

Indonesia's International Trade Policy During The Covid-19 Pandemic: Imposition of Anti-Dumping Duties on Hot Rolled Coil Products of Other Alloys From China

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ABSTRACT

The COVID-19 pandemic generated profound economic disruptions that affected Indonesia's trade dynamics and industrial stability. In response, the Indonesian government implemented a series of economic policies aimed at mitigating these challenges, including the adoption of trade remedy policy. This study analyses Indonesia's international trade policy during the COVID-19 pandemic, focusing on the imposition of Anti-Dumping Duties (BMAD) on Hot Rolled Coil of Other Alloy (HRC Alloy) products imported from China. This study uses qualitative methods employing the theoretical lens of economic nationalism. This research explores the underlying rationale, implementation process, and implications of the policy for the domestic steel industry. The findings reveal that the imposition of BMAD was designed to protect Indonesia's national steel industry from the adverse effects of dumping practices that had significantly harmed local producers. Moreover, this policy demonstrates a broader state strategy to secure industrial resilience and promote long-term economic self-sufficiency amid global uncertainty. By safeguarding domestic production capacity, the Indonesian government not only aimed to stabilise its industrial sector during the crisis but also reinforced its commitment to building a more independent and competitive national economy. Overall, this research highlights the relevance of economic nationalism in shaping Indonesia's trade policy responses during periods of economic crisis.

Keywords: Anti-dumping, COVID-19, Economic Nationalism, Pandemic, Trade Policy.

INTRODUCTION

The COVID-19 pandemic reshaped international trade, prompting many countries to strengthen domestic protection through trade remedy instruments. Trade remedies are instruments often used by countries to protect their domestic industries. The World Trade Organization (WTO)

defines trade remedies as "trade defence measures against imported products to protect domestic industries from unfair practices such as dumping and subsidies, or to address sudden surges in foreign goods" (WTO, 2013). Basically, the WTO allows its member countries to use trade remedies because their purpose is to protect domestic industries. However, in reality, the use of these instruments has created new problems because countries are often considered to be using them for protectionism, which is contrary to the basic principles of free trade (Apriyani & Dayanthi, 2014).

During the COVID-19 pandemic, the global economy experienced a crisis. In line with these global trends, Indonesia also faced severe economic disruption and sought to stabilise its domestic industries through various policy interventions. The Indonesian government implemented various comprehensive monetary and fiscal policies to maintain domestic economic stability. Trade remedy instruments were also used during this crisis. One case study that reflects Indonesia's efforts to protect its national economy is the application of Anti-Dumping Duties (BMAD) on Hot Rolled Coil of Other Alloy (HRC Alloy)/hot rolled steel products from the People's Republic of China (PRC).

In February 2020, PT Krakatau Steel filed a petition for the imposition of anti-dumping duties on HRC Alloy products originating from the PRC that were suspected of dumping to the Anti-Dumping Committee (KADI) (Rahman, 2020). Steel products that are dumped by their country of origin (in this case, the PRC) cause a decline in the utility of local steel producers because the low prices make these imported steels more widely used by domestic consumers. During the same period, KADI sent a preliminary notification to the PRC government regarding indications of dumping of steel products originating from the PRC (Amanda & Wardah, 2022).



Figure 1. Increase in Steel Imports 2016-2021
 Source: (IISIA, 2021)

Based on the above statistics, it can be seen that there has been an increase in steel imports from year to year since 2016. In 2020, due to the COVID-19 pandemic which had an impact on the decline in productivity in China, steel imports experienced a decline. However, in the first half of 2021, it increased again by 16% compared to the same period in the previous year (IISIA, 2021).

Following an investigation conducted by the Indonesian Anti-Dumping Committee (KADI) from 2020 to the end of 2021, it has been proven that Chinese exporters have been dumping their steel products. This action has undoubtedly caused losses to the domestic industry (Theodora, 2022). Consequently, the Minister of Finance officially imposed anti-dumping duties on HRC Alloy products from the PRC. This provision was stipulated in Regulation of the Minister of Finance of the Republic of Indonesia Number 15/PMK.010/2022 concerning the Imposition of Anti- Dumping Import Duties on Imports of Hot Rolled Coil Of Other Alloy (HRC Alloy) from the People's Republic of China (PRC). This regulation was promulgated on 22 February 2022 and came into effect on 15 March 2022 (JDIH Kemenkeu, 2015).

The condition of the steel industry can be an indicator of a country's progress (Hasni & Manulang, 2011). This can be seen in the case of China,

which, since the economic reforms of 1978, has focused on developing industrialisation through the mass production of 1980 and the growth of China's steel industry reached 7%, increasing to 10% in the 1990s, and 20% in the 2000s (Holloway, Roberts, & Rush, 2010). By 2014, China's crude steel production reached 823 million tonnes, accounting for just over 50% of total global steel production (Holloway, Roberts, & Rush, 2010). Today, China is the world's largest steel producer, with production reaching 77.9 million metric tonnes in 2022 (Statista, 2023). In terms of its contribution to the economy, China's steel industry accounts for 36% of global Gross Domestic Product (GDP) (Oxford Economics, 2019).

In Indonesia, a study conducted by Fachrizal (2021) proved that the steel industry in Indonesia has a significant multiplier effect in boosting the national and regional economies and absorbing labour. Based on this study, the largest steel producer in Indonesia, PT Krakatau Steel, has been able to contribute Rp. 48.03 trillion or 30.97% to the economy of Banten province in the manufacturing industry. (Fachrizal, 2021). In addition, in terms of employment, this processing industry employs 1,267,797 people or 23.77% of the total workforce in Banten Province (Fachrizal, 2021). The central government is also supporting this industry by providing investment under the National Economic Recovery Programme (PEN) due to the COVID-19 pandemic, which further demonstrates that this industry has a significant impact and deserves special attention.

Many previous studies have mentioned that the implementation of trade remedies on steel imports into Indonesia has had a positive impact on domestic steel producers. For example, in a study (Anam & Solikin, 2020) that examined the application of safeguard import duties (BMTP) on aluminium-zinc coated steel (BJLAS) products. This study was conducted by analysing monthly import data for BJLAS products from January 2012 to December 2018. The results show that in 2014, when the BMTP policy was implemented, there was a significant decrease in imports of similar steel products and an

increase in the competitiveness of the domestic steel industry.

In another study by (Nurchahyo & Purwana, 2020) which examined the application of Anti-Dumping Duties (BMAD) on tinplate products from China, Taiwan, Korea, Japan, Germany, India and Malaysia in 2014-2018 showed that there were differences in the amount of imports after the application of BMAD on products originating from China and Taiwan. Meanwhile, tinplate products originating from South Korea actually experienced an increase in imports because even though they were subject to BMAD, South Korea was able to use the preferential tariff scheme of the ASEAN-Korea Free Trade Agreement.

On the other hand, research conducted by (Alhayat, 2017) found that the application of anti-dumping measures on imported steel products was ineffective due to circumvention practices. Circumvention can be understood as importing products through a third country to avoid the imposition of anti-dumping duties. The results of the study show that circumvention renders the application of BMAD to reduce import figures ineffective, so the government needs to refine the rules on anti-dumping measures, countervailing measures, and trade safeguard measures by including anti-circumvention clauses. Efforts to complete anti-circumvention procedures have been made and successfully implemented by several countries, such as the United States, the European Union, Australia, and India.

Despite the debate over the effectiveness of trade remedies in Indonesia's steel sector, during the COVID-19 pandemic in 2020, Indonesia experienced unusual circumstances in which there was an increase in allegations against Indonesia by its trading partners. From January to May 2020, Indonesia faced investigations into 10 anti-dumping cases and 6 safeguard cases brought by the United States, India, the European Union, Australia, and the Philippines. At the end of 2020, as stated by the Director of Trade Security at the Ministry of Trade, Pradnyawati, Indonesia received 37 allegations, whereas Indonesia usually only faces an average of 11 allegations in a year. The 37 allegations consisted of 23 anti-dumping cases and 14

safeguard cases (Hartawan, 2020). In general, investigations into the 37 cases involved Indonesia's leading export products, such as steel, textiles, biodiesel and chemicals (Timorria, 2020).

In 2021, Indonesia is still in the process of handling allegations from its trading partners. The accumulated allegations that Indonesia must address consist of 57 cases, including 47 cases of DSS (Dumping, Subsidies, Safeguards) and 8 cases of technical barriers to trade (Ministry of Trade RI, 2021). According to the Ministry of Trade, the potential losses that Indonesia could suffer as a result of these allegations could reach \$1.9 billion (Rahman, 2020). This is a significant figure, especially considering that Indonesia is still struggling to survive amid an economic slowdown caused by the pandemic.

The numerous allegations and potential losses pose a unique challenge for Indonesia, as amid the significant global economic slowdown caused by the COVID-19 pandemic, Indonesia must face another issue, namely allegations of unfair trade practices involving the use of trade remedy instruments. In fact, developed countries such as the United States often impose anti-dumping policies if there are indications of dumping by importing countries. As of April 2017, there were 152 anti-dumping policies issued against 32 countries (US Department of Commerce). The European Union imposed anti-dumping duties of 30.7% to 64.9% on steel products from China (Directorate General for Trade European Commission, 2023). Even China, as the country most indicated to be engaging in dumping, also imposes anti-dumping duties on several importing countries, such as Japan with a rate of 39% to 45.7%, South Korea with 37.3%, and the European Union with 46.3% (Chow & Pullin, 2022).

Thus, these facts indicate that, fundamentally, many countries in the world are implementing protectionist policies through anti-dumping measures amid increasingly open free trade. In the case of Indonesia, this study examines in greater depth trade policies involving the use of trade remedies, namely anti-dumping, during the COVID-19 pandemic from the perspective of economic nationalism.

Economic Nationalism: Trade Policy During the COVID-19 Pandemic

Economic nationalism emerged in the 16th-19th centuries, when the idea of the nation state was developing. Thus, the dominant thinking at that time was that countries should be free from the intervention of other countries, which could lead to domination in the allocation of resources (Balaam & Dilman, 2013). The idea of economic nationalism also emerged as a form of protection for weaker groups or as a means of defence for agricultural countries against industrial powers in order to build economic independence (Berend, 2022). In its development, economic nationalism became associated with mercantilism (Balaam and Dillman, 2013). Mercantilist policies aimed to increase wealth and power by imposing high tariffs on imported manufactured goods and prohibiting foreign companies from operating domestically (Berend, 2022).

One of the most famous thinkers of economic nationalism, Friedrich List, promoted the idea of infant industries. The concept of infant industries is manifested in policies that protect new industries in a country so that they can develop and become competitive. Helleiner mentions that there are at least three schools of economic nationalism, including 1) Macroeconomics activist: Atwood's nationalist critique of the gold standard, 2) Autarchic economic nationalism: the ideas of Fichte and Müller, and 3) Liberal economic nationalism: a neglected perspective (Helleiner, 2002). The idea behind Atwood's macroeconomics activist school of thought is the rejection of the gold standard. Although this idea did not succeed in influencing the British government's policy to abandon the gold standard, it did gain many followers who, in the course of their journey, fought for this idea. Atwood also believed that the monetary and fiscal policies issued by the state would be able to maintain the country's welfare objectives.

In the second school of thought, Fichte had ideas about the importance of self-sufficiency in meeting national needs as a priority. Fichte also supported more ambitious and interventionist policies, such as state control of exchange

rates. Fichte, like Muller, rejected free trade because he believed that free trade could undermine cohesion and encourage citizens to think only of themselves as citizens of the world. For Muller, the state's task was to foster pride and unity in the economic context.

In the third school of thought, liberal economic nationalism, List presented his arguments in the context of Britain. Britain engaged in free trade not for humanitarian reasons or to promote world peace, but because free trade could provide Britain with a world manufacturing economy that was beneficial to the country.

Although there are three schools of economic nationalism as mentioned above, all three have the common thread that leads to Friedrich List's main idea. List's main idea of economic nationalism is the commitment to how economic policy can help a country achieve prosperity, civilisation and the strength of the policy instruments used. For List and his followers, building a national economy using infant industry policy. For Atwood, resistance to liberal monetary policies such as the gold standard would have a significant impact because such policies could reduce national loyalty in the event of war and reduce the state's ability to meet domestic needs. Meanwhile, Fichte and Muller believed that autarky was the best policy for meeting national needs while promoting collective national identity.

In the 20th century, advances in technology and information created economic interdependence, resulting in the easy flow of money, capital and companies across national borders (Baughn & Yaprak, 1996). Thus, the idea of economic nationalism became an obstacle to this freedom because it included discriminatory policies in the form of protectionism with the application of quotas, tariffs, import duties, etc. (Baughn and Yaprak, 1996). Gilpin, in Helleiner (2002), explains that the main idea of nationalism is that "economic activities must be subject to the goals of development and the interests of the state". However, this explanation has been criticised by Rawi Abdelal, who considers that this understanding does not sufficiently emphasise the

nationalist aspect. Thus, Abdelal adds that economic nationalism must describe a perspective that is more concerned with the influence of national identity. Abdelal then defines economic nationalism as "a series of policies resulting from a shared national identity, or from the dominance of a particular nationalism in the politics of a country" (Helleiner, 2002).

As time progresses, the idea of economic nationalism has undergone a transformation in response to the temporal dimension in which the global economy has become more open (Helleiner, 2020). Helleiner presents case studies that are more relevant in the contemporary era in terms of economic nationalism. He analyses the trends of American populist conservatism and Chinese developmentalism. Friedrich List's views as an early thinker of economic nationalism are less relevant to these two cases. Helleiner refers to two thinkers of economic nationalism, namely Henry and Sun Yat Sen. Neither of these thinkers is particularly well known, especially Sun Yat Sen. This further demonstrates the existence of a Western-centric approach in adapting a particular ideology.

The similarity between List and American populist conservatives is that the goal of the economy is wealth and power. The difference is that, in the context of his time, List believed that protectionism was acceptable in order to support infant industries so that they could defeat Britain. Meanwhile, American populist conservatives used protectionism to maintain dominance amid the emergence of emerging powers. Although there are similarities, the arguments of American populist conservatives did not align with List's because, for him, the way to maintain dominance was through free trade to prevent economic decline and stagnation. Thus, it can be understood that for List, trade restrictions were permissible but only to a limited extent.

Sun Yat Sen believed that modernisation and industrialisation must be carried out in order for China to dominate the economy. He obtained this idea from his ancestors, and it also became an economic reference for Xi Jin Ping. The economic idealism brought by Sun Yat Sen was oriented towards the weak

and poor, and was cautious towards foreign investment and finance.

Based on several readings on economic nationalism, both from earlier and more contemporary circles, a policy is said to be in line with economic nationalism if it has the following aspects: there are trade restrictions or trade limitations imposed through various instruments, both tariff and non-tariff; the policy is carried out for the sake of fulfilling national needs and interests or self-sufficiency; it has the goal of increasing the wealth and power of a country.

RESEARCH METHOD

This study uses qualitative methods. According to Lamont (2015), qualitative research can be understood as "the collection of data and non-numerical analysis". Non-numerical research seeks to understand phenomena in a way that makes sense and allows researchers to focus on the meanings and processes that shape international politics. Qualitative methods for international relations studies are often conducted through in-depth studies of international, regional, and national phenomena, as well as organisations and specific individuals so that usually use case studies. Moeloeng, quoting Jane Richie in the book "Qualitative Research Methods," states that qualitative methods are an effort to describe phenomena occurring in the objects being studied, whether in terms of behaviour, motivation, actions, or perceptions (Moeloeng, 2005). A qualitative method was chosen because it allows for an in-depth understanding of Indonesia's policy rationale and institutional decision-making behind the implementation of anti-dumping measures.

This research is a case study which, according to Gerring, is defined as "an intensive study of a single unit with the aim of understanding a large group of similar units" (Lamont, 2015). In this case, the author analyses the case of BMAD application to Hot Rolled Coil of Other Alloy products from the PRC, which is a specific unit of a larger unit in the form of trade remedies policy. The

data sources used in this study are primary and secondary data. Primary data consists of official state documents in the form of Minister of Finance Regulations, which provide basic information on the implementation of the BMAD policy. Other primary data consists of official government statements through press releases from relevant ministries, such as the ministries of finance, industry and trade. Secondary data consists of media articles, journals, books and dissertations discussing the Indonesian government's implementation of BMAD on Chinese steel products. All data were analysed using qualitative content analysis to identify patterns between economic policy decisions and nationalist economic objectives.

RESULT AND DISCUSSION

Protectionist Policies Through Anti-Dumping Instruments

Protectionist policies through anti-dumping instruments implemented by countries are one of the measures synonymous with the idea of economic nationalism. These measures have broader objectives, such as securing, developing or strengthening domestic industries. Although anti-dumping is categorised as unfair trade by the WTO, based on Article VI of GATT 1994, anti-dumping measures may be implemented if the following conditions are met: 1) It is proven that dumping has occurred, 2) The domestic industry has suffered losses on products imported at dumped prices, 3) There is a link between the losses suffered by the domestic industry and the products imported at dumped prices (WTO, 2022).

Enforcement of Regulation of the Minister of Finance of the Republic of Indonesia Number 15/PMK.010/2022 concerning the Imposition of Duties Anti-dumping measures against imports of hot rolled coil of other alloys (HRC Alloy) from the People's Republic of China (PRC) are based on evidence that PRC exporters have engaged in dumping. In Indonesia, the party responsible for investigating dumping practices by exporters is KADI (Indonesian Anti-Dumping Committee). KADI collects preliminary information from businesses

regarding the quantity of goods, the amount of losses, and suspicions of dumping practices by exporters from other countries. KADI coordinates with the Ministry of Trade and collects all evidence to continue the investigation process and determine the BMAD (Amanda & Wardah, 2022). A country may only impose BMAD if there is evidence of material injury to the industry affected by dumping. The anti-dumping tariffs imposed by the Indonesian government are divided into seven categories based on the tariff amount.

Table 1. Anti-Dumping Tariff Rates for Importers from the People's Republic of China

No.	Name of Exporting Company	Tariff Rate
1	Rizhao Steel Holding Group Co Ltd	26,9%
2	Rizhao Steel Wire Co Ltd	26,9 %
3	Zhangjiagang Hongchang Steel Co Ltd	39,1%
4	Jiangsu Shagang International Trade Co Ltd	39,1%
5	Xinsha International Pte Ltd	39,1%
6	Shanxi Taigang Stainless Steel Co Ltd	8.6%
7	Shougang Jingtang United Iron & Steel Co Ltd	25,1%
8	Shougang Qian'an Iron & Steel Company	25,1%
9	Bengang Steel Plates Co Ltd	12,1%
10	Benxi Iron and Steel (Group) International Economic and Trading Co Ltd	12,1%
11	Shanghai Meishan Iron and Steel Co Ltd	4,2%
12	Other Companies	50,2%

Source: (MUC Consulting, 2022)

The variation in tariff rates indicates Indonesia's selective approach to protecting specific segments of its domestic industry, reflecting a calibrated rather than blanket protectionist stance.

The application of anti-dumping tariffs imposed by the Indonesian government began 21 days after the regulation was issued and will remain in effect for five years (JDIH Ministry of Finance, 2022). This regulation has been in effect since 15 March 2022 and will end on 15 March 2027. When KADI successfully proved that Chinese exporting companies were dumping and sent a preliminary notification to the Indonesian representative of the Chinese government, the Chinese Ministry of Commerce initiated a discussion process

to discuss the application of anti-dumping measures. Subsequently, the importing company requested additional evidence from KADI. After it was proven that dumping had occurred, causing material losses to Indonesia, both parties again informed the relevant parties, including the WTO secretariat. Finally, the Chinese government accepted KADI's final report and did not bring the case to the WTO Dispute Settlement Body (DSB) (Amanda and Wardah, 2022: 233).

Indonesia ranks 13th among countries that frequently apply anti-dumping measures, with 144 anti-dumping submissions and 65 successful anti-dumping import duties (Arise+ Indonesia, 2022). The application of anti-dumping measures on steel products from China is not the first of its kind. In 2019, Indonesia also imposed BMAD through Minister of Finance Regulation (PMK) Number 24 of 2019 concerning the Imposition of Anti-Dumping Import Duties on Imports of H Section and I Section Products from the People's Republic of China, which was signed on 18 March 2019. This regulation is an extension of Minister of Finance Regulation No. 242 of 2015, which was valid for four years (CNN, 2019). This extension was carried out due to the continued practice of dumping by Chinese exporters, meaning that if the BMAD was not extended, the losses incurred by the applicant would be repeated.

In a study by Patunru (2018) reviewing the application of anti-dumping measures, restrictions on foreign direct investment, local sourcing, tax breaks and incentives, and import tariffs, Indonesia was found to have a higher level of protectionism than other ASEAN countries. Indonesia's level of trade openness is greatly influenced by specific economic situations and conditions. For example, when Indonesia faced the Asian financial crisis, its level of trade openness increased. However, along with the high level of protectionism in Indonesia, the country's economic openness has declined, with a relatively low index compared to other countries in Southeast Asia (Brien & Herring, 2019).

According to a report by the Legatum Institute, trade openness can be assessed based on four aspects, including market access and infrastructure,

investment environment, enterprise conditions, and governance. In general, Indonesia ranked 67th in 2018 and fell to 68th out of 150 countries in 2019. Specifically, when viewed from each indicator, Indonesia ranked 85th for market access and infrastructure, 53rd for investment environment, 61st for enterprise conditions, and 63rd for governance (Brien & Herring, 2019).

Even based on The Global Economy report in 2020, Indonesia's trade openness value, reviewed based on export and import figures as a percentage of GDP, ranked 114th with a figure of 33.19%. Meanwhile, the global average of 156 countries was 82.61% (Global Economy, 2020). In 2022, Indonesia's trade openness ranking was 45.39%, placing it 115th out of a total of 133 countries with an average of 99.14% (Global Economy, 2022). 133 countries (Global Economy, 2022). This indicates that statistically, protectionism is still frequently practised in Indonesia. This was also the case during the COVID-19 pandemic, as Indonesia had to make many adjustments due to economic instability caused by efforts to deal with the pandemic.

Implementation of Anti-Dumping As Measures to Save the National Industry

At the end of 2021, IISIA issued a press release and again urged the government to take action on the increase in steel imports from China, which had reached 20%. This increase in import volume had a significant impact on the utilisation of domestic steel production, which stood at only 40%. This figure is still far from the good utilisation indicator of 80% (IISIA, 2021). Good utilisation at 80% indicates that a company can profit from steel sales (Putro, 2023). Therefore, if the utilisation rate remains low, the sustainability of a steel company will be highly dependent on subsidies. The issue of low utilisation is also related to environmental issues, as steel production creates high levels of emissions. As an illustration, 2,100 kg of CO₂ is required per 1 tonne of steel production. This can be equated to the emissions required when someone travels from Copenhagen, Germany to Seoul, South Korea (IB Andersen Industri, 2022).

Steel imports from China entering Indonesia at lower prices have become a problem causing losses for Indonesian domestic producers. There are several reasons why steel from China can be sold at low prices, including: first, the European Commission found that state control over steel companies in China is very strong. Four of the five largest steel producers in China, which are also among the top 10 global players in the steel industry, are under the control of the Chinese government. State-owned enterprises (SOEs) that produce steel are responsible for more than half of the country's steel production. Thus, steel companies, especially those producing hot rolled products, can obtain various benefits such as the use of state- owned land on favourable terms, special tax treatment, government subsidies, and access to cheaper inputs, such as water or electricity (Steel Union, 2018). State intervention in the production process allows companies to reduce capital and maximise profits.

Secondly, Chinese state-owned enterprises have an obligation to contribute to the realisation of China's long-term industrial policy objectives. However, China's ambition for this industrial policy has caused it to neglect its domestic steel requirements, resulting in overproduction. China realises that it has run out of domestic market, so it has implemented an expansionary policy to sell steel abroad at lower prices (dumping) (Steel Union, 2018).

The policy of applying BMAD to steel products is essentially part of Indonesia's strategy to reduce its dependence on imported steel products. Efforts to reduce this dependence were conveyed by the Minister of Industry, Agus Gumiwang, during a closed meeting with the president. The main points include: first, Indonesia must improve the utility and downstream processes of local steel in order to achieve a balance between supply and demand. The Minister of Industry said that Indonesia basically has the potential to meet its steel needs, but this needs to be supported by technological improvements because the downstream processes of the steel industry are often hampered by insufficient technological capacity (Indonesian Cabinet Secretariat, 2020).

In order to improve this technology, significant investment and strong political will from the Indonesian government are needed.

Secondly, Indonesia needs to implement BMAD and Indonesian National Standards (SNI) appropriately and accurately. The Ministry of Industry (Kemenperin) has implemented 29 Indonesian National Standards (SNI) for metal products: 23 of which are steel products with details, 4 SNI for steel bars, 4 SNI for steel sheets, 5 SNI for steel profiles, 3 SNI for pre-stressed steel, 2 SNI for steel wire rope, 2 SNI for steel pipes and pipe fittings, and 3 SNI for steel cylinders and LPG stoves (Achmat, 2022). This is also done to support the utility of local Indonesian steel, as there is a tendency to use cheap imported steel to meet demand, even though the quality of imported steel is not necessarily better than local steel. One example of the problems with Chinese steel is the case of the Oakland Bay Bridge in San Francisco. Its low quality was identified during seismic testing, which found that 32 beams were damaged and had to be replaced because they had been corroded by large amounts of water (General Steel Building).

Indonesia's steel demand is predicted to continue to increase in order to support Indonesia's accelerated development programme. Based on the 2005-2025 National Long-Term Development Plan (RPJMN), Indonesia has three missions, including: first, increasing added value, expanding the value chain of the production process, and distribution of asset management and access to natural resources (SDA) and human resources (SDM) through economic integration between regions. Second, encouraging increased production and marketing efficiency in order to strengthen national economic competitiveness and resilience. Third, strengthening national innovation from production and processing to marketing in order to be globally competitive and achieve an innovation-driven economy (BPHN, 2014). To realise these missions, the government is undertaking massive infrastructure development. Ultimately, Indonesia will soon realise the construction of the National Capital (IKN), which will require a large amount of steel products to support the

increase in steel product usage. According to Basso Datu Makahanap, a member of the Indonesian Iron and Steel Association committee, Indonesia's annual steel consumption will reach 26.2 million tonnes by 2025 (Jakarta Globe, 2014). Meanwhile, it is known that in 2022 alone consumption steel national amounting to 16.2 million tonnes (Mustajab, 2023). Then in 2023, national steel consumption is projected to reach 17.2 million tonnes (IISIA, 2023). Thus, the large potential for consumption and low utilisation of Indonesian steel further strengthens Indonesia's position to take steps that support the advancement of its national steel industry, one of which is through the implementation of BMAD.

Implementation of Anti-Dumping Policies for the Purpose of Achieving Wealth and Power

The COVID-19 pandemic phenomenon has forced the Indonesian government to take steps to improve the post- pandemic economy. One of these steps is to issue a policy to increase domestic product consumption (Sasongko, 2020). In addition, the government is also trying to increase household consumption (Ministry of Finance, 2022). However, this presents its own challenges, namely the large wave of layoffs by companies, which has led to a decline in household consumption. One of the industries experiencing a wave of layoffs is the steel industry. This is due to the pandemic and the large number of imported steel products from China (Sutantio, 2021).

Said Iqbal, President of the Indonesian Trade Union Confederation (KSPI), said that the flood of steel imports from China could threaten up to 100,000 people with redundancy (Sutantio, 2021). Shortly after this statement was made, PT Krakatau Steel, the largest steel company in Indonesia, reduced its workforce by 62% from 7,710 to 2,929 employees (Widyastuti, 2021). In addition, based on research conducted by (Ngadi & Purba, 2020) on the impact of the COVID-19 pandemic on layoffs and workers' income in Indonesia, it was found that the sector with the most layoffs was the construction sector, at 29.3%. Steel is one of the main materials used in construction, thus the steel

industry deserves more attention because it has a significant influence on the Indonesian economy during the COVID-19 pandemic.

The steel industry can be considered the "mother of industries" due to its highly strategic position in national development. A country cannot be considered an industrial nation if it does not have a strong steel industry. Some contributions economy industry steel to The Indonesian economy, among other things: first, can increase gross value added for both the national Gross Domestic Product (GDP) and the Regional Gross Domestic Product (RGDP). Second, an increase in demand and investment in the steel industry will have a multiplier effect due to the inter- sectoral linkage mechanism, for example, an increase in employment opportunities related to household income. Third, steel industry activities can increase tax revenue. Fourth, every rupiah of increase in final demand for steel products will increase overall economic output by Rp2.22. Currently, the demand for steel products is valued at £200 trillion, which will result in an increase in economic output of £440 trillion to £630 trillion by 2024 as steel demand increases (LPEM FEB UI, 2023).

The implementation of the BMAD policy on Hot Rolled Coil Alloy products from China is not only aimed at reducing imports of similar products to save local producers from losses. The policy is also being implemented to support production transformation with new technology. In September 2021, President Joko Widodo inaugurated PT Krakatau Steel (Persero) TBK's Hot Strip Mill #2 in Cilegon City, Banten Province. President Jokowi stated that this modern technology is only available in two countries in the world, namely the United States and Indonesia. Its production capacity for Hot Rolled Coil (HRC) is 1.5 million tonnes per year, and it is the first factory in Indonesia capable of producing premium quality HRC (Kemensetneg RI, 2021). With this technology, it is also hoped that Indonesia's national steel utility can be increased because, based on the following statistics, the utility rate, especially for HRC Alloy products, is still relatively low.



Figure 2. National Steel Industry Utilisation
 Source: (IISA, 2023)

With the various advantages of the steel industry outlined above, Indonesia's protectionist policies have been in line with the goal of economic nationalism, which seeks long-term wealth and power. Therefore, economic nationalism is even more strongly implemented during periods of crisis, such as the pandemic, when significant economic changes occur. Therefore, Indonesia's anti-dumping measures can be understood as part of a broader nationalist economic agenda, positioning trade policy as a tool of state power and industrial autonomy.

CONCLUSION

This study aims to determine the reasons for the Indonesian government's application of BMAD to Hot Rolled Coil of Other Alloy products from the PRC during the COVID-19 pandemic. Based on the analysis conducted, the researcher concludes that the application of BMAD to Hot Rolled Coil of Other Alloy products from the PRC aims to protect the local steel industry from losses. The application of BMAD to PRC steel products is not the first time, but its application during the pandemic has become more urgent because the Indonesian government is working hard to repair the economy, which is in crisis due to the pandemic.

In addition, in the long term, Indonesia wants to develop its domestic steel industry because the steel industry is the 'mother of industries' that contributes significantly to the economy. This long-term goal is evident in the government's efforts to provide state-of-the-art facilities to maximise production and the utility of local steel in order to meet domestic demand and compete globally. The findings reaffirm that economic nationalism remains a relevant framework for analysing Indonesia's trade policy in the contemporary era. Future research should further examine how protectionist trade measures interact with Indonesia's international commitments under the WTO and ASEAN frameworks, particularly as global supply chains recover post-pandemic.

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