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Indonesia – Singapore Economic Cooperation: Increasing Economic Progress and Regional Development

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Abstract



Economic cooperation between Indonesia and Singapore continues to be strengthened through various initiatives, focusing on developing SEZ and KEK areas, as well as cooperation in the digital economy. Singapore excels in electronic products, telecommunications, medicines and chemicals. while Indonesia has advantages in petroleum products, gas, food processing and other sectors. It is hoped that investment and technological development will continue to increase the advantages of both countries in the long term. Bilateral cooperation is expected to strengthen trade and investment between Indonesia and Singapore, which has made a major contribution to economic progress and regional development in both countries. Close relations in various economic sectors, including infrastructure, knowledge and technology exchange, and the agricultural sector, continue to be strengthened to advance economic growth and regional development in both countries.

Keywords: Economic Cooperation, Product Comparison, Long-term Benefits.

Introduction

Economic cooperation between Indonesia and Singapore has long been in the spotlight in the Southeast Asian region. These two countries have built close ties in various fields. including trade, investment, and infrastructure development. International cooperation is any form of interaction between people and countries and is carried out by the government or its citizens (Charles Armor McClelland). Singapore has become an important trading partner for Indonesia. As a global financial center and the busiest port in the world, Singapore provides easy access for Indonesian products to the international market. In addition, Singapore is also one of the largest investors in Indonesia, contributing to economic growth and job creation.

Cooperation between Indonesia and Singapore is not only limited to trade and investment, but also extends to the field of infrastructure and regional development. The two countries have been working together on important infrastructure projects, such as port development, road construction, and other transportation projects. This has helped reduce infrastructure gaps and improve connectivity between regions in both countries. In addition, economic cooperation between Indonesia and Singapore has also involved the exchange of knowledge and technology. The two countries have been working together in the fields of innovation, research, and technological development that have the potential to improve economic competitiveness in the region. In this article, we will explore how economic cooperation between Indonesia and

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Singapore has contributed to improving economic progress and regional development in both countries.

Method

This study uses a descriptive qualitative research methodology to examine the phenomenon of Indonesia-Singapore economic collaboration in encouraging regional economic growth and development. The data are classified and analyzed descriptively to describe the problems raised in this study, such as how Indonesia-Singapore economic cooperation increases regional economic growth and development. The data is analyzed quantitatively to understand the phenomena and processes that occur in economic cooperation, as well as their implications for regional economic growth and development. Data must then be collected from magazines such as books, journals, articles, and related research reports. Descriptive analysis is analyzing data by describing or describing the data that has been collected as it is without intending to make generalized conclusions or generalizations (Sugiyono, 2019).



Results and Discussion

Indonesia and Singapore have established strong working relationships in various sectors, including investment, trade, and regional development. One example of a prominent cooperation effort is the development of special economic zones (SEZs) in the Batam, Bintan, and Karimun regions. The purpose of this cooperation is to enhance the economic strength and regional development of Singapore and Indonesia. The service sector that supports economic activities between community members and between nations (Maryana, 2004)

Based on the government's assumptions, the infrastructure condition in the region has improved, as evidenced by the large number of foreign and domestic investments made in the affected areas, which are very strategic and geographically located. This is the basis for the growth of SEZs in Batam, Bintan, and Karimun districts. The development of special economic zones (SEZs) in the Batam, Bintan, and Karimun regions makes the area an economic guardian that is expected to contribute positively to the strengthening of the national economy.

Cooperation between Indonesia and Singapore is a phenomenon called national collaboration, which will be more real if it is approached closely by using the concept of international collaboration. This is explained by the development of certain economic zones carried out by the Indonesian government as one of the factors causing the growth of the mining sector. In addition, Indonesia and Singapore are also increasing cooperation in the fields of renewable energy and mining. The establishment of Singapore's Deputy Minister of Trade and Industry Tan See Leng to discuss economic recovery and the Covid-19 pandemic, cooperation in the new energy sector, as well as the implementation of travel bubbles and the Singapore - Indonesia Vaccinated Travel Lane (VTL) has been inaugurated.

In addition, bilateral negotiations between Indonesia and Singapore have been carried out to explore opportunities for joint work in the service sector. Singapore's Minister of Trade and Industry Gan Kim Yong and Zulkifli Hasan agreed to explore the potential for cooperation in new

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sectors, trade in services and the green economy. Cooperation between Indonesia and Singapore has also been carried out in the agricultural sector. To increase the flow of Indonesian export goods to Singapore, Indonesia and Singapore have carried out a number of initiatives, including a program to increase the capacity of Indonesian exporters and farmers. Business Matching between Indonesian manufacturers and Singaporean suppliers, as well as In-Store Marketing activities in Singapore. In this report, the development of bilateral cooperation between six working groups—Batam, Bintan, Karimun (BBK) and other SEZs; investment; air connectivity; and other groups—discussed. The cooperation mentioned above is carried out with the support of the governments of both countries in distributing agricultural products in Indonesia, especially in the Singapore market.

Table 1. Forms of Economic Progress and Regional Development between Indonesia and Singapore - developing sectors, such as the green economy and trade.

Indicator	Result
Development of Special Economic Zones	The development of Special Economic Zones is one of the strategies of the Government of Indonesia in an effort to advance the pace of national economic growth.
Economic Cooperation	Singapore is one of the main economic partners for Indonesia in the field of investment and trade.
Regional Development	Regional development in Indonesia – Singapore is carried out by harmoniously integrating natural resources, humans, and technology by paying attention to environmental catchment data.
Government Cooperation	The governments of Indonesia and Singapore have established close cooperation in various sectors, including investment, trade, and regional development.
Exploration of New Sectors	Exploring potential cooperation in new sectors, such as trade in services and the green economy
Development of Special Economic Zones	Development of special economic zones in the Batam, Bintan, and Karimun regions.
Agribusiness Cooperation	Agribusiness cooperation between Indonesia and Singapore has been carried out to increase the export of agricultural products from Indonesia to Singapore

(Source: ekon.go.id and kominfo.go.id)



Judging from table 1, one of the strategies used by the Indonesian government to slow down economic growth is the establishment of special economic zones. In terms of investment and trade, Singapore is Indonesia's main economic partner. The development of the Indonesia-Singapore region is carried out by integrating human, technology, and environmental data in a harmonious manner. The governments of Indonesia and Singapore have established strong working relations in various fields, including investment, trade, and regional development.

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Exploring potential collaborations in emerging industries, such as apparel and footwear. Development of certain economic zones in the Karimun area. Bintan, and Batam. Cooperation in the agricultural sector between Indonesia and Singapore is carried out to increase the flow of Indonesian agricultural products to Singapore.

Table 2. Results of the Contribution of 2 Countries Indonesia – Singapore

Indicator	Result
Development of Special Economic Zones	The collaboration between Singapore and Indonesia is beneficial in the development of special economic zones (SEZs) in the Batam, Bintan, and Karimun regions. Economic growth, especially in this region, has increased both overall economic growth and the growth of the region concerned.
Investment and Trading	Singapore has emerged as Indonesia's main economic partner in the trade and investment sectors. Total foreign direct investment (FDI) originating from Singapore in 2021 exceeded US\$9.3 billion and was relatively stable at 16,760 projects. In contrast, the bilateral trade volume of the two countries reached US\$27 billion. This illustrates how close the relationship between the two countries is.
Development of the Tourism Sector	Singapore and Indonesia have established a strong working relationship in the growth of the tourism sector. Coordinating Minister for Economic Affairs Airlangga Hartarto has met with Singapore's Deputy Minister of Trade and Industry Tan See Leng to discuss economic recovery and the Covid-19 pandemic, cooperation in the new and renewable energy sector, as well as the implementation of Singapore Indonesia's Travel Bubble and Vaccinated Travel Lane (VTL).
Energy Sector Development	Collaboration between Singapore and Indonesia is also important in the development of the energy sector. Indonesia has created a travel bubble between Singapore, Batam, and Bintan at the Leaders' Retreat on Thursday, May 25.

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Agribusiness Cooperation	Cooperation in the agricultural sector between Indonesia and Singapore is carried out to increase the flow of Indonesian agricultural products to Singapore.
Asean Cooperation	As one of the ASEAN members, Indonesia has shown active participation in economic cooperation in the region. Cooperation in the ASEAN Economic Area provides benefits for the Indonesian people in many ways, including increasing market accessibility, stimulating economic growth, and technology transfer.

(Source: ekon.gi.id and asean2023.id)

Table 2 provides an overview of the contribution of cooperation between Indonesia and Singapore in various economic sectors. The collaboration between the two has provided benefits in the development of special economic zones in Batam, Bintan, and Karimun, increasing economic growth and related regions. In addition, economic cooperation in the ASEAN region also provides benefits for Indonesia, such as increased market access, stimulation of economic growth, and technology transfer. Singapore is Indonesia's main economic partner in the trade and investment sector, with significant FDI investment and high bilateral trade volumes. Cooperation also occurs in the tourism, energy, and agricultural agribusiness sectors between the two countries. Ministers from the two countries have met to discuss economic recovery, cooperation in the new and renewable energy sector, as well as the implementation of travel bubbles and Vaccinated Travel Lanes.

Table 3. Products produced

Indonesia	Singapore
Oil and Gas	Electronics and Communication
Palm Oil	Chemicals
Coffee, Clove, Tea, Rubber	Petroleum
Electronic Products	Processed Foods
Woodcraft	Industrial Machinery
Clothing Material	Petroleum Refining Products
Chemicals	Machinery and Transportation

(Sumber: asean2023.id dan setnasasean.id)

Table 3 shows the products produced by Indonesia and Singapore. Indonesia produces products such as petroleum, palm oil, coffee, and rubber, while Singapore produces products such as electronics, chemicals, and industrial machinery. Singapore is also known as an electronics and

telecommunications producer, while Indonesia has a leading sector in palm oil and other agricultural products.

Table 4. import and export between Indonesia and Singapore



Indonesia Exports	Import Singapore
Agricultural Products: Agricultural Products: such as coffee, palm oil, rubber, and horticultural products.	Agricultural Products: Singapore imports many agricultural products from Indonesia to meet its food and ingredient needs. Raw
Oil and gas: Indonesia is the largest producer of oil and natural gas in Southeast Asia, and Singapore is often one of the main export destinations.	Chemical products: including fertilizers, plastics, and other chemicals.
Manufacturing Products: Including Textiles, Apparel, Electronics, and Motor Vehicles	Foodstuffs: such as fish, shrimp, and other fishery products.
Mining products: such as coal and tin.	Consumer goods: such as clothing, shoes, and other consumer goods

(Sumber: asean2023.id)

Judging from table 4, the trade relationship between Indonesia and Singapore is very important for both countries, helping in economic growth and important resource exchange. After being analyzed, it turns out that the two countries from various sectors are scattered to have a very good long-term sustainability for their citizens and economic turnover for both countries in the form of good cooperation continuously.

Analysis of Indonesia-Singapore Economic Cooperation

The analysis shows that Indonesia-Singapore economic cooperation is very strong and strategic, judging from various indicators. Singapore exports electronic and telecommunications products, medicines, chemicals, and petroleum refining products to various countries, including Indonesia, while Indonesia imports various products from Singapore, including 97 products with a value of more than one billion dollars. The strategic partnership between the two countries is marked by the willingness of the governments of Singapore and Indonesia to work together, especially in the economic field, with the aim of developing special economic zones (SEZs) in Batam, Bintan, and Karimun. This cooperation is strengthened through the Economic Bilateral Working Group which focuses on the development of bilateral cooperation in the economic sector, including investment, transportation, tourism, development of the Batam-Bintan-Karimun Area, and other Special Economic Zones, labor, and agribusiness. In addition, Indonesia and Singapore also continue to work together to strengthen and expand bilateral economic cooperation in the field of digital economy, with the aim of creating an ecosystem that supports various start-up businesses. From this analysis, it can be concluded that Indonesia-Singapore economic cooperation is very strong and strategic, with a focus on developing SEZ and SEZ areas, as well as strengthening

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cooperation in various economic fields, including digital. The two countries have an important role in enhancing bilateral cooperation, with Singapore as one of Indonesia's main economic partners.

Comparison Between Indonesia and Singapore About the Products Produced Between Benefits and Their Long Term Lifespan

A comparison between Indonesia and Singapore on the products produced shows that Singapore has advantages in several products, such as electronics and telecommunications, medicines, chemicals, and earth sieve refining products. Meanwhile, Indonesia has advantages in several products, such as petroleum and gas, processed food, palm oil, wood, textiles, leather products, rubber, coffee, tea, cloves, and electronic products.

Singapore's Advantages



Singapore has an advantage in various products that are exported to various countries, including Indonesia. Electronics and telecommunications products from Singapore are known for their high quality and are in demand in many countries. In addition, Singapore also excels in the production of widely exported medicines. Chemicals are another product where Singapore has a competitive advantage, with exports reaching various countries. No less important, petroleum refining products from Singapore are also known in the international market, demonstrating the country's ability to manage and export various superior products to the world, including Indonesia.

Indonesia's Advantages

Indonesia has advantages in various products that are exported to various countries. Petroleum and gas products from Indonesia are known as one of the main commodities that are in demand in the international market. In addition, Indonesia excels in processed food products, such as frozen chicken and processed chicken products, which are exported to Singapore. Palm oil is also one of Indonesia's leading products that is exported to various countries. Indonesian wood products are of high quality and in demand in many countries. Indonesia also has an advantage in widely exported textile products. Leather products from Indonesia are known in the international market because of their good quality. In addition, Indonesia has an advantage in rubber and coffee products, which are exported to various countries, demonstrating Indonesia's strong diversification of export products and its ability to meet global demand for various types of products.

Benefits and Long Term Life

In the long term, Singapore can continue to increase its prominence in electronic and telecommunications products, as well as pharmaceutical and chemical products, with greater investment and faster technological development. Meanwhile, Indonesia can continue to increase its excellence in petroleum and gas products, as well as processed food products, with greater infrastructure development and investment. In the long term, bilateral cooperation between Indonesia and Singapore can continue to increase trade and investment, as well as increase the advantages of the two countries in various products.

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Broadly speaking, the comparison between Indonesia and Singapore of the products produced shows that the two countries have advantages in a wide range of products, and their long-term service life can continue to increase with greater investment and faster technological development. Singapore can continue to increase its excellence in electronics, telecommunications, medicines, and chemical products with greater investment and faster technological development. Indonesia can also continue to increase its excellence in petroleum, gas, and processed food products through infrastructure development and greater investment.

Also about bilateral cooperation. Where bilateral cooperation between Indonesia and Singapore can continue to increase trade and investment. Increasing the superiority of the two countries in various products through collaboration in technology development and infrastructure improvement. Through these joint efforts, the two countries are expected to support each other and improve the competitiveness of their industries in the long term.

Conclusion



We can see that economic cooperation between Indonesia and Singapore has provided significant benefits for both countries. Through various initiatives and a focus on the development of special economic zones (SEZs) and cooperation in the field of digital economy, the two countries have succeeded in strengthening their economic relations. Singapore excels in electronics, telecommunications, pharmaceuticals, and chemicals, while Indonesia excels in petroleum products, gas, processed foods, and other sectors.

Bilateral cooperation between Indonesia and Singapore has brought great contributions to economic progress and regional development in both countries. Investment and technology development are expected to continue to increase the advantages of both countries in the long term. Close ties in various economic sectors, including infrastructure, knowledge and technology exchange, and the agricultural sector, continue to be strengthened to advance economic growth and regional development in both countries.

Economic cooperation between Indonesia and Singapore is not only limited to trade and investment, but also extends to the field of infrastructure and regional development. The two countries have been working together on important infrastructure projects, such as port development, road construction, and other transportation projects. This has helped reduce infrastructure gaps and improve connectivity between regions in both countries.

In addition, economic cooperation between Indonesia and Singapore has also involved the exchange of knowledge and technology. The two countries have been working together in the fields of innovation, research, and technological development that have the potential to improve economic competitiveness in the region. Through these joint efforts, the two countries are expected to support each other and improve the competitiveness of their industries in the long term.

In the context of regional development, cooperation between Singapore and Indonesia has proven to provide significant benefits. The cooperation between the two countries in the development of special economic zones (SEZs) in the Batam, Bintan, and Karimun regions has resulted in a significant economic downturn. This has helped moderate economic growth on a

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global scale, including shrinking countries. In addition, Singapore has become an economic powerhouse in Indonesia in the trade and investment sectors. Total foreign direct investment (FDE) inflows from Singapore in 2021 were less than US\$9.3 million and were relatively stable at 16,760 projects. In contrast, the bilateral trade volume of the two countries reached US\$27 billion. This illustrates how strong the bond between the two countries is.

The development of the tourism sector is also an important part of economic cooperation between Indonesia and Singapore. Both Negara have established a strong working relationship in the growth of the tourism sector. Indonesia's Minister of Tourism and Creative Economy, Sandiaga Uno, and Singapore's Minister of Tourism, Edwin Tong, have agreed to increase cooperation in the field of tourism. This includes tourism promotion, knowledge exchange, and the development of tourism infrastructure in both countries.

From the explanation above, it can be concluded that economic cooperation between Indonesia and Singapore has made a significant contribution to economic progress and regional development in both countries. Through close cooperation in various sectors, the two countries have succeeded in strengthening their economic ties and supporting each other in enhancing the competitiveness of their industries. By continuing to develop this cooperation, it is hoped that the two countries can achieve sustainable economic growth and contribute positively to the welfare of the people in the region.

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