

ANALYSIS OF THE COMPETITIVENESS OF ROBUSTA COFFEE IS REVIEWED FROM THE PERSPECTIVE OF INTERNATIONAL TRADE LAW

**Andre Pebrian Perdana, S.I.P.,M.I.P¹. Ratna Fitriyani¹, Maulana Yusuf¹, Meta
Aryani¹
Faculty of Law, University of Malahayati, Bandar Lampung¹**

**Email : andrepebrian@malahayati.ac.id*, Ratnafitriyani2019@gmail.com,
metaaryani625@gmail.com, maulanayusuff2004@gmail.com.**

ABSTRACT

In global trade, robusta coffee plays a central role as an important commodity in the economies of major producing countries. This article explores the analysis of the competitiveness of robusta coffee from the perspective of international trade law, exploring the factors that influence its position and competitive advantage. Factors such as international regulations, protection of intellectual property rights, quality standards, the environment, and dispute resolution mechanisms are the main focus in evaluating the competitiveness of Indonesian robusta coffee in the global market. This article proposes a holistic approach that considers not only economic aspects, but also social, environmental and legal factors that influence the robusta coffee industry globally.

Keywords: Robusta Coffee, Competitiveness, International Trade Law, Trade Regulations

A. INTRODUCTION

In the world of global trade, robusta coffee plays a central role as a commodity that plays an important role in the economies of several major producing countries such as Brazil, Vietnam, Indonesia, and a number of countries in Africa. Analysis of robusta coffee competitiveness from the perspective of international commercial law becomes an in-depth study in exploring the factors that affect its position and competitive advantage. Involving aspects of quality, price, innovation, and sustainability, this study explores the impact of international regulations such as WTO trade agreements and bilateral agreements on coffee trade dynamics. Protection of intellectual property rights, social welfare of farmers, and compliance with environmental standards are also crucial parts in determining their competitiveness. Thus, this holistic analysis highlights not only the economic aspects, but also the social, environmental, and legal issues affecting the robusta coffee industry globally.

Coffee is a type of plantation crop and is one of Indonesia's leading commodities. In Indonesia there are three types of coffee cultivated, namely Robusta, Arabica, and Liberica. Coffee plants are one of the plantation crops originating from Ethiopia in Africa. Historically, coffee plants began to be introduced to the world around the 17th century in India. Coffee plants spread in Europe after being brought by a Dutchman. The Netherlands, which at that time had a colony, brought coffee plants to its colonies, including Indonesia.

According to Simanjuntak (1992), competitiveness is a concept that states the ability of a producer to produce a commodity with good quality and low production costs. So that prices that occur in the international market can be produced and marketed by producers by obtaining sufficient profit prices so as to maintain the continuation of production costs.

In another opinion, the export competitiveness of a commodity is the ability of commodities to enter foreign markets and then have the ability to maintain the market. The competitiveness of a commodity can be measured by the comparison of the market share of the commodity under fixed market conditions. Competitiveness is the ability of a commodity to provide profits continuously and have the ability to improve market share (Hamzah, 2020).

Competitiveness is the ability to produce goods and services that meet international testing, and at the same time can maintain a high and sustainable level of income, or the ability of regions to generate high levels of income and employment opportunities while remaining open to external competition.

In the perspective of international commercial law provides an important foundation for understanding market dynamics and the factors that affect their competitiveness. In this study, an in-depth analysis of international trade agreements such as the WTO and bilateral agreements between coffee-producing countries becomes a central point. Factors such as tariffs, quotas, as well as other trade barriers were identified as key elements affecting robusta coffee's position in the global market. Not only that, protection of intellectual property rights, sustainability issues, including social and environmental aspects, and trade dispute resolution mechanisms are major concerns in analyzing how robusta coffee maintains and improves its competitiveness. With this multidisciplinary approach, this study is expected to provide comprehensive insight into the factors affecting the position of robusta coffee in the context of ever-changing international trade.

From the description above, the author can formulate it into two problems, namely: (1) **How is the competitiveness of Indonesian robusta coffee in the international scope?** And (2) **What is the Role of International Trade Law in the Trade of Robusta Coffee?** Research in legal writing is normative legal research or literature research, namely legal research by examining library materials or secondary data consisting of primary legal materials.

B. DISCUSSION

1. How is the competitiveness of Indonesian robusta coffee in the international scope

The competitiveness of Indonesian robusta coffee can be seen by the analysis of the Trade Specialization Index (ISI). Indonesia is the fourth coffee producer in the world after Brazil, Vietnam and Colombia. However, in the 2018-2021 period, the value of Indonesian coffee exports decreased in line with the low volume of Indonesian coffee exports that year compared to the previous period so that Indonesia's position fell from fourth to fifth as a coffee exporting country in the world. Therefore, it is necessary to conduct research aimed at analyzing the competitiveness of Indonesian coffee in the 2018-2021 period using Revealed Comparative Advantage (RCA), Dynamic Revealed

Comparative Advantage (DRCA), and Trade Specialization Index (ISP) analysis. The results showed that there was a decline in the competitiveness of Indonesian coffee in the international market even though Indonesia's position is currently at the maturity stage. One of the efforts to respond to this problem is to strengthen the development of integrated Indonesian coffee agribusiness and collaborate with each other between its subsystems by paying special attention to coffee farmers.

Indonesia's coffee production value in 2020 is dominated by robusta coffee types as much as 70.15% and 29.85% is arabica coffee. In terms of community plantation (PR) yield, it is valued at 98.85% with an achievement of 745.61 thousand tons from the total of 753.94 thousand tons. The development potential of the domestic processed coffee and specialty coffee industry and exports is very good. Judging from the level of coffee consumption of Indonesian people on average is still 1.12 kg per capita / year. This number is far below coffee importing countries such as the USA 4.3 kg, Japan 3.4 kg, Austria 7.6 kg, Belgium 8.0 kg, Norway 10.6 kg and Finland 11.4 kg per capita / year (Ministry of Agriculture, 2020).

The competitiveness of a country's exports can be seen from the extent to which the country has a comparative advantage over a product, where the comparative advantage is the ability of a country to produce a product at a lower price than other countries. Comparative advantage will affect the factors of production so that it will make the production produced abundant. Excessive production of a product in a country will stimulate the country to export, especially if the price of the product in the international market is higher than the price in the country.

The continued increase in exports of a product, of course, will be able to increase the competitiveness of the product itself. Because it shows that the product is in demand in the international market. So far there are five largest coffee exporting countries in the world, namely Brazil, Colombia, Vietnam, Honduras and Indonesia. The five coffee exporting countries have a comparative advantage over coffee products. This causes coffee production in the five countries to be abundant. The development of coffee production in the five exporting countries as well as coffee producers greatly affects the amount of exports made. Nevertheless, it only applies to looking at the overall exports that occur. Coffee exports to certain regions may decline even though the total domestic coffee production of exporting countries has increased. This is closely related to market demand for coffee in the region within a certain period of time.

Year	Export of Robusta Coffee		Indonesia Market Share (%)
	English (US\$)	Dunia (US\$)	
2015	1,189,550,000	19,448,683,000	6.12
2016	1,000,620,000	19,030,191,000	5.26
2017	1,175,547,000	20,381,722,000	5.77
2018	808,735,000	18,124,921,000	4.46
2019	872,355,000	17,623,038,000	4.95
Average	1,009,361,400	18,921,711,000	5.31

Based on Table 16, the value of coffee exports 090111 Indonesia fluctuated following fluctuations in the value of coffee exports 090111, in 2019 where the value of coffee exports 090111 Indonesia increased from the previous year while the value of coffee exports 090111 the world decreased. The highest value of coffee exports 090111 Indonesia occurred in 2015 with an export value of US \$ 1,189,550,000 or equivalent to 6.12 percent of the total coffee exports 090111 the world which reached US \$ 19,448,683,000. While the lowest value of Indonesian coffee exports occurred in 2018 which was only US \$ 808,735,000 or 4.46 percent of the world's total coffee exports which reached US \$ 18,124,921,000. The average value of coffee exports 090111 Indonesia during the period 2015 to 2019 was US \$ 1,009,361,400 with an average Indonesian market share each year of 5.31 percent. While the average market share of Brazil in the same period from 2015 to 2019 was 25.28 percent. Vietnam's average market share is 12.69 percent. While the average market share of Colombia is 14.00 percent and Honduras is 5.44 percent.

2. What is the Role of Commercial Law in International Trade?

In the context of analyzing the competitiveness of Indonesian robusta coffee in the international market, trade law has an important role that affects various aspects of the coffee industry. Some of the main roles of commercial law in this case include:

a) International trade regulation

1) Import-Export Tariffs and Quotas

Trade law governs import-export tariffs and quotas applied to robusta coffee. Changes in tariffs or quotas can directly affect the competitiveness of Indonesian coffee in the international market. Tariffs and import-export quotas of robusta coffee are crucial factors that affect its competitiveness in the international market. The level of import tariffs imposed by export destination countries can have a significant effect on the final price of coffee in the global market. If tariffs are high, this can increase the price of Indonesian robusta coffee in foreign markets, making it less price competitive. In addition, limited import quotas can also be a bottleneck in coffee export volumes, limiting global market access for Indonesia. Changes in tariff policies and import-export quotas can be important factors that have a direct impact on the competitiveness of Indonesian robusta coffee in the international market, affecting export growth and position in the global market.

In addition to import-export tariffs and quotas that have a direct effect on the competitiveness of Indonesian robusta coffee in the international market, it is also important to consider how changes in this policy can lead to the dynamics of global trade in general. When tariffs are raised or quotas are imposed, these can be part of a country-specific industry's protection strategy or in response to trade practices deemed unfair. However, the impact could be broader, including increasing uncertainty for businesses, disrupting global supply chains, and even triggering retaliation from trading partner countries. Therefore, in the analysis of the competitiveness of Indonesian robusta coffee, the role of import-export tariffs and quotas not only directly affects the access of the coffee market itself, but also has the potential to affect stability and cooperation in global trade more broadly.

2) WTO Provisions and Bilateral Trade Agreements

Indonesia must comply with WTO rules and bilateral trade agreements that may affect coffee trade. These include restrictions on subsidies, non-tariff barriers, and technical requirements that must be met. The provisions enforced by the World Trade Organization (WTO) as well as bilateral trade agreements have a significant

impact on the trade of Indonesian robusta coffee in the global market. Non-discrimination rules introduced by the WTO, such as the Most Favored Nation and National Treatment principles, ensure that Indonesian coffee products are treated fairly and without discrimination in the international market. In addition, the transparent framework maintained by the WTO provides clarity and certainty to Indonesian coffee producers regarding trade rules, allowing them to better plan market access. In addition, bilateral trade agreements provide opportunities for Indonesia to obtain special advantages in trade with certain trading partners, such as tariff reductions or increased coffee export quotas. Analysis of the competitiveness of Indonesian robusta coffee in the international market needs to consider the implications of WTO rules and bilateral agreements, because this affects how Indonesian coffee is traded, market access obtained, and the treatment given to Indonesian coffee products in the context of global trade.

b) Protection of Intellectual Property Rights (IPR)

1) Trademarks and Geographical Indications

International trade law protects trademarks and geographical indications related to Indonesian coffee. This protection helps maintain the unique identity of Indonesian robusta coffee in the global market. Trademarks and geographical indications play a central role in building identity and protecting the quality of Indonesian robusta coffee on the international trade stage. Through its strong trademark, Indonesian coffee can be clearly distinguished from similar products from other countries, giving recognition to its distinctive characteristics. Legal protection of trademarks ensures that Indonesian coffee is not misused or adulterated, maintaining its reputation for quality in the global market. On the other hand, geographical indications provide a marker of coffee's geographical origin, highlighting the unique characteristics that come from specific regions in Indonesia. By emphasizing factors such as soil, climate, and farming methods, geographical indications maintain the quality and authenticity of Indonesian coffee, providing assurance for consumers of products that match expectations. These two aspects, trademarks and geographical indications, not only distinguish Indonesian coffee from similar products, but also provide assurance of its quality and authenticity, playing a crucial role in maintaining and improving the competitiveness of Indonesian robusta coffee in the international market.

c) International Standards and Social Welfare

1) Quality and Environmental Standards

Commercial law takes into account the quality and environmental standards that producer countries must comply with. These include sustainable agricultural practices, farmers' social welfare, and environmental requirements. Quality and environmental standards are key points in maintaining the competitiveness of Indonesian robusta coffee on the international trade stage. Quality standards ensure that the coffee produced meets high requirements in terms of taste, aroma, and other physical qualities. By adhering to these standards, Indonesian coffee can maintain a reputation for superior quality in the global market. In addition, environmental factors also play an important role. Sustainable agricultural practices, prudent use of natural resources, and adherence to environmental standards contribute to the image of Indonesian coffee as environmentally friendly. Awareness of these environmental aspects is increasingly important in attracting the interest of global consumers who are increasingly concerned about environmental

sustainability. By maintaining high quality standards and focusing on environmentally friendly agricultural practices, Indonesian robusta coffee can maintain and increase its competitiveness in the international market, while supporting the sustainability of the coffee industry as a whole.

d) Dispute Resolution and Law Implementation:

1) Dispute Resolution Mechanism

The dispute resolution mechanism is an important foundation in ensuring the sustainability of Indonesia's robusta coffee trade in the global market. In the case of trade-related disputes, this mechanism provides a structured platform to resolve conflicts without having to go through conventional legal channels that can be time-consuming and costly. This mechanism, as offered by the World Trade Organization (WTO), gives coffee-producing countries, including Indonesia, access to a fair forum to resolve trade disputes with international partners. The ability to resolve disputes efficiently and fairly is essential in ensuring the smooth running of Indonesia's coffee trade as well as maintaining certainty and stability in inter-country trade relations. Using this mechanism, states can fight for their interests with a solid legal foundation, ensuring that disputes can be resolved in a manner that is fair and transparent to all parties involved. This not only creates certainty for industry players, but also provides protection for the interests of the Indonesian coffee trade in the context of dynamic global trade.

International trade law provides a framework for the settlement of trade disputes between countries. If there is a dispute involving the coffee trade, this mechanism can be used to find a fair solution.

In the specific context of Indonesia's robusta coffee trade, dispute resolution mechanisms play an important role in maintaining fair and orderly trade continuity. For example, in the event of a dispute over unfair import tariffs on Indonesian coffee or adverse market access restrictions, a dispute resolution mechanism could be an effective path to resolve such disagreements between Indonesia and its trading partner countries.

In the complex world of trade, dispute resolution provides a way to resolve conflicts without excessively disrupting the flow of trade. This helps ensure that trade deals run on terms that have been mutually agreed upon in international trade agreements.

By using structured and internationally recognized dispute settlement mechanisms, such as those provided by the WTO, Indonesia can safeguard its trade interests. It also creates a strong legal foundation to enforce rights and obligations in accordance with international rules, so that Indonesia's robusta coffee trade can run in a fair and transparent environment. Thus, this mechanism becomes an important tool in supporting the smooth and sustainable trade of Indonesian coffee on the international stage.

2) Implementation of Rules and Compliance

Commercial law also requires the implementation of rules and compliance with trade regulations. States must ensure that existing regulations are implemented effectively.

The implementation of rules and compliance with international trade regulations are important foundations in maintaining the credibility and position of Indonesian robusta coffee in the global market. It is important for Indonesia to ensure that the trade rules that have been agreed, both in international agreements and institutions such as the WTO, are implemented effectively and consistently. By implementing these rules, Indonesia not only demonstrates adherence to its international commitments, but also helps create a stable and predictable trading environment. Compliance with these rules also plays a key role in building trust with trading partners, creating a solid foundation for long-term trade cooperation. In addition, good implementation of rules can also be an effective tool in fighting for Indonesia's interests in the context of competitive international trade. By ensuring consistent compliance and implementation of international trade rules, Indonesian robusta coffee can maintain its quality reputation and strengthen its position on the global trade stage.

The implementation of rules and compliance with international trade regulations play a crucial role in maintaining the smooth and integrity of Indonesia's robusta coffee trade in the global market. Through effective implementation, Indonesia demonstrates its commitment to complying with internationally agreed standards and regulations. This not only creates a stable trading environment, but also strengthens Indonesia's image as a reliable trading partner.

Compliance with international trade rules also has a positive impact on building long-term relationships with trading partners. By upholding its commitment to the implementation of the rules, Indonesia gained the much-needed trust of partner countries, increasing opportunities for stronger and mutually beneficial trade cooperation.

In addition, consistent implementation of rules is also an effective way to protect national interests in a volatile trade scenario. This allows Indonesia to effectively champion its interests at the global level and deal with trade challenges that may arise.

Thus, effective implementation and consistent adherence to international trade rules help maintain stability, strengthen position, and build confidence in Indonesia's robusta coffee trade on the global trade stage. Thus, international trade law plays a crucial role in determining the way Indonesia interacts in the robusta coffee trade in the global market. Compliance with these regulations, rights protection, and readiness to meet international standards can affect the competitiveness of Indonesian coffee on a global scale.

C. CLOSING

It can be concluded that the analysis of the competitiveness of Indonesian robusta coffee from the perspective of international trade law is an in-depth study involving various factors that affect its position and competitive advantage in the global market. This analysis involves aspects of quality, price, innovation, sustainability, as well as the implications of international regulations such as WTO trade agreements and bilateral agreements on robusta coffee trade dynamics.

The importance of protecting intellectual property rights, farmers' social welfare, environmental standards, and trade dispute resolution mechanisms are the main highlights in understanding and improving the competitiveness of Indonesian robusta coffee. The perspective of international commercial law provides a foundation for evaluating market dynamics as well as the factors that play a role in the coffee industry, not only in economic but also social, environmental, and legal terms that affect its competitiveness in the global market.

The role of trade law in the case of Indonesian robusta coffee includes international trade regulations, intellectual property rights protection, quality and environmental standards, dispute resolution mechanisms, as well as the implementation of rules and compliance with trade regulations. All these factors collectively affect the position of Indonesian robusta coffee in the international market.

In conclusion, international trade law has a central role in analyzing and understanding the factors that affect the competitiveness of Indonesian robusta coffee in the global market. In this study, it is important to consider economic, social, environmental, and regulatory aspects of international trade in understanding the dynamics of Indonesian robusta coffee trade in the international scope.

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