

The Role Of Bilateral Agreement As Pillars Post-Pandemic Economic Resilience: Capabilities Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) To Trade Growth Accelerator In Indonesia

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ABSTRACT

The Covid-19 pandemic hit the world in 2020, causing various changes that greatly affected global stability, which once the economic sector. The Indonesian economy has not spared from the effects of the pandemic that has arisen from various social restrictions, resulting in a quite drastic economic decline. The Indonesian government are optimizing economic cooperation with several partner countries to recover the post-pandemic economy. The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) are comprehensive economic partnership between Indonesia and Australia. The IA-CEPA provides many conveniences that Indonesia can utilize to recover the economy after the Covid-19 pandemic. The Economic Powerhouse Strategy are collaboration of excellence carried out by Australia and Indonesia to create higher-quality products. In addition, the IA-CEPA collaboration also provides easy access by eliminating tariffs so that products from Indonesia can compete at lower prices. This study purpose to determine the role of the IA-CEPA in Indonesia's trade growth after the Covid-19 pandemic. Through descriptive qualitative methods, it can be concluded that the IA-CEPA has played the role as an accelerator of Indonesian trade through the Economic Powerhouse strategy. That Australia are supplier of raw materials, and Indonesia acts as the center for processing and marketing in the global market. Another advantage are the elimination of entry tariffs for products from Indonesia to the Australian market. So that the Indonesian economy has returned to stability after the Covid-19 pandemic through international trade activities supported by the IA-CEPA. This research based on Islamization Concept, namely, Ta'awun in Islam, which contains Islamic values.

Keywords: Covid-19, Economic Powerhouse, IA-CEPA, Indonesia's Trade

Introduction

At the end of 2019, the Covid-19 pandemic began to spread worldwide, resulting in various sectors and systems of the country being disrupted. The strong impact of Covid-19 suppressed the Indonesian economy to experience significant decline in the second quarter of 2020. This is due to the effects of weakening exports supported by declining demand in trade destination countries¹. The one of indicator that affects economies, international trade has been affected by the Covid-19 pandemic. The Covid-19 pandemic worsened the condition of international trade with export bans and restrictions to overcome the shortage of stocks in each country².

Australia has the potential to expand the Indonesian market. This geographically close country has become the one of Indonesia's most profitable export market. However, after the various efforts made by the two countries, the tension in relations between the two countries found good ending. In addition, Australia is listed are the 9th largest investing country in Indonesia³. So Australia are the correct country to establish cooperation that will boost the Indonesian economy. Cooperation between Indonesia and Australia has been established since Indonesia's independence, starting in 1945⁴. Various collaborations in both the security and economic fields has monitored to date, one of which is the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Meanwhile, ratification of IA-CEPA was carried out by the Ministers of Trade Indonesia and Australia on March 4, 2019⁵. Through

¹ Bank Indonesia, "Indonesia Economic Report 2020 'Synergy to Build Optimism for Economic Recovery,'" *Bersinergi Membangun Optimisme Pemulihan Ekonomi* (2020): 112, https://www.bi.go.id/id/publikasi/laporan-tahunan/perekonomian/Documents/9_LPI2020.pdf.

² Maria Agape et al., "Perdagangan Internasional Indonesia : Sebuah Komparasi Di Masa Pandemi" 5, no. 1 (2022): 87–115.

³ Dukjak, *Kunci Hubungan Bilateral Indonesia Dan Australia: Kolaborasi Dan Saling Menghormati.*, 2013, https://www.setneg.go.id/baca/index/kunci_hubungan_bilateral_Indonesia_dan_australia_kolaborasi_dan_saling_menghormati.

⁴ Julia Hardianti Rusmin, Adi Suryadi, and Nurjannah Abdullah, "Analisis Proses Perundingan Kerja Sama IA-CEPA (Indonesia-Australia Comprehensive Economic Partnership Agreement) Tahun 2013-2018," *Hasanuddin Journal of International Affairs* 1, no. 2 (2021): 2775–3336.

⁵ Kementerian Perdagangan, *Indonesia-Australia Comprehensive Economic Partnership Agreement*, 2019.

extended discussions, IA-CEPA can improve the economies of Indonesia and Australia. IA-CEPA are considered to provide opportunities and opportunities for both countries to increase economic partners. IA-CEPA are also means to re-open the potential of Indonesia and Australia in bilateral economic relations between nations, companies, and even individuals. As comprehensive cooperation with great potential, IA-CEPA has received significant attention from various parties among governments, companies, and even individuals.

The concept of 'Economic Powerhouse' in IA-CEPA are collaborative concept of economic power aimed at improving industrial and agricultural products and increasing the value of exports to third-country markets. Both countries play more significant role in the contribution of global value chains to meet global needs in the field of trade, where Indonesia plays manufacturing powerhouse while Australia are supplier of cheap and quality raw materials such as imports of raw materials for livestock production for the meat processing industry⁶. Several advantages are the reasons for the ongoing IA-CEPA cooperation, one of which is to realize the creation of great economic power and make Indonesia as country with great Economic Powerhouse potential.

In addition, Australia removed all pre-set tariff posts, there by increasing the potential for Indonesia to increase its exports to Australia. Some of the products that has great potential to be improved are; automotive, textiles and textile products, herbicides, and pesticides. IA-CEPA are also quite profitable for Indonesian workers, such as adding work and holiday visas, labor exchanges, and educational partnerships with Australia⁷.

In 2019, the Covid-19 pandemic swept the globe, resulting in economic paralysis. Indonesia and Australia are countries affected by Covid-19, especially in the financial sector. Some trade routes needed to be improved, causing a decrease in demand from destination countries. The Central Statistics Agency stated that Indonesia experienced the decline of up to minus 5.32% in August 2020⁸. However in 2021, Indonesia's economy are predicted to continue

⁶ Ibid.

⁷ "RANCANGAN UNDANG-UNDANG TENTANG INDONESIA DAN AUSTRALIA (INDONESIA – AUSTRALIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT)" (2020).

⁸ Dwi F Moenardy et al., "Indonesia-Australia Comprehensive Economic Partnership Agreement (IACEPA) in Economic Recovery During the Covid-19 Period," *Turkish Journal of Computer and Mathematics Education (TURCOMAT)* 12, no. 8 (2021): 821–829, <https://turcomat.org/index.php/turkbilmat/article/view/2908>.

improving on the back of progress in handling Covid-19, such as vaccination, global economic recovery, and stimulus, as well as policy strengthening. Policies that stimulate economic recovery include opening up productive sectors in various regions, accelerating fiscal realization, increasing bank credit, continuing monetary and macroprudential stimuli, and accelerating economic digitalization.⁹ In 2015 Indonesia was listed as the supplier of processed meat with the most significant turnover in London with an estimated market value of 16 trillion rupiahs and experienced an increase in the utilization of up to 70% in the post-pandemic era¹⁰.

That shows that IA-CEPA provides the potential new opportunity for Indonesia and Indonesia become an economic powerhouse actor with its ability as manufacturing house. In addition, the products produced will be higher quality because the raw materials used are cheap and quality, so that this collaboration will generate enormous profits for Indonesia and Australia. The IA-CEPA collaboration has an excellent opportunity to increase the strength and potential of Indonesia's trade sector, especially after the Covid-19 pandemic. Even in the Covid-19 pandemic, IA-CEPA can provide benefits in various fields: trade in goods, investment, and increased employment. Australia and Indonesia has long been committed to helping each other in all situations, including fighting Covid-19. Through the cooperation that has been established, Australia shows its commitment in the forming of foreign assistance to Indonesia¹¹. This research also studied the concept of Ta'awun in Islam, which was considered in line with this research. The concept of Ta'awun are also in line with this research. Cooperation in Islam strengthens the fabric of kinship and helps in good. So that what Indonesia strives for in IA-CEPA to expected has good impact on the Indonesian economy, especially in the trade sector. The Ta'awun concept can also enhance this research because the IA-CEPA collaboration purpose to strengthen the relationship between Indonesia and Australia and the commitment to helping each other to create peace.

Research Method

⁹ Bank Indonesia, "Indonesia Economic Report 2020 'Synergy to Build Optimism for Economic Recovery.'"

¹⁰ Laudetta Dianne, "GELIAT INDUSTRI PENGOLAHAN DAGING DENGAN IMPLEMENTASI PERJANJIAN IA CEPA," *Website Resmi Kementerian Perindustrian Republik Indonesia*, <https://agro.kemenperin.go.id/artikel/6490-geliat-industri-pengolahan-daging-dengan-implementasi-perjanjian-ia-cepa>.

¹¹ Ilham Agustian Candra and Arie Kusuma Paksi, "Motivasi Australia Memberikan Bantuan Luar Negeri Kepada Indonesia Dalam Menangani Penyebaran COVID-19 Tahun 2020-2021," *Jurnal Noken: Ilmu-Ilmu Sosial* 7, no. 1 (2021): 14.

This research will use descriptive qualitative methods. The data used as secondary data is taken from books, journals, and other supporting data. This research uses qualitative methods with data collection through document analysis and meaning. Descriptive research is research that provides a clearer picture of social phenomena. This study aims to explore and classify existing phenomena with the description of variables that has been formulated. The object of this study are the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) collaboration as an accelerator of the Indonesian trade sector after the Covid-19 pandemic in 2020-2021. The data collection is a literature study sourced from several books, journals, reports, and supporting data related to the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Literature sources consist of secondary sources. Primary sources are direct references associated with the object of study. In this study, researchers used secondary data to analyze and primary sources in the form of interviews with related sources.

Result and Discussion

a. Indonesian Economic Conditions During the Pandemic and Post-Covid-19 Pandemic

Covid-19 has become a significant problem in the Indonesian economy, that changing the stability built to the low point. As the developing country, Indonesia must significantly restore disrupted stability. It is due to policies that suppress economic activity and the increasing price of staples required daily. The policies needed to reduce the spread of the Covid-19 virus are increasingly damaging the Indonesian economy. Activity restrictions as the main effort in suppressing the spread of Covid-19, are the main reasons for the economic slowdown, which results in poverty and economic instability. The international trade sector are one of the sectors affected by policy changes due to the Covid-19 pandemic. Various indicators experienced drastic decline at the beginning of 2020, such as retail sales, company production, and some investment activities. Covid-19 has suppressed the fall of the global economy through several parts, including tourism, supply chain, trade, and financial markets. The tourism sector that has been greatly affected by the Covid-19 pandemic. The policy regarding activity restrictions results in trip cancellations and causes losses for the decline in travel service users. Discussing this, Indonesia also the country that has also felt a reduction in the economy, especially international trade. Throughout 2020,

export figures decreased by 2.61% from the previous year. Meanwhile, the import rate decreased by 17.3% compared with last year¹².

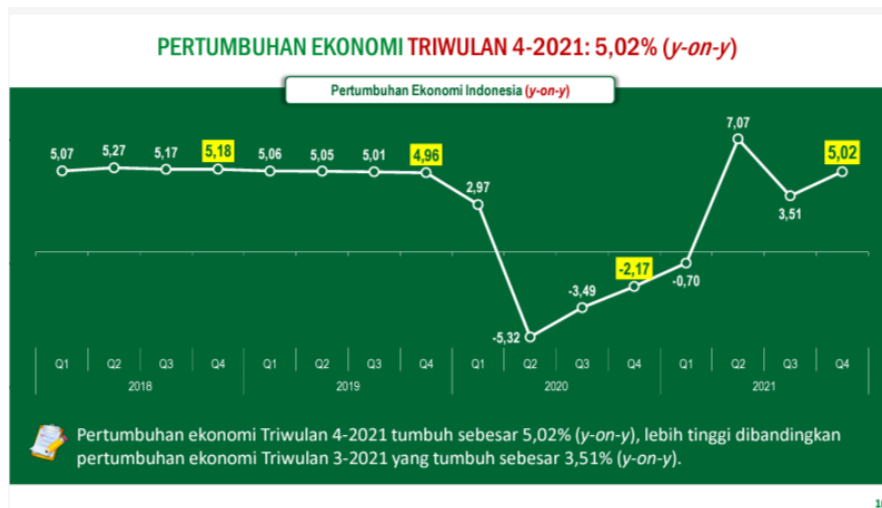


Figure 1. Indonesia's Economic Growth in the Fourth Quarter of 2020

Source: Official Website of the Central Statistics Agency

The picture above showing a drastic decline in the second quarter of 2020 caused by the entry of Covid-19 in Indonesia. The spread of the Covid-19 virus has encouraged the Indonesian government to established various policies to reduce the increase in Covid-19. Lockdown policies, physical distancing, travel bans, and other policies are the main obstacles to the trade sector. The lockdown policy are restricts the exit or entry of people into specific areas. This policy greatly affects the economy, especially in the service sector. Various service trade activities were hampered, such as tourism services which decreased drastically due to the decline in domestic and international tourists.

Another policy that affects the economy are the policy of limiting export quotas. Limiting trade quotas are policy that also greatly affects the sustainability of the Indonesian economy. The policy regarding restrictions on trade quotas has caused concern by the global community or panic buying. Panic buying are the excessive purchase of goods

¹² Dwi Hadya Jayani, "Produk Industri Pengolahan Dominasi Ekspor Indonesia per April 2021," *Databoks Katadata*, last modified 2021, accessed January 8, 2023, <https://databoks.katadata.co.id/datapublish/2021/05/24/produk-industri-pengolahan-dominasi-ekspor-Indonesia-per-april-2021>.

caused by panic about bad things that will happen¹³. This situation is what makes the trading cycle unstable. The small stock of goods in the global market and the high demand make the selling price of the product soar, and there is the shortage of these products. This policy has an effect that can be detrimental to exporting countries and importing countries. It is understood that exporting countries will limit their exports due to fears of insufficient needs of their domestic people. At the same time, importing countries also need supplies that are usually obtained by exporting countries as supplies in their countries.

Despite the decline in 2020, the Indonesian economy recovered quickly. It must be connected to external assistance, such as countries cooperating with Indonesia. Additionally, efforts to recover the Indonesian economy continue to be carried out by the government and all Indonesian people throughout the Covid-19 pandemic. It felt in 2021 that the Indonesian economy soared to 5.02%. A very fantastic GDP per capita figure, which is 62.2 million, is known to be higher than the per capita figure in 2019 before the pandemic. In international trade, the export-import performance also improved on the back of recovering global demand. In the fourth quarter of 2021, Indonesia's exports grew by 29.83%.

Meanwhile, the import sector also increased by 29.60%¹⁴. In the first quarter of 2021, the processing industry became the largest export sector, reaching 79.9% of Indonesia's total exports¹⁵. It shows that Indonesia can recover its economy after the Covid-19 pandemic. In its application, several factors support the increase experienced by Indonesia. IA-CEPA is one of the actors that contributes to and supports Indonesia's economic recovery until it reaches a stable point. It can be concluded by reviewing various agreements that benefit Indonesia and Australia, even in economic crises.

¹³ Andini Titis Galih, "FENOMENA PANIC BUYING: MENGAPA BISA TERJADI?," *Binus University*, last modified 2022, accessed January 18, 2023, <https://student-activity.binus.ac.id/himpsiko/2022/05/fenomena-panic-buying-mengapa-bisa-terjadi/>.

¹⁴ Haryo Limanseto, "Pertumbuhan Ekonomi Nasional Tahun 2021 Berikan Sinyal Positif Terhadap Prospek Ekonomi Tahun 2022," *Website Resmi Koordinator Perekonomian Republik Indonesia*, last modified 2022, accessed January 8, 2023, <https://www.ekon.go.id/publikasi/detail/3692/pertumbuhan-ekonomi-nasional-tahun-2021-berikan-sinyal-positif-terhadap-prospek-ekonomi-tahun-2022>.

¹⁵ Jayani, "Produk Industri Pengolahan Dominasi Ekspor Indonesia per April 2021."

b. Encouraging Indonesia to Become an Economic Powerhouse Through the IA-CEPA Agreement

The Economic Powerhouse strategy are echoed as the primary strategy that distinguishes IA-CEPA from other cooperation between the two countries. The collaboration in question are the collaboration of excellence where Australia distributes quality and cheaper raw materials. Meanwhile, Indonesia are the center for processing these ingredients into new products and marketing them to third countries. This collaboration has significant role in improving the Indonesian economy after the Covid-19 pandemic. In its application, Australia has become the 8th largest importer country for Indonesia ¹⁶. Those ingredients are processed into sweetened condensed milk, processed foods, automotive, and remarketed to the global market. The result of collaboration in IA-CEPA creates the new product that is of higher quality and cheaper. It is inseparable from the advantages possessed by Australia and Indonesia. Australia is the country that has variety of extraordinary natural resources so that it can produce variety of quality raw materials. This collaboration acts as accelerator in restoring the Indonesian economy, which was in crisis due to the Covid-19 pandemic.

Aligned with the concept of the Economic Powerhouse, this strategy also purpose to complete the needs and improve the standard of living of IA-CEPA member countries. The Economic Powerhouse strategy can increase the production of the processing industry in Indonesia and channel it to the global market. Not only that, several factors that are understood to lead to the state of the Economic Powerhouse has owned in this collaborative cooperation so that Indonesia can recover the economy that had fallen and even be able to act as an Economic Powerhouse in the Asia-Pacific region. This strategy has proven to be able to restore the Indonesian economy after the Covid-19 pandemic by collaborating with Australia. The increase in export-import figures in the post-Covid-19 pandemic are proofing of this strategy.

¹⁶ Kementerian Perindustrian Republik Indonesia, "Ekspor Indonesia Berpeluang," *Website Resmi Kementerian Perindustrian Republik Indonesia*, last modified 2019, accessed February 3, 2023, <https://kemenperin.go.id/artikel/20383/Ekspor-Indonesia-Berpeluang>.

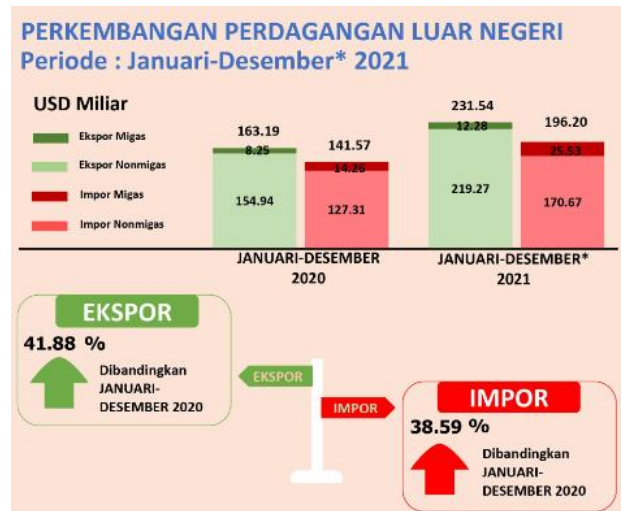


Figure 2. Development of Indonesia's Export-Import Value in 2020-2021

Source: Website One Data Ministry of Trade Indonesia

The picture above showing an increase in export-import in 2021. Implementing the Economic Powerhouse strategy began when imports of raw materials from Australia increased and were processed in Indonesia. Indonesia has great potential as the processing center or manufacturing powerhouse in the IA-CEPA cooperation. The raw materials obtained from Australia can be processed into higher quality and cheaper products to be marketed in the global market. The export increase also proves that Indonesia can carry out its role as the manufacturing powerhouse in the Economic Powerhouse strategy. Australia as the largest wheat importer country for Indonesia, are supporting factor in implementing the Economic Powerhouse strategy. The increased in imported products from Australia in 2021 was due to people's needs for processing industry production. Wheat are the commodity with the most significant value of all imported items from Australia.

The picture above shows the high import of wheat from Australia, the raw material processed by Indonesia into noodles and pasta. The increase in wheat imports are in line with the high exports of the processing industry, including the instant noodle industry, which has spread into the global market.



Figure 2. Indonesia's Export Development in 2021

Source: Central Statistics Agency

The picture above shows an increase in exports in the processing industry sector by 32% from 2020. The large number of processing industry exports accounted for 76% of the total non-oil and gas exports in 2021. According to the Economic Powerhouse strategy carried out in the IA-CEPA agreement to recover after the Covid-19 pandemic, this strategy are proven to restore the Indonesian economy in the post-pandemic era.

c. Increasing Exports to the Australian Market Through Tariff Elimination and Standardization Training in the IA-CEPA

The IA-CEPA collaboration also provides convenience by eliminating tariffs in each post. This convenience is one of the conveniences in several other economic cooperations, but IA-CEPA can remove all taxes and must be paid effectively. The low competitiveness in the Australian market provides an excellent opportunity for Indonesia to promote products in Australia. The abolition of this tariff are good privilege for goods from Indonesia because the prices are relatively lower. Removing these tariff also encourages Indonesia to ship more products to meet the Australian market. The data shows the increase in Indonesia's exports to Australia, which is surging in 2021.

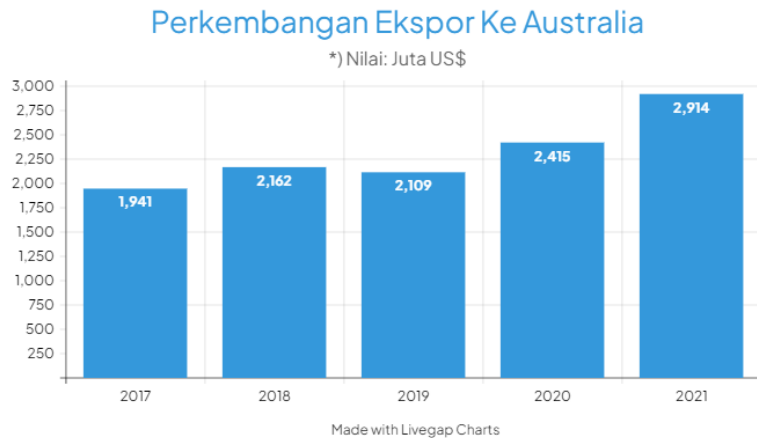


Figure 3. Export Developments to Australia

Source: Processed from One Data of the Ministry of Trade

This data shows that Indonesia's exports to Australia experienced a rapid increase in 2021 of 2.9 billion US\$. The increase was recorded as the highest since 1989. Oil, wood, fertilizer, iron, and steel are some of the increasing export commodities. The elimination of tariff makes the operational costs of export product from Indonesia relatively cheaper to compete in the Australian market. The abolition of taxes on each post has greatly affected Indonesian products in the Australian market. One example is automotive commodities that compete with Malaysia and Thailand.

However, Indonesia has benefited from eliminating tariff so that the price of automotive from Indonesia are relatively lower. This factor encourages business people to be interested in promoting their products in Australia, not even the few microenterprice bussiness players who also sending their product to the Australian market. The convenience obtained from the agreement in the IA-CEPA cooperation encourages Indonesia to achieve its national interest, namely economic growth. The abolition of this tariff shows the role of IA-CEPA cooperation which also supports the recovery of Indonesia's trade sector after the Covid-19 pandemic crisis

In addition to the elimination of tariff, IA-CEPA also provides easy access to trade between the two. Different standardizations had previously been drag on trade. However, the IA-CEPA cooperation provides facilities to equalize standards for the two countries. To realize these standards, IA-CEPA conducts training on standardization,

collaboration for the adoption of standard implementation, and conformity assessment. This convenience gives Indonesian products quality that can compete in the global market, especially the Australian market. The government also uses this facility to improve the quality of Microenterprise products that has the potential to enter the Australian market. This export increase strongly supports Indonesia's economic recovery after Covid-19, which has been affected by lockdown policies and the like. This policy indirectly also increases income for Indonesia due to the increasing quality of goods.

In line with the concept of international cooperation, IA-CEPA cooperation are carried out to meet the interests of the country and the needs of its people. Several agreements in IA-CEPA make it easier for both countries to achieve the same goal of improving the economy. In addition, IA-CEPA also makes it easier for the people of Indonesia and Australia to meet needs that cannot meet domestically. IA-CEPA cooperation are also carried out without coercion and threats, but rather the existence of a national understanding that aims in the same direction and is in line with global conditions. In its implementation, IA-CEPA invites Indonesia and Australia to become Economic Powerhouse actors in the global value chains. International cooperation are also based on sense of mutual need for each other. The IA-CEPA cooperation shows that Indonesia needs Australia to support needs that the domestic market has not been able to meet, while Australia needs Indonesia as its export destination. Implementing IA-CEPA cooperation can restore Indonesia's trade after the Covid-19 pandemic by this proof.

d. IA-CEPA in Ta'awun Concept Perspective

Ta'awun in Islam are the form to help that becomes fundamental principle in establishing cooperation with anyone, as long as the goal are virtue and devotion¹⁷. So it is understandable that Ta'awun attempts to create goodness through collaboration and helping. Ta'awun has been commanded in Islam and is in harmony with international cooperation. Ta'awun aligned with the IA-CEPA cooperation, international cooperation aimed at

¹⁷ Quraish Shihab, *Tafsir Al Misbah : Pesan, Kesan Dan Keserasian Al-Qur'an* (Jakarta: Lentera Hati, 2002).

creating good, namely creating an inclusive economy. This cooperation forms an interweaving that brings the two countries towards goodness in the economy. Various decided agreements also lead to good, such as making it easier for its partners to resolve their obstacles. The concept of Ta'awun also has several benefits that can be felt, especially in IA-CEPA cooperation, such as;

- a) completed the work more perfectly.
- b) Accelerate the achievement of targets
- c) Ease of work

Looking at the benefits obtained from Ta'awun, IA-CEPA has realized it in the form collaboration of excellence or Economic Powerhouse. This collaboration covers Australia's shortcomings with Indonesia's advantages conversely. Australia, rich in wheat and milk, collaborates with Indonesia to process both into new products such as noodles, pasta, and sweetened condensed milk. The collaboration results in cheaper and higher quality products. In line with the benefits of Ta'awun that hbeen explained, this collaboration makes processing new products faster and easier. Not only that, the products offered to the global market are also superior and quality products. It is the proofing increase in Indonesia's export figures in the processing industry sector by up to 32% from 2020¹⁸. It concluded that IA-CEPA makes work more accessible in line with the benefits of Ta'awun in Islam. In addition to the very diverse benefits, several forms of Ta'awun have been commanded, such as; ¹⁹

- a) Helping in times of distress
- b) Providing loans
- c) Giving something needed

IA-CEPA also provides opportunities for Indonesia and Australia to help each other. Through its implementation, IA-CEPA has become Australia's means to offer various supporting and assistance to Indonesia, especially in dealing with the Covid-19 pandemic. Indonesia received various aid from Australia in the forming of loans and

¹⁸ Badan Pusat Statistik, "Ekspor Desember 2021 Mencapai US\$22,38 Miliar Dan Impor Desember 2021 Senilai US\$21,36 Miliar," *Website Badan Pusat Statistik*, last modified 2022, accessed January 8, 2023, <https://www.bps.go.id/pressrelease/2022/01/17/1917/ekspor-desember-2021-mencapai-us-22-38-miliar-dan-impor-desember-2021-senilai-us-21-36-miliar.html>.

¹⁹ Muhsin, *Bertetangga Dan Bermasyarakat Dalam Islam* (Jakarta: Al-Qalam, 2004).

gifts as the form of support impact of Covid-19. It is proof that IA-CEPA is aligned with some of the recommended conditions of Ta'awun. Not only that, but IA-CEPA also sets some decisions that greatly facilitate each other in trading activities. It is applied in IA-CEPA and aligned with the concept of Ta'awun, which is to help brothers who are in trouble. Ta'awun's attitude is encouraged in Islam because it can provide various virtues, such as;

- a) Improving fraternal relations
- b) Obtaining the kindness and affection of others
- c) Creating a familial and well-being nature

The virtues that has been mentioned began to be felt by Indonesia through IA-CEPA cooperation. The bilateral relationship established with Australia is improving and has done much good for Indonesia. The assistance gained access to education provided by Australia shows that Ta'awun offers extraordinary benefits. So that when Indonesia is in a difficult situation, Australia will assist and participate in pursuing Indonesia's welfare. Some of the facts above show that the IA-CEPA cooperation is related to the concept of Ta'awun. IA-CEPA cooperation can be a means for Australia and Indonesia to do goodness together. It concluded that IA-CEPA cooperation aligns with the concept of Ta'awun with its various features. With the sense of mutual help in IA-CEPA cooperation, the two countries has an increasingly harmonious relationship, sidelining egoism and quarrels. With Ta'awun, Australia and Indonesia can help and support each other to create goodness. Align with the concept of Ta'awun, Indonesia and Australia also help each other so that the targeted work becomes perfect and faster.

Covid-19 is a significant global challenge, especially in the economic sector. The spread of the virus that suppresses economic activity is the main reason for the decline in the economic sector. In international trade, the reduction can be seen from the drop in export and import figures. The main activity of international trade has decreased drastically due to policies that suppress economic activity. Lockdown policies, travel bans, trade quota restrictions, and other policies significantly impact global trade. The decline in tourists, users of transportation services, and import restrictions is a real impact on the policies that

have been set. However, the slump did not last long. Indonesia's economy can improve again in 2021 with various efforts.

IA-CEPA are one of the factor that supports Indonesia's economic recovery. It concluded from the various conveniences provided so Indonesia can recover its economy quickly. The existence of the Economic Powerhouse strategy is the main spearhead that can increase Indonesia's income through exports. The collaboration of excellence initiated by IA-CEPA is a helper for the Indonesian economy. Australia is a supplier of raw materials, and Indonesia serves as an industrial center to produce quality products in the global market. This strategy has proven to have a good impact on the Indonesian economy by increasing the export of Indonesia in the processing industry. Improvement in the economy is also seen from the increase in Indonesia's exports to Australia. It attests to the convenience of IA-CEPA cooperation by eliminating entry tariffs at all tariff posts. So that Indonesia can increase the quantity of exports to Australia.

Conclusion

The Covid-19 pandemic are phenomenon that significantly affects the global balance, and one of the sectors most severely affected is the economic sector. The strong impact of this pandemic has put pressure on the economy until several countries experience economic crisis conditions. Indonesia is one of the countries also affected by the Covid-19 pandemic. In implementing policies to suppress the virus spread, some trade activities were disrupted, causing quite surprising inflation in 2020. The government has made various efforts to restore the Indonesian economy, one of which is optimizing economic cooperation with several partner countries. Australia is one of most influential trading partners in Indonesia. The economic cooperation agreed with Australia, namely IA-CEPA, plays a role in restoring the Indonesian economy.

IA-CEPA are comprehensive economic cooperation between Indonesia and Australia that aims to promote an inclusive economy. The collaboration, which was agreed upon in 2005, underwent 12 negotiations, that deciding various agreements that were in line with the goals of Indonesia and Australia. The arrangements discussed were in the form of trade agreements on goods, trade in services, investment, and several other policies. Some of these agreements certainly provide benefits for Indonesia. Moreover, IA-CEPA even

played a role in helping Indonesia recover its economy due to the impact of Covid-19. One beneficial strategy is the Economic Powerhouse strategy which is a collaboration of excellence between Indonesia and Australia to produce products in the global market. Australia is a supplier of quality and cheap raw materials, while Indonesia has become a processing center and markets them worldwide.

In its application, Indonesia has succeeded in carrying out his role very well and can rapidly increase its exports in the processed industry sector. The increase in exports results from industry with raw materials from Australia that are processed and marketed to third-country markets. In addition, IA-CEPA also provides convenience through tariff abolition, which will affect increasing exports to Australia in 2021. The reduction of tariffs of up to 0% is a big problem for Indonesia so that Indonesia can increase the quantity of production for export to Australia. Products from Indonesia have also become cheaper in the Australian market so that they can increase competitiveness from other foreign products.

IA-CEPA cooperation also considered to be in line with Ta'awun in Islam. It causing IA-CEPA cooperation are collaborative effort that aims to improve the economies of the two countries. The activities in this agreement are beneficial to create goods. Ta'awun in Islam is also known to reap several benefits, one of which is getting help during difficulties, establishing harmonious relationships, and making work easier and faster. And these benefits have been enshrined in the IA-CEPA cooperation.

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