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Research Article

The Impact of The US-China Trade War on Indonesia

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Abstract: The trade war between the US and China began when Trump announced new import tariffs for all its trading partners on Wednesday, April 2, 2025. The imposition of these tariffs, which were considered reciprocal tariffs, triggered retaliation from various countries, starting a potential trade war. When US President Trump threatened to stop all negotiations with China, Beijing responded with retaliatory measures, such as loosening the RMB exchange rate, which was actually a test of strength in the global economic structure. The impact of the trade war between the US and China is very complex and significant for the world, especially Indonesia. This conflict is not only a dispute between two world giants, but also an earthquake that can shake the foundations of the global trade order. Positive impacts include: (1) Market Diversification Opportunities; (2) The trade war can encourage Indonesia to seek alternative markets, such as countries outside the US and China; (3) Increased Investment; (4) Some companies from the US and China may consider moving their production bases to Indonesia, to avoid high import tariffs; and (5) The trade war can create opportunities for Indonesia to produce and export products previously produced and exported by China or the US. Negative impacts include: (1) Decrease in Mining Exports; (2) Decrease in demand from China and the US causing a decrease in prices and exports of Indonesian mining commodities; (3) Increase in Import Prices; (4) Increase in import tariffs by the US and China causing an increase in the price of raw materials imported by Indonesia, which impacts the production costs of domestic industries; and (5) Uncertainty in the capital and investment markets, which can reduce foreign direct investment into Indonesia.

Keywords: export-import; Impact of Trade War; on Indonesia; tariffs; US-China

1. Introduction

US President Donald Trump started a trade war by raising import tariffs on steel and aluminum and imported goods from China, thus receiving resistance from steel and aluminum trading partner countries.

ASEAN as one of the main suppliers of goods to China will also definitely be affected. Using GTAP version 9, a simulation was conducted to analyze the impact of Trump's trade war on the economies of the United States, China, the European Union, Canada and ASEAN countries. The results of this study show that Trump's trade war has caused a decline in GDP growth and welfare in the United States, even though its trade balance has increased positively. The increase in steel tariffs will have a positive effect on output and demand for labor in the iron and steel sector in the United States.

The highest impact of the decline in GDP and welfare was experienced by China. In addition, its trade balance has decreased and it is estimated that there will be a diversion of trade to other countries due to the increase in import tariffs to the United States. The European Union is expected to experience an increase in GDP and welfare, and the trade balance will decrease. The impact of the trade war on the Canadian economy is an increase in GDP and welfare, and the trade balance is expected to experience a small positive change.

Trump's trade war is expected to have a small impact on the economies of ASEAN countries. The impact is an increase in GDP and welfare. Almost all ASEAN countries experienced a decline in the trade balance due to increased imports from China. Then seen the impact per sector only has a small impact.

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1.1. United States–China Trade War

United States (USA) China (China), is: The world's leading power (especially in economic factors). The competition between China and the United States has had a significant impact on both countries and global geopolitical dynamics. This is because both countries have imposed tariffs on various commodities, which have had an impact on various economic sectors around the world, which Trump calls a "tariff war" or "reciprocal tariff". Tariffs in effect in China and the United States have created global economic uncertainty and impacted the international supply chain.

In fact, the trade war between the US and China has occurred on July 6, 2018, US President Donald Trump imposed import duties on $34 billion worth of Chinese goods, which then caused China to retaliate with similar tariffs on US products. Trump said the duties were needed to protect the national security and intellectual property of US businesses, and to help reduce the US trade deficit with China. Trump in August 2017 opened a formal investigation into attacks on the intellectual property of America and its allies, theft that has cost America itself around $600 billion per year.

The trade war between the United States and China has had a major impact on global political dynamics, as both are major world powers (especially in economic factors). This is because both countries have imposed tariffs on various commodities, impacting various economic sectors around the world, which Trump calls a “tariff war.” Tariffs in China and the United States have created global economic uncertainty and impacted the international supply chain.

1.2. China vs US Trade War Heats Up, How Bad is the Impact on Indonesia

The United States (US) has imposed an import tariff of 145% on China. The tariff hike certainly has a major impact on Indonesia, which is a trading partner of the two countries.

The United States government on Thursday (10/4/2025) local time officially explained that imported products from China now face a minimum tariff of 145%, emphasizing the tough stance of US President Donald Trump towards the US's main trading partner amid increasingly heated trade tensions.

As reported by The New York Times, the explanation came a day after Trump announced that he would raise tariffs on goods from China to 125%, in response to Beijing's retaliatory action against the previous tariff policy.

China is currently the second largest country of origin for US imports and plays a dominant role as a global producer of various consumer goods, including cellphones, toys, computers, and various other household products.

With tariffs this high, the cost of importing these products will skyrocket, having a major impact on distributors, retailers, and consumers in America.

The White House also emphasized that the 145% figure is only a floor, not an upper limit. This means that the tariffs could increase along with other tariff policies that Trump has previously implemented, such as 25% on steel, aluminum, cars and auto parts; tariffs of up to 25% on certain products imposed during his first term; and tariffs of varying amounts on certain products that are considered to violate US trade rules.

This policy creates layers of tariffs that pile up and complicate the calculation of import costs for businesses. The rapid changes in the tariff structure have caused great confusion among importers, both large-scale such as national retailers, and small businesses that are heavily dependent on Chinese-made products.

The difference between a 125% tariff and a 145% tariff can mean thousands of dollars for a single container of product. Although this policy has been announced, the Trump administration is granting a temporary exemption for goods already in transit to the US. This means that goods shipped by air will begin to be subject to tariffs in the next few days, while goods shipped by sea will be subject to the tariffs when they arrive several weeks later. This gives importers a very short breathing space to adjust their logistics strategies. However, many of them stated that the time was not enough to find alternatives.

1.3. Indonesia Affected by Trump Tariffs

The tension of the trade war between China and the US has affected the domestic financial market. This can be seen from the large amount of foreign funds that have left the Indonesian stock market in recent times and investors tend to allocate their funds to safer places or safe-have assets.

After Eid, foreigners continued to record net sells, the largest on the first day the market opened after an 11-day holiday, precisely on Always ago, foreigners exited up to IDR 3.87 trillion. The next two days, foreigners continued to record net sells across the stock market. If accumulated since the beginning of the year, foreigners have continued to sell Indonesian shares reaching IDR 35.64 trillion.

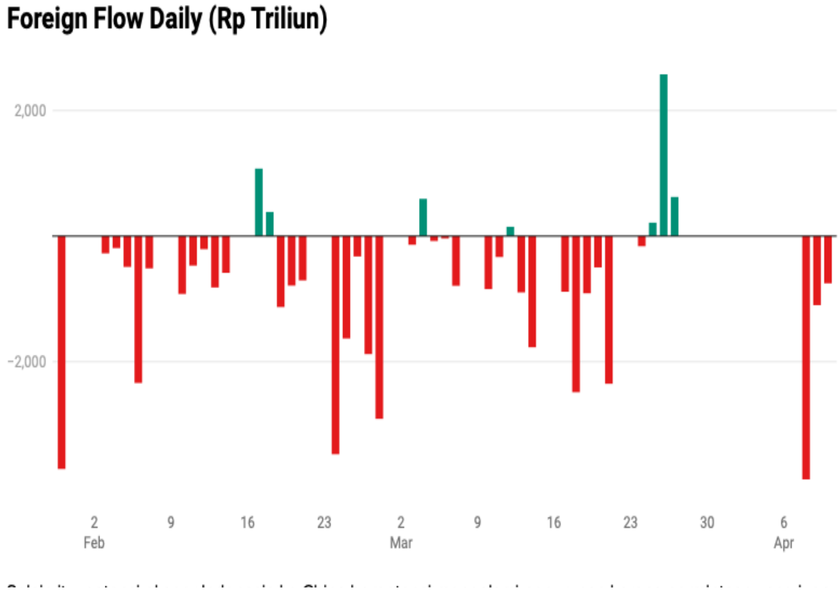

Figure 1. Foreign Flow Daily

In addition, Indonesia's export potential to China has the potential to decline due to declining demand. For information, data from the Ministry of Trade for Indonesia's non-oil and gas exports to China has been relatively high in the last three years. In 2022, 2023, and 2024, Indonesia's non-oil and gas exports to China were more than US$60 billion each. However, if imports of goods from China to the US are subject to high tariffs, this will have an impact on decreasing demand for goods from China and raw materials from Indonesia will not sell. Below is a table of Indonesia's non-oil and gas exports to China presented in Indonesian:

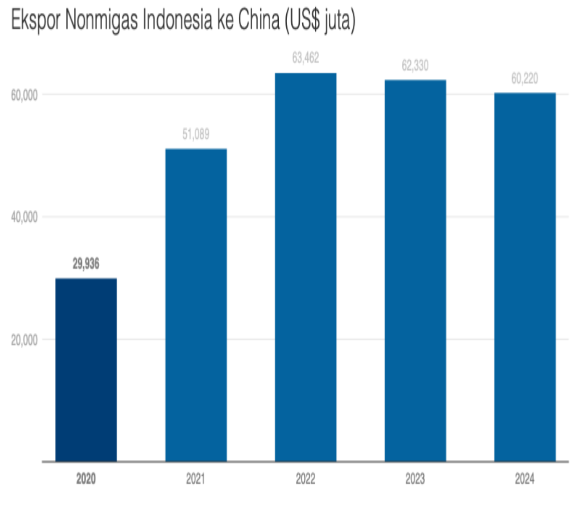

Figure 2. Indonesia's Non-Oil and Gas Exports to China

The economic conditions of the US and China have the potential to experience a slowdown in economic growth. When this happens, the ability of these countries to provide Foreign Investment (PMA) to Indonesia will be even smaller.

The latest data from the Investment Coordinating Board (BKPM) in 2024 shows that Foreign Investment (PMA) from China to Indonesia is US$8.1 billion or around Rp136 trillion.

If we look further, the amount of Chinese PMA to Indonesia tends to continue to increase year after year.

2. Proposed Method

Based on the background above, the problem formulation in this paper is: The Impact of the US-China Trade War on Indonesia?

The Data Collection Technique uses Online Data Search/Internet searching, browsing, surfing or downloading data, Books, magazines, Journals, Theses, Dissertations, online news, media, websites and sources from experts related to matters related to the Impact of the US-China Trade War on Indonesia?

3. Results and Discussion

3.1. The US-China Trade War

In the first week of April 2025, the international world was shocked by the "trade war" strategy from the United States announced by President Donald Trump in the form of an increase in import tariffs. The term trade war is certainly familiar to economic observers, especially those who specialize in macroeconomics. However, there are also quite a few people who do not understand the trade war as a whole.

Understanding the trade war can help detikers see the current international situation, especially in the economic sector. Moreover, if you are a businessman. Armed with information related to trade wars, detikers can develop strategies so that businesses remain competitive amidst uncertainty.

3.2. Definition of Trade War

Quoted in https://id.wikipedia.org/wiki/Halaman_Utama (2024/05/27). A trade war is an economic conflict that occurs when a country imposes or increases tariffs or other trade barriers in response to trade barriers set by another party.

Trade wars are caused by protectionist policies, which are usually implemented by a country to protect local producers, to bring back jobs from abroad, or due to the perception that other countries' trade practices are unfair and need to be balanced with tariffs.

There is a consensus among economists that protectionism has a negative impact on economic growth and welfare, while free trade, deregulation and reduction of trade barriers will have a positive impact on economic growth. Trade wars and protectionism have also been considered the cause of several economic crises, especially the Great Depression.

a. **Definition:**
   A trade war is an economic dispute between countries that involves the imposition of tariffs, trade barriers, or other protectionist policies.
b. **Triggers:**
   Trade wars often occur because one country feels that another country's trade policies are unfair or detrimental.
c. **Actions:**
   Countries that feel disadvantaged will respond by increasing tariffs, restricting imports, or implementing other protectionist policies.
d. **Impacts:**
   Trade wars can cause supply chain disruptions, uncertainty in global markets, and increased prices of goods.
e. **Examples:**
   A classic example of a trade war is the tariff dispute between the United States and China.

3.3. The United States and China Trade War Continues, Who is Superior

The trade war between the United States (US) and China continues with each other increasing import tariffs on goods between the two countries. Finally, US President Donald Trump will launch a new trade war attack by imposing an additional 10% tariff on imports of goods from the Bamboo Curtain Country worth US$ 300 billion.

The Chinese government responded to this move by allowing its currency, the yuan, to weaken against the US dollar. This policy was taken so that the price of export goods from the Panda Country remains competitive in the global market. The impact was that stock prices on the stock exchange fell and Asian currencies weakened at the start of trading this week.

According to the US statistics bureau, America is still experiencing a trade deficit with China even though it has experienced a downward trend compared to last year as seen in the graph below. As is known, the value of US exports to China in June 2019 was only US$ 9.03 billion while imports were US$ 39 billion, meaning that the US trade balance is back in deficit by US$ 29.97 billion. Likewise, for the period January-June 2019, the US trade balance was still in deficit at US$ 167.04 billion.

Below is a table of the United States' trade balance with China from January 2018 to June 2029 presented in Indonesian:

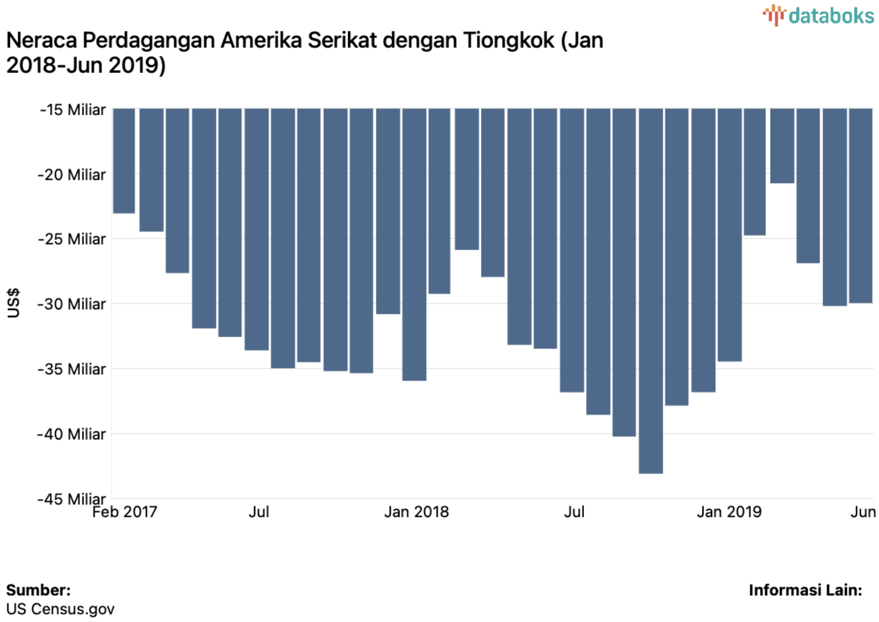

Figure 3. The United States' Trade Balance with China

3.4. The US Has Always Had a Trade Deficit with China for the Last 20 Years

The United States' Goods and Services Trade Balance with China (2004-2024); The United States (US) has always had a trade deficit with China for the last 20 years. This deficit occurs because the value of goods and services exported by the US to China is always smaller than the value of its imports.

According to data from the US Bureau of Economic Analysis (BEA):

1) Throughout 2024, the US exported US$199.18 billion worth of goods and services to China. However, in 2024 the value of goods and services imported by the US from China reached US$462.52 billion, so that the US experienced a trade deficit of US$263.34 billion.
2) A similar trend has occurred since at least 2004, with the US deficit tending to increase as seen in the graph.
3) This condition became one of the triggers for the US-China trade war. In April 2025, US President Donald Trump set a 145% import tariff on imported products from China. In retaliation, China imposed a 125% import tariff on imported products from the US.

Below is a table of the United States' balance of trade in goods and services with China (2004-2024), presented in Indonesian:

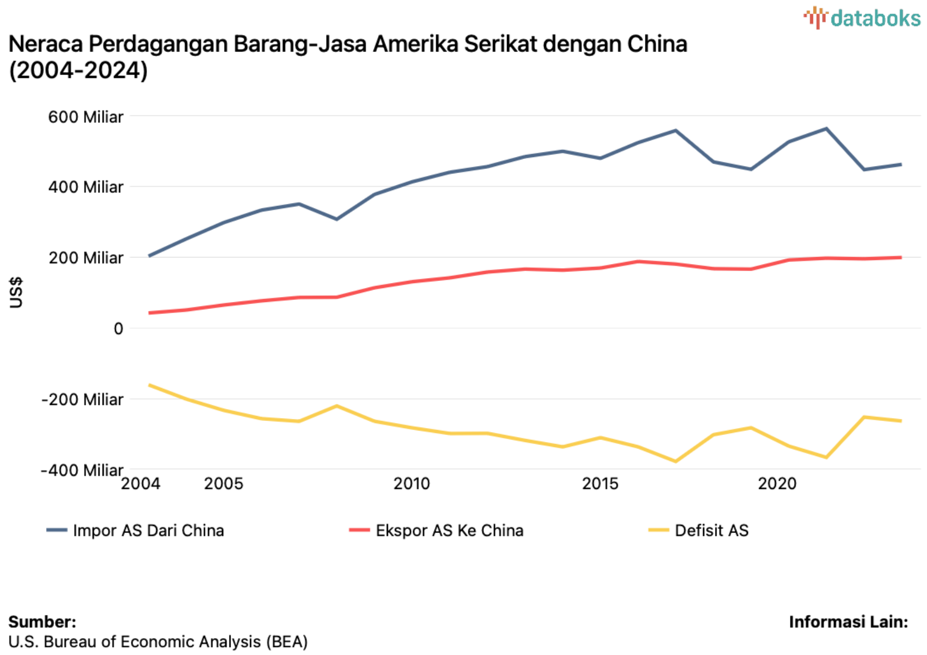

Figure 4. The United States' Balance of Trade in Goods and Services with China

3.5. US-China Trade War Heats Up, IHSG Weakens Again (Wednesday, April 9, 2025)

Composite Stock Price Index (IHSG) March 9-April 9, 2025; The Composite Stock Price Index (IHSG) fell 0.47% to 5,967.99 at the close of trading on Wednesday (April 9, 2025). The decline in the index occurred amid the heating up of the trade tariff war between the United States (US) and China.

The US is again targeting new additional tariffs on China. This is feared to further increase economic turmoil.

VP Marketing, Strategy & Planning Kiwoom Sekuritas Oktavianus Audi, reported by Antara, Wednesday (April 9, 2025).

1) Starting today, US President Donald Trump has imposed import tariffs of up to 104% on imported products from China, as "retaliation" because China has imposed a 34% tariff on imported products from the US.
2) Based on the IDX-IC Sectoral Index, six domestic stock sectors were corrected today. The raw materials sector fell the most by 3.07%, followed by the non-primary consumer goods sector and the energy sector, which were corrected by 2.24% and 1.43% respectively.
3) Meanwhile, five stock sectors strengthened. The infrastructure sector led with an increase of 0.94%. Followed by the health sector and the industrial sector, which rose by 0.78% and 0.75% respectively.

According to RTI Business data, the frequency of stock trading on the domestic stock exchange today was 1.09 million transactions.

1) The total number of shares changing hands reached 18.6 billion shares with a total transaction value of IDR 12.08 trillion.
2) A total of 307 stocks closed lower today, then 298 stocks strengthened, and 188 stocks stagnated.
3) Issuer coded HOMI became today's top loser after falling 15%, followed by YUPI and RATU which fell 14.98% and 14.91% respectively.
4) Meanwhile, today's top gainer issuer was CENT which flew 34.88%, followed by KBLV and SONA which rose 34.83% and 25% respectively.
5) Asian stock exchanges closed this afternoon with variations. The Nikkei index fell 3.93% to 31,714.03; the Hang Seng index rose 0.68% to 20,264.49; the Shanghai index rose 1.31% to 3,186.81; and the Strait Times index fell 2.18% to 3,393.69.

Below is the composite stock price index (IHSG) for March 9-April 9, 2025, between the USA and China (2004-2024), presented in Indonesian.

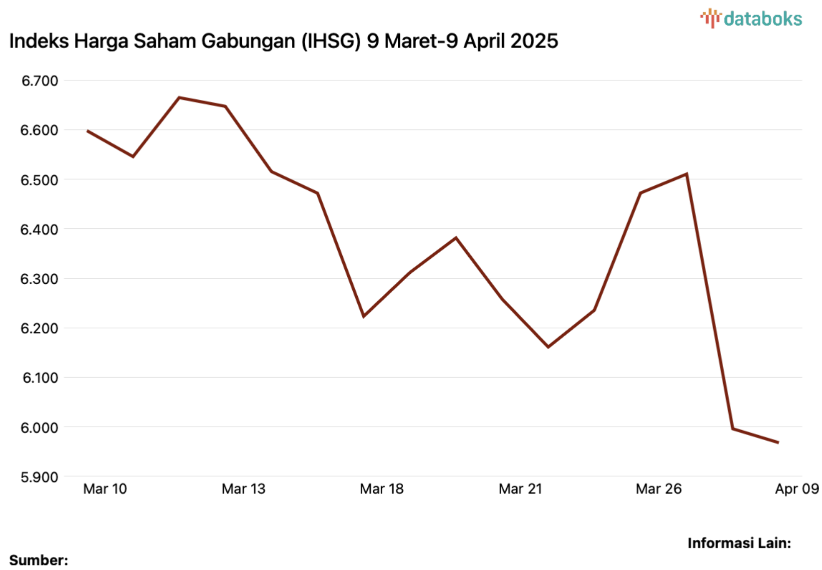

Figure 5. The Composite Stock Price Index (IHSG) between The USA and China (2004-2024)

3.6. Impact of Trade War on the Economy

Trade war can have both negative and positive impacts. Referred to from Investopedia, the most obvious loss of trade war is the hampering of economic growth and cultural exchange. In addition, consumers will get fewer choices of goods in the market.

In fact, at worst, consumers may face a shortage of goods if domestic producers are unable to replace the role of foreign exporters blocked by the trade war. Not only that, trade war also causes raw materials to become more expensive so that producer profit margins are reduced.

On the other hand, trade war is believed to be able to provide more protection for domestic entrepreneurs. The effect is that a wide job market can be opened up so that it can reduce unemployment.

1) The negative impacts of trade war are:
   (1) Increasing costs (production costs).
   (2) Triggering inflation.
   (3) Reducing the choice of goods in the market.
   (4) Slowing economic growth.
   (5) Damaging diplomatic relations and cultural exchange.
   (6) Inhibiting trade.
2) The positive impacts are:
   (1) Protecting domestic companies from unfair competition.
   (2) Increasing demand for local goods.
   (3) Encouraging local job growth.
   (4) Improving the trade deficit.
   (5) Imposing sanctions on countries with unethical trade policies.

3.7. The Impact of the Latest US Trade War on the Indonesian Economy

It has been briefly mentioned above, the new import tariff policy of 32% applied by the US to Indonesia is a form of trade war. What impact does it have on the economy of the Republic of Indonesia?

Senior Economist of the Institute for Development of Economic and Finance (INDEF), Tauhid Ahmad, Thursday (etikFinance, 3/4/2025). "For example, shoe products (such as sports shoes), are exported a lot to America. Automatically because the price has increased, it will definitely experience a decrease in demand. So the products of these factories will try to be efficient,"

Another effect is the reduction in Indonesia's export market, for example to China. The reason is, China is also subject to quite high import tariffs by the US. As a result, China's exports and economy are predicted to decline, so that automatically, the Indonesian market will also decrease. "Because the Chinese economy is declining, because they say their goods cannot enter (the US), automatically the Chinese economy is declining, our market to China is also declining,".

Other negative impacts are also predicted to occur in sequence. For example, layoffs (Termination of Employment), the decline of the labor-intensive sector, and the decline of the domestic automotive industry. The US-China Trade War, Its Impact on Indonesia, includes:

(1) The trade war between the United States and China also has an impact on Indonesia. In terms of Geopolitics and Indonesia's Economic Resilience, the trade war has disrupted the global supply chain. Indonesia, which relies on exports of raw materials to China and the US, is facing a decline in demand. The weakening economy of both countries has also lowered global commodity prices which have an impact on national income.

(2) In terms of Regional Stability and Defense, it is affected by the militarization of the South China Sea. Indonesia, although not a party to the territorial claim, must strengthen its maritime defense posture, especially in Natuna, to maintain sovereignty and ensure safe shipping lanes. (3) In terms of Investment and Technology Security, with US technology restrictions on China providing opportunities for Indonesia as an alternative location for industrial relocation. However, there is a risk of infiltration of sensitive technology from both sides which has implications for national cyber security. (4) Impact on the economic sector on Indonesian exports where the value of Indonesian exports to China in 2019 was recorded at USD 25.85 billion, down 2.6% from 2018 (BPS, 2020). Exports to the US actually rose to USD 18.64 billion in 2019, up 4.5% from the previous year. This increase was partly due to the substitution of Chinese products that were subject to tariffs in the US.

(3) In the Foreign Investment (FDI) sector, factory relocation from China to ASEAN has created investment opportunities. However, of the 33 large companies that relocated their production bases in 2020, only 7 companies chose Indonesia, while 19 entered Vietnam (BKPM, 2021).

(4) For Global Commodity Prices, coal prices fell from USD 101/ton (2018) to USD 69/ton (2019), hitting Indonesia's export revenues which are highly dependent on energy commodities (World Bank Commodity Data, 2020).

From this description, the impact on Economic Growth is illustrated that the Indonesian economy grew 5.02% in 2019, slowing down compared to 5.17% in 2018. One factor is global uncertainty due to US-China tensions (Ministry of Finance, 2020).

The trade war between the United States (US) and China has had a significant impact on Indonesia, both in terms of exports, imports, and investment. In general, the negative impacts are more pronounced due to disruptions in the global supply chain and decreased demand from the two major countries.

a. Negative Impacts:
   1) Global Supply Chain Disruption:
      The trade war disrupts the global supply chain, which has an impact on industries in Indonesia that rely on raw material imports from China or the US.
   2) Declining Exports:
      The increase in import tariffs by the US and China has caused a decrease in demand and Indonesian exports to the two countries.
   3) Increasing Prices:
      The trade war can cause an increase in the price of goods and raw materials, which burdens domestic industries.
   4) Economic Uncertainty:
      The trade war creates uncertainty in the global market and capital markets, which can impact investment and economic growth in Indonesia.

b. Positive Impacts:
   1) Market Diversification Opportunities:
      The trade war can encourage Indonesia to seek alternative markets, such as countries outside the US and China.
   2) Increasing Investment:
      Some companies from the US and China may consider moving their production bases to Indonesia, in an effort to avoid high import tariffs.
   3) Substitution Opportunities:

4) The trade war can create opportunities for Indonesia to produce and exportproducts previously produced and exported by China or the US.

c. Examples of Concrete Impacts:

1) Decline in Mining Exports:
The decline in demand from China and the US has caused a decline in the price and export of Indonesian mining commodities.

2) Increase in Import Prices:
The increase in import tariffs by the US and China has caused an increase in the price of raw materials imported by Indonesia, which has an impact on the production costs of domestic industries.

3) Investment Uncertainty:
The trade war creates uncertainty in the capital and investment markets, which can lead to a decrease in foreign direct investment into Indonesia.

4) Indonesia's Position
The question is, what about Indonesia? Indonesia's trade position with China and America is quite clear. Every year this country imports a large number of products from China, which results in a trade deficit to some extent. Meanwhile, Indonesia's exports to America continue to maintain a trade surplus. This means that losing access to the US market will have a direct impact on the balance of payments and the stability of the export industry.

The trade war between the US and China has had a complex and significant impact on Indonesia. While there are several opportunities that can be exploited, negative impacts such as disruption of the global supply chain, declining exports, and increasing prices still dominate. The Indonesian government needs to take proactive steps to minimize negative impacts and maximize existing opportunities, such as diversifying markets, encouraging investment, and increasing the competitiveness of domestic industries. Indonesia's trade position with China and America is quite clear. Every year this country imports a large number of products from China, which results in a trade deficit to some extent. Meanwhile, Indonesia's exports to America continue to maintain a trade surplus. This means that losing access to the US market will have a direct impact on the balance of payments and the stability of the export industry.

On the other hand, disruptions to supply from China are indeed difficult, but can be substituted with imports from other countries. It's not easy, but it's still possible. This simple logic actually leads to one conclusion, in the long term, buyers have greater negotiating power than sellers, especially if the goods sold are high substitute goods, such as textiles, cheap electronics, or fast-wearing consumer products.

1) China is the "world's factory", but not the only supplier. And precisely because of its excess production capacity, it is unable to become a major buyer for countries, such as Indonesia.
Chairman of the National Economic Council (DEN) Luhut Binsar Pandjaitan, even assessed that the United States' reciprocal tariffs against Indonesia were not entirely negative.

2) DEN sees that the reciprocal tariffs from America are not entirely negative. Repositioning global trade can be an opportunity for Indonesia to attract investment from abroad, making Indonesia its production base.
That is why this turmoil should be seen as an opportunity. Because when the world is restructuring the global supply chain and investors are looking for new, more stable locations, Indonesia actually has a number of advantages that cannot be ignored.

3) Geopolitically neutral attributes, competitive labor costs, and active roles in various regional cooperation make Indonesia not just a complement, but a prime candidate as a new node in the world's industrial network.

3.8. Impact of Trade War on the Global Economy:

1) Decline in World Trade Volume:
The increase in tariffs and other trade barriers by the US and China has led to a decline in international trade flows, especially between the two countries. Other countries involved in the global supply chain have also been affected, leading to a slowdown in economic growth.

2) Supply Chain Shift:
   Multinational companies have started looking for alternative production locations in other countries, such as Vietnam, India, and Indonesia, due to rising production costs in China due to US tariffs. This shift has changed the global supply chain landscape and created new challenges for countries involved in new supply chains.
3) Financial Market Volatility:
   The uncertainty caused by the trade war has led to fluctuations in currency exchange rates, stock indices, and commodity prices. This has caused anxiety among investors and market players, worsening global economic conditions.
4) Decline in Economic Growth:
   The US-China trade war has led to a decline in economic growth in both countries and their trading partner countries. This slowdown has impacted overall global economic growth.
5) Challenges for Companies:
   Companies face challenges in adapting to changes in the supply chain and face increased costs due to tariffs. Some companies are even considering reducing investment or even moving production to other countries.
6) Challenges for Developing Countries:
   Developing countries that depend on exports to the US or China are also feeling the negative impacts of the trade war, such as declining exports and investment.
7) Challenges for Trading Partner Countries:
   Countries that are trading partners of the US and China are also experiencing negative impacts, such as declining trade and investment.
8) Increased Costs:
   Tariffs increase the cost of imports, which are then passed on to consumers. Companies also experience increased production costs because they have to bear higher tariffs.
9) Increased Political Tensions:
   The trade war is worsening diplomatic relations between the US and China, which could impact political stability and regional economic cooperation.

3.9. Indonesia's Opportunities to Survive in an Era of War

The heating up geopolitical conflict between the United States and China is not just a dispute between two world giants, but an earthquake that can shift the foundations of the global trade order.

When US President Trump threatened to stop all negotiations with China, Beijing responded with countermeasures, such as the easing of the RMB exchange rate, what was actually happening was a re-examination of who holds the true power in the world economic architecture.

Many parties worry (and rightly so), that Indonesia will be affected. But perhaps it is time to stop seeing ourselves as victims of global chaos, and start reading this reality as an opportunity to establish a new strategic position in the midst of the current maelstrom.

1) The Asian Development Bank (ADB), has even assessed that the 32 percent reciprocal tariff policy implemented by US President Donald Trump will not have a significant qualitative impact on the Indonesian economy.
2) ADB Southeast Asia Economist Nguyen Ba Hung stated that this is because Indonesia's total exports to the United States are relatively small. Therefore, Indonesia does not need to panic excessively. This nation can learn from Cambodia and Vietnam. Although both countries are known to be politically close to China, their reactions to US tariff pressures show one important thing, namely that in the world of global trade, loyalty is not determined by diplomatic history, but by the arithmetic of economic benefits.

4. Conclusions

The US-China trade war has had a complex and significant impact on Indonesia. While there are some opportunities that can be exploited, negative impacts such as disruption of the global supply chain, declining exports, and increasing prices still dominate. The Indonesian government needs to take proactive steps to minimize negative impacts and maximize existing opportunities, such as diversifying markets, encouraging investment, and increasing the competitiveness of domestic industries.

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The trade war between the United States (US) and China has had a significant impact on Indonesia, both in terms of exports, imports, and investment. In general, the negative impact is more pronounced due to disruptions to the global supply chain and decreased demand from the two main countries.

1) Negative Impacts:
   (1) Global Supply Chain Disruption:
   (2) The trade war disrupts the global supply chain, which impacts industries in Indonesia that rely on raw material imports from China or the US.
   (3) Decrease in Exports:
   (4) Increased import tariffs by the US and China have caused a decrease in demand and Indonesian exports to both countries.
   (5) Increased Prices:
   (6) The trade war can cause an increase in the price of goods and raw materials, which burdens domestic industries.
   (7) Economic Uncertainty:
   (8) The trade war creates uncertainty in the global market and capital markets, which can impact investment and economic growth in Indonesia.
2) Positive Impacts:
   (1) Market Diversification Opportunities:
   (2) The trade war can encourage Indonesia to seek alternative markets, such as countries outside the US and China.
   (3) Increased Investment:
   (4) Some companies from the US and China may consider moving their production bases to Indonesia, in an effort to avoid high import tariffs.
   (5) Substitution Opportunities:
   (6) The trade war can create opportunities for Indonesia to produce and export products previously produced and exported by China or the US.
3) Examples of Concrete Impacts:
   (1) Decrease in Mining Exports:
       The decline in demand from China and the US has caused a decline in the price and export of Indonesian mining commodities.
   (2) Increase in Import Prices:
       The increase in import tariffs by the US and China has caused an increase in the price of raw materials imported by Indonesia, which has an impact on the production costs of domestic industries.
   (3) Investment Uncertainty:
       The trade war has created uncertainty in the capital and investment markets, which can lead to a decline in foreign direct investment into Indonesia.

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