US, Canada and Europe and construction services which accounted for around 78.3 percent of the total GDP, with agricultural sector focuses only to satisfy the domestic market (2.1 percent of the total GDP) and the industrial sector comprises enclave-type assembly for export particularly major products being bedding, handicrafts, and electronic components accounted for 19.6 percent of the total GDP [7]. From this glance information, although Antigua & Barbuda is a small economy but it is one of the potential markets for Indonesia within the

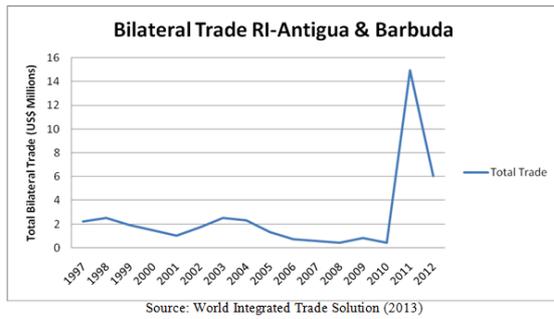


Figure 1: Trade Relations between Indonesia and Antigua & Barbuda for the Period 1997-2012 (In Million USD)

Source: World Integrated Trade Solution (2013)

Caribbean region. For the Indonesian government, the Caribbean region is one of the alternative markets for export diversification.

Few academic papers concerned particularly on issues related to the Indonesian economic diplomacy with the Latin American and Caribbean regions and specifically an academic paper analyzing the Indonesian economic diplomacy towards Antigua & Barbuda. Two years have past since the establishment of the bilateral diplomatic relations last September 2011, but particularly for the Indonesian side its export has not yet been used this momentum optimally. Thus, this paper attempts to identify and analyze the bilateral trade opportunities based on their respective export competitiveness (or comparative advantage). Therefore, this research paper propose a study with a title of: Exploring Indonesia-Antigua & Barbuda Trade Potentials: A Revealed Comparative Advantage Approach. This study is expected to contribute in enriching scientific international trade literatures, particularly in the field of Indonesian economic diplomacy towards Latin American and Caribbean regions. For the policymakers, the research could be used as a reference for both Indonesian and Antigua & Barbuda governments to determine the best economic diplomacy measures in order to strengthen bilateral trade relations.

Table 2: Trade Relations between Indonesia & South America and Caribbean Regions Period 2010-2012 (In Million USD)

No	Comodities	2010				2011				2012				Δ (%) 2012/2011
		Export	Import	Total	Balance	Export	Import	Total	Balance	Export	Import	Total	Balance	
1	Agropda & Industri	432.80	714.30	1,147.10	1,147.10	46.20	201.20	247.40	175.00	6,501.20	6,501.20	0.00	-98.80	
2	Agropda	1,206,241.00	354,474.40	1,560,715.40	1,206,241.00	312,638.30	1,795,379.30	2,088,017.60	1,443,740.00	1,979,250.00	3,968,500.00	1,979,250.00	-8.80	
3	Industri	18,288.00	1,154.70	19,442.70	18,288.00	1,234.50	19,522.50	20,757.00	1,979.25	1,979.25	3,958.50	1,979.25	-31.80	
4	Industri	2,743.10	2,639.50	5,382.60	2,743.10	3,900.00	2,532.00	1,167.00	2,400.00	1,979.25	3,958.50	1,979.25	-8.80	
5	Industri	1,428.90	6,725.40	8,154.30	1,428.90	7,338.00	1,166.50	8,504.40	6,725.40	40.80	40.80	40.80	0.00	
6	Industri	3,245,714.00	1,734,907.00	4,980,621.00	3,245,714.00	1,488,190.70	1,979,523.70	2,467,714.40	488,292.00	-4.80	-4.80	-4.80	-0.10	
7	Industri	101,000.00	219,999.00	320,999.00	101,000.00	175,245.00	200,245.00	200,245.00	200,245.00	-84.80	-84.80	-84.80	-10.00	
8	Perdagangan Jasa	638.20	887.00	1,525.20	638.20	457.40	665.10	1,102.50	137.70	-28.70	-28.70	-28.70	-10.00	
9	Perdagangan Jasa	71,249.40	24,188.30	95,437.70	71,249.40	23,145.00	3,842.00	75,091.40	19,202.70	-19.40	-19.40	-19.40	-10.00	
10	Perdagangan Jasa	71,249.40	24,188.30	95,437.70	71,249.40	23,145.00	3,842.00	75,091.40	19,202.70	-19.40	-19.40	-19.40	-10.00	
11	Perdagangan Jasa	488.20	205.50	693.70	488.20	415.00	73.40	561.60	337.20	88.80	88.80	88.80	10.00	
12	Perdagangan Jasa	1,452.00	1,815.00	3,267.00	1,452.00	2,523.70	1,111.10	3,634.80	1,913.30	171.00	171.00	171.00	10.00	
13	Perdagangan Jasa	21,702.00	7,931.40	29,633.40	21,702.00	47,613.00	4,800.00	52,413.00	42,819.00	27.00	27.00	27.00	10.00	
14	Perdagangan Jasa	8,403.30	11,858.70	20,262.00	8,403.30	11,026.70	601.20	11,927.90	10,295.50	-10.70	-10.70	-10.70	-10.00	
15	Perdagangan Jasa	165,400.00	15,400.00	180,800.00	165,400.00	170,000.00	19,800.00	185,200.00	165,400.00	19,800.00	19,800.00	19,800.00	10.00	
16	Perdagangan Jasa	10,104.30	15,104.30	25,208.60	10,104.30	12,647.70	1,500.10	14,152.00	11,200.00	-47.95	-47.95	-47.95	-10.00	
17	Perdagangan Jasa	32,385.40	19,897.50	52,282.90	32,385.40	19,152.30	19,853.80	39,238.10	1,401.50	-21.70	-21.70	-21.70	-10.00	
18	Perdagangan Jasa	105,000.00	101,000.00	206,000.00	105,000.00	100,000.00	72,000.00	177,000.00	33,000.00	10.00	10.00	10.00	10.00	
19	Perdagangan Jasa	245.00	0.00	245.00	245.00	0.00	2.00	247.00	245.00	55.92	55.92	55.92	10.00	
20	Perdagangan Jasa	1,210.70	483.80	1,694.50	1,210.70	415.00	1,292.20	545.50	788.87	10.80	10.80	10.80	10.00	
21	Perdagangan Jasa	881.10	440.10	1,321.20	881.10	322.00	1,019.10	1,203.10	4,203.10	10.30	10.30	10.30	10.00	
22	Perdagangan Jasa	4,718.50	3,215.10	7,933.60	4,718.50	2,931.00	1,800.00	7,509.50	8,208.20	12.90	12.90	12.90	10.00	
23	Perdagangan Jasa	30,268.10	8,197.00	38,465.10	30,268.10	26,424.00	9,888.20	36,152.30	14,476.30	-18.90	-18.90	-18.90	-10.00	
24	Perdagangan Jasa	28,200.00	64,600.00	92,800.00	28,200.00	22,200.00	38,100.00	50,300.00	18,100.00	1.90	1.90	1.90	10.00	
25	Perdagangan Jasa	66,440.30	127,563.10	193,993.40	66,440.30	66,001.10	860.70	132,441.80	65,240.40	-24.94	-24.94	-24.94	-10.00	
Total		5,563,548.80	2,987,819.90	8,551,368.70	5,563,548.80	2,987,819.90	4,271,368.70	8,551,368.70	1,508,684.17	-1.80	-1.80	-1.80	-0.10	

Source: World Integrated Trade Solution (2013)

## 2 Research Methods

Comparative advantage refers to the ability of a country to produce a particular good or service at a lower opportunity cost over another country. Based on the classical theory of comparative advantage stated that a country with a comparative advantage (comparative disadvantage) in the production of a good should export (import) in order to boost world output [11]. One of the most widely used to analyze the country's export comparative advantage is by using the Revealed Comparative Advantage (RCA) Index which firstly introduced by Balassa in 1965. RCA Index is one of the "export cum indices" and shows how competitive is a product in countries export compared to the products share in world trade. A product with high RCA is competitive and can be exported to countries with low RCA. Countries with similar RCA profiles are unlikely to have strong bilateral trade intensities unless intra-industry trade is involved (Chandran, 2010, p. 3). The computation of the RCA index is based on the publication released by Mikic and Gilbert (2009) titled: Trade Statistics in Policymaking: A Handbook of Commonly Used Trade Indices and Indicators and World Integrated Trade Solutions (WITS). The RCA index of country 'i' for product 'j' is often measured by the product's share in the country's exports in relation to its share in world trade:

$$RCA_{ij} = \frac{X_{ij}/X_{it}}{X_{wj}/X_{wt}} \quad (1)$$

Where  $x_{ij}$  and  $x_{wj}$  are the values of country i's exports of product j and world exports of product j and where  $X_{it}$  and  $X_{wt}$  refer to the country's total exports and world total exports. A value of less than unity implies that the country has a revealed comparative disadvantage in the product and viceversa. The present study will use the HS 1988/92 4 Digits Code (commodity-level) based on the trade data in year 2012 to analyze the Revealed Comparative Advantage Index (RCA Index) of both countries and only the top ten commodities with the highest RCA index in both countries will be discussed in this paper. Thus, this paper attempts to identify and analyze only each country's top ten export competitiveness.

## 3 Analysis and Findings

To analyze the export competitiveness of both countries, a Revealed Comparative Advantage (RCA) Index has been used to analyze Indonesia-Antigua & Barbuda trade potentials. Using the HS 1988/92 4 Digits Code and trade data 2012 (commodity-level), the current top ten Indonesian exports to Antigua & Barbuda among other share are Motor cars and other motor vehicles principally (HS 8703); Electrical transformers, static

converters and i (HS 8504); Seats whether or not convertible into beds, and (HS 9401); Other furniture and parts thereof (HS 9403); and Glass articles used for indoor decoration or si (HS 7013). The top ten Indonesian export commodities to Antigua & Barbuda represented 92.84 percent of the total Indonesian export to Antigua & Barbuda in which the top 3 export commodities accounted for 68.69 percent of the total Indonesian export to Antigua & Barbuda.

The majority of the Indonesian exported commodities to Antigua & Barbuda are classified comparative disadvantages, and none of the top ten Indonesian export commodities to Antigua & Barbuda are within the top ten Indonesian strongest export competitiveness (see table 4). Within the top ten Indonesian commodities exported to Antigua & Barbuda, there are only two Indonesian export commodities with the RCA index greater than one indicating meaning that Indonesia holds a comparative advantage in these commodities in the world market. But in fact, these two Indonesian commodities have to face strong challenges knowing that Antigua & Barbuda also has relatively strong comparative advantages in these two commodities.

Learning from the classical international trade theory which stated that a country with a comparative advantage should export the commodities and viceversa, as this ultimately will benefit the world through higher output meaning a higher welfare, thus here, based on the analysis there is an opportunity for Indonesia to further explore and expand the export commodities in Antigua & Barbuda based on its export competitiveness, at least starting from the top-ten Indonesian export competitiveness commodities. On the other side, Antigua & Barbuda should remove any trade barriers at least starting from the top-ten Indonesian export competitiveness commodities as Antigua & Barbuda consumers would reap benefits through lower prices and a more diverse products to choose.

Another practical step would be establishing so called Indonesia-CARICOM Free Trade Agreement (ICARI FTA). Antigua & Barbuda is a member of the Caribbean Community and Common Market (CARICOM) and has two Preferential Trade Agreements (PTAs) with Venezuela (January 1993) and Colombia (January 1995); four Free Trade Agreements (FTAs) with Cuba (5th July 2000), Dominican Republic (December 2001), Costa Rica (9th March 2004), CARIFORUM-European Union Economic Partnership Agreement (except Haiti, signed in October 2008); and three proposed FTAs with Canada, Mercosur and United States.

Table 3: Top-Ten Indonesian Export to Antigua & Barbuda for the Year 2012

HS 1988/924 Digits Product Code	Product Name	IDN-A&B Trade Value in Millions USD	RCA Index (IDN)	RCA Index (A&B)
8703	Motor cars and other motor vehicles principally	0.14	0.29	0.51
8504	Electrical transformers, static converters and i	0.31	0.53	
				0.32
9401	Seats whether or not convertible into beds, and	0.24	0.73	0.09
9403	Other furniture and parts thereof	0.18	1.49	3.25
7013	Glass articles used for indoor decoration or si	0.17	0.85	1.83
3808	Insecticides, rodenticides... and similar produ	0.13	0.74	0.03
8708	Parts and accessories of the motor vehicles of	0.08	0.37	0.07
7117	Imitations jewellery	0.05	0.18	0.42
6204	Women's or girls' suits, ensembles, jackets, bl	0.04	1.56	1.40
6217	Other made up clothing accessories; parts of ga	0.04	0.40	0.01

Source: World Integrated Trade Solution (2013)

Knowing the long distance between both countries, the available huge bilateral trade opportunities and the initiatives made by other countries to establish X-CARICOM FTA, the paper also suggests for the Indonesian government to attempt establish Indonesia-CARICOM bilateral free trade agreement. This initiative could be the first not only from ASEAN but also from Asia to establish Indonesia-CARICOM FTA and this could be a ma-

major step to strengthen Indonesian economic relations within the Caribbean region and a leading example for other countries from both regions to enhance economic cooperation. One of the immediate actions that could be done by the Indonesian government is to instruct the Indonesian Embassy in Paramaribo as the only Indonesian Embassy within the Caribbean region (and knowing Suriname is a full member of the CARICOM) to conduct preliminary analysis and lobbying the CARICOM full members to discuss the possibility of the Indonesia-CARICOM FTA.

Table 4: Top-Ten Indonesian Strongest Export Competitiveness for the Year 2012 (Commodity-Based)

HS 1988/924 Digits Product Code	Product Name	IDN-A&B Trade Value in Millions USD	RCA Index
2702	Lignite, whether or not agglomerated, excluding jet.	0	61.82
1511	Palm oil and its fractions, whether or not refined, but not chemically modified.	0	39.23
1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.	0	37.70
1203	Copra.	0	37.00
2606	Aluminium ores and concentrates.	0	31.82
410	Edible products of animal origin, not elsewhere specified or included.	0	31.43
410	Edible products of animal origin, not elsewhere specified or included.	0	30.30
2604	Nickel ores and concentrates.	0	29.12
8001	Unwrought tin.	0	29.09
4001	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.	0	19.80

Source: World Integrated Trade Solution (2013)

Further, another suggestion would be to attempt export the so called produk unggulan Indonesia (Indonesian potential products) as recommended by the Indonesian Ministry of Trade. These suggested products among others are: leather and leather products, medical instruments and appliances, medicinal herb, processed food, essential oil, fish and fish products, handicraft, jewellery, spices, and stationery non paper [4]. Last but not least for Indonesia, to enhance trade as many other Indonesian embassies have already implemented is promote and bring the traders and businessman from Antigua & Barbuda to participate the Trade Expo Indonesia (TEI) in Jakarta that is held every year.

Table 5: Top-Ten Indonesian Imports from Antigua & Barbuda for the Year 2012

HS 1988/924 Digits Product Code	Product Name	IDN-A&B Trade Value in Millions USD	RCA Index (IDN)	RCA Index (A&B)
8901	Cruise ships, excursion/ferry-boats, similar for	5.17	0.24	8.12
5201	Cotton, not carded or combed	0.26	0.006	0.27
7204	Ferrous waste, scrap remelting scrap ingots or I	0.23	0.11	0.77
8481	Tapes, valves, for pipes pressure reducing, thermo	0.06	0.10	0.034
7602	Aluminium waste and scrap	0.02	0.10	0.029
8517	Electrical telephonic, telegraphic, for carriers-	0.007	0.14	0.19
8504	Electrical transformers, static converters and i	0.002	0.53	0.32
8485	Machinery parts, non-electrical connectors, els	0.001	0.32	0.0019
8414	Air or vacuum pumps, exhausting and compression	0.0004	0.34	0.51
7318	Screws, bolts, nuts, screw hooks, rivets, similar ar	0.00007	0.24	0.94

Source: World Integrated Trade Solution (2013)

Meanwhile for the Indonesian top ten imports from Antigua & Barbuda in 2012 based on the HS 1988/92 4 Digits Product Code, it is found only one commodity imported from Antigua & Barbuda has a comparative advantage and this commod-

ity, Cruise ships, excursion/ferry-boats, similar for (HS 8901) accounted for 89.94 percent (US\$5.17 million) of the total Indonesian import. Indonesian import from Antigua & Barbuda is fairly limited and only ten types of products are exported by Antigua & Barbuda (see table 5). Further, none of the Indonesian top ten imports from Antigua & Barbuda are within the top ten Antigua & Barbuda strongest export competitiveness. Thus, based on this export competitiveness analysis there are huge opportunities to further enhance and deepen Antigua & Barbuda exports to Indonesia based on its strongest comparative advantage. The paper suggests Indonesia should remove any trade barriers at least starting from the top-ten Antigua & Barbuda export competitiveness commodities as Indonesian consumers would reap benefits through lower prices and a more diverse products to choose.

Table 6: Top-Ten Paraguayan Strongest Export Competitiveness for the Year 2012

HS 1988/924 Digits Product Code	Product Name	IDN-A&BTrade Value in Millions USD	RCA Index
9203	Keyboard pipe organs; harmoniums, similar keyboard	0	10883.19
6306	Tarpaulins, awnings and sunblinds; tents; sails	0	1022.41
7611	Aluminium reservoirs capacity >300l not fitted	0	118.41
9009	Photocopying, thermocopying apparatus of contact	0	85.34
9006	Photographic apparatus, flashbulbs other than di.	0	82.47
8521	Video recording or reproducing apparatus, incorp	0	81.84
8907	Other floating structures (rafts, tanks, coffer-	0	79.00
5607	Twine, cordage, ropes and cables	0	78.60
8903	Yachts, other vessels for pleasure/sports, rowing	0	76.31
1404	Vegetable products not elsewhere specified	0	75.37

Source: World Integrated Trade Solution (2013)

## 4 Conclusion and Recommendations

The diplomatic relations between Indonesia and Antigua & Barbuda started recently since 23<sup>rd</sup> September 2011 and over the last two years Antigua & Barbuda has successfully used this momentum to penetrate the Indonesian market and meanwhile for Indonesia not yet fully make use this momentum to boost its exports to Antigua & Barbuda. Based on the RCA Index analysis, the study found that only two Indonesian commodities were exported to Antigua & Barbuda with comparative advantages and meanwhile for Antigua & Barbuda there was only one commodity exported to Indonesia with a comparative advantage. Further, both have the same matters in which none of their top ten strongest export competitiveness able to penetrate one another. Thus, based on this export competitiveness analysis there are plenty opportunities to further enhance and deepen Indonesian and Antigua & Barbuda export based on its strongest comparative advantage, at least starting from their top-ten export competitiveness commodities. The paper suggests both sides should remove any trade barriers starting from the top-ten export competitiveness commodities. For the Indonesian government, the paper also suggests to establish Indonesia-CARICOM bilateral free trade agreement, to attempt export the Indonesian potential products, and to promote and bring the traders and businessman from Antigua & Barbuda to participate the Trade Expo Indonesia (TEI) in Jakarta.

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