



Bilateral Economic Relationship Between Spain and Argentina Compared to Spain and Indonesia

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Abstrak: *Argentina dan Indonesia memiliki kesamaan berbagi sejarah panjang dengan berada di bawah masa penjajahan kerajaan Spanyol, dengan perbedaan hanya pada durasi kerajaan Spanyol berada di Argentina lebih lama daripada di Indonesia. Hingga saat ini pengaruh kehadiran Spanyol yang dirasakan Indonesia jika dibandingkan dengan Argentina jauh lebih ringan khususnya di bidang ekonomi. Tulisan ini bertujuan untuk mengkaji dan membandingkan hubungan bilateral yang terjalin antara Spanyol dan Argentina dibandingkan dengan Spanyol dan Indonesia di bidang kerjasama ekonomi terutama namun tidak terbatas pada sektor perdagangan dan investasi dalam kurun waktu 2008-2017. Analisis esai akan dilakukan dalam dua cara dengan menggunakan metode kuantitatif analisis statistik deskriptif dan analisis Strength, Weakness, Opportunities, dan Threat (SWOT). Esai dimulai dengan memberikan gambaran umum tentang profil Argentina dan Indonesia dan hubungan ekonomi mereka dengan Spanyol dan kemudian membandingkan volume perdagangan dan investasi setelah krisis keuangan terakhir. Hasil penelitian menunjukkan hubungan bilateral ekonomi Indonesia-Spanyol masih kurang dinamis dibandingkan dengan hubungan bilateral ekonomi yang terjalin antara Argentina dan Spanyol. Omzet perdagangan antara Argentina dan Spanyol masih jauh lebih tinggi dibandingkan Indonesia dan Spanyol. Argentina dipandang sebagai mitra dagang utama bagi Spanyol sedangkan Indonesia hanya dipandang sebagai mitra strategis dalam perdagangan. Dari sisi investasi, Spanyol merupakan investor terbesar di Argentina sedangkan di Indonesia jumlah investasi yang berasal dari Spanyol masih sangat rendah.*

Kata Kunci: *Perdagangan Internasional, Investasi, Argentina, Indonesia, Spanyol*

Abstract: *Argentina and Indonesia share a long history of being under Spanish colonial rule. When compared to Argentina, the influence of Spain's presence felt by Indonesia is much lighter, especially in the economic field. The objective of this essay is to examine and compare the bilateral relations maintained between Spain and Argentina compared to Spain and Indonesia in the field of economic cooperation mainly, but not limited to, the trade and investment sectors within the period of 2008-2017. The analysis of the essay will be carried out and elaborated in two ways by using quantitative methods of descriptive statistical analysis and the Strength, Weakness, Opportunities, and Threat (SWOT) analysis. The essay begins by providing a general overview of the profiles of Argentina and Indonesia and their economic relations with Spain and then comparing trade and investment volumes after the latest financial crisis. The results show economic bilateral relations between Indonesia and Spain are still less dynamic compared to the economic bilateral relations established between Argentina and Spain. The trade turnover between Argentina and Spain is still much higher compared to Indonesia and Spain. Argentina is seen as the main trade partner for Spain whereas Indonesia is only seen as a strategic partner in trade. In terms of investment, Spain is the biggest investor in Argentina whereas in Indonesia the amount of investment coming from Spain is still very small.*

Keywords: *International Trade, Investment, Argentina, Indonesia, Spain*

INTRODUCTION

The financial crisis in 1997–1998 and the latest financial crisis in 2008–2009 were seen as the culmination of events that changed the global economic constellation (Audrienne and Supriadi 2016). Many countries are struggling with their respective economic recovery efforts. Argentina and Indonesia also became the two countries affected by the global financial crisis in late 2008. Argentina's economic conditions are relatively good compared to other countries in Latin America that have similar characteristics. In the case of Indonesia, compared to the financial crisis in 1997, the latest financial crisis does not directly affect its economic conditions. As the financial crisis hit Indonesia through the trade channel as seen in the export-oriented industries which experienced a sharp contraction. Nonetheless, in general, so far Indonesia has only endured a relatively moderate impact from the global financial crisis (Thee 2012, 126).

Argentina, Indonesia, and Spain are all members of the G-20. Argentina and Indonesia are seen as developing countries from a global perspective based on their economic performance. In terms of the proportion of countries, the two countries share similar characteristics as the highest population countries compared to their neighbouring countries and also as leading countries in their region in terms of their Gross Domestic Product (GDP). The two countries also play a major role in the integration of their regional cooperation. Indonesia is one of the founding member countries of Association of Southeast Asian Nations (ASEAN). Argentina is a leading country of the Southern Cone Common Market (Mercosur) and the Latin American Integration Association (LAIA). Furthermore, both countries have a long history under the period of colonialism by the Spanish empire, with the difference only being in the presence of Spain in Argentina longer than in Indonesia. Hence, the influence of its presence felt by Indonesia is far lighter compared to Argentina, particularly in the economic field.

Over the last few decades, we have seen an increase in academic writing around the topic of international economic cooperation. International economic cooperation takes various forms. One of them is international trade which also commonly called foreign trade (Hirschman 1980; Goldstein and Khan 1985; Helpman 1999). David Ricardo as a prominent figure on the topic of international trade provides a basic understanding of how to approach the term. Ricardo saw trade between nations as a cornerstone of economic relations between countries. Free trade is further aimed at being able to unite the nations of the world as a single interest and interaction (Ricardo 1821, 4).

Koesnadi Kartasasmita also argued about the importance of international cooperation, according to him “international cooperation in the international community is a must, due to interdependence relations and the increasing complexity of human life in the international community” (Kartasasmita 1987, 20). In line with that, Panglaykim explained that international trade is an important aspect of carrying out international economic cooperation where according to him the activities of international economic cooperation itself include all economic activities carried out between countries and individuals from one

country to other countries. These economic activities entail two important aspects, namely trade and investment (Panglaykim 1984, 1).

METHODS

The objective of this essay is to examine and compare the bilateral relations maintained between Spain and Argentina compared to Spain and Indonesia in the field of economic cooperation mainly, but not limited to, the trade and investment sectors within the period of 2008-2017. This way, it will showcase the trends in the past decade after the financial crisis in 2008. The analysis of the essay will be carried out and elaborated in two ways by using quantitative methods of descriptive statistical analysis and Strength, Weakness, Opportunities, and Threat Analysis (SWOT) analysis. This analysis uses analysis of research data and statistical calculations. The quantitative method of descriptive statistical analysis is done by using various techniques to collect information such as conducting literature studies on various written sources as well as statistical analysis and reports from related agencies in the economic sector.

The SWOT analysis allows a unique comparative lens to identify similarities and differences in terms of the main dynamics at play in the bilateral relations between Argentina and Spain as well as between Indonesia and Spain. This essay will identify strengths and weaknesses, along with opportunities and threats to their bilateral economic relationship. The SWOT framework offers a more systematic and analytical examination to measure past conditions and future potential of a cooperative relationship between countries, including in the economic field. Furthermore, the results of the SWOT analysis will be used to determine future strategies to overcome weaknesses and threats by taking advantage of strengths and opportunities (Gasparini 2010, 1; Sergunin and Konyshov 2016, 2)

The essay begins by providing a general overview of the country profiles of Argentina and Indonesia which encompasses their Gross Domestic Product (GDP), total population, and unemployment rates as well as their economic relations with Spain. It then compares trade and investment volumes after the latest financial crisis. In comparing the development of economic cooperation that

has been established between Spain and Argentina to Spain and Indonesia, it will closely look at the trend panel that covers from 2008-2017.

RESULT AND DISCUSSION

Argentina's Profile

Argentina is one of the highest countries in terms of Gross Domestic Product (GDP) per capita in Latin America. It ranks in the top three just after Chile and Uruguay, followed by Brazil and Colombia.

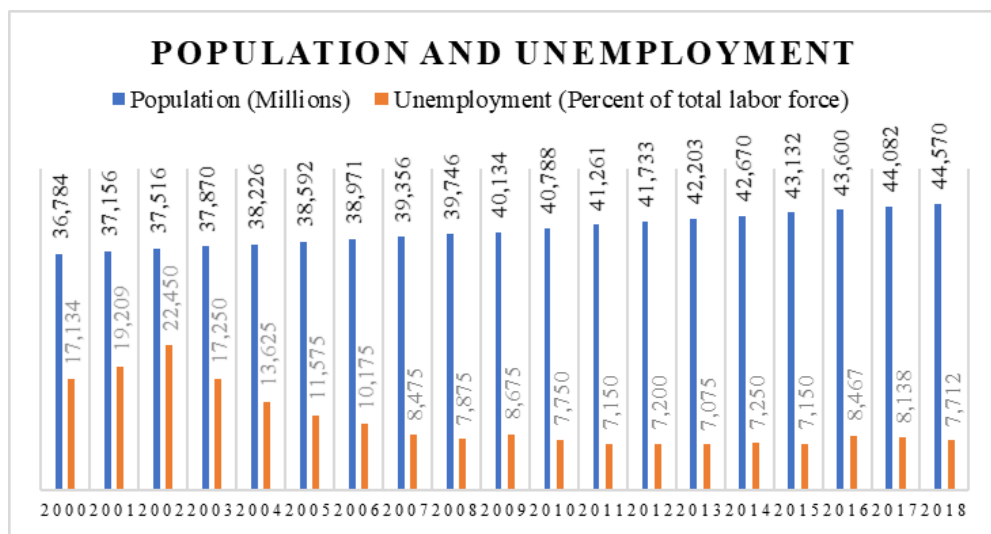


Figure 1. Argentina's GDP

Source: Imf.org, 2018

In the last sixteen years, there has been a significant increase in Argentina's GDP from US\$ 108.731 billion to US\$ 363.545 billion in 2002-2008 and a slight decrease in 2009 from US\$ 334.633 billion to US\$ 611.471 billion in 2013. It has been fluctuating from 2013 to 2018 and peaked at US\$ 639.224 billion in 2018. In general, since 2002, Argentina's GDP has been growing steadily (see Figure 1.)

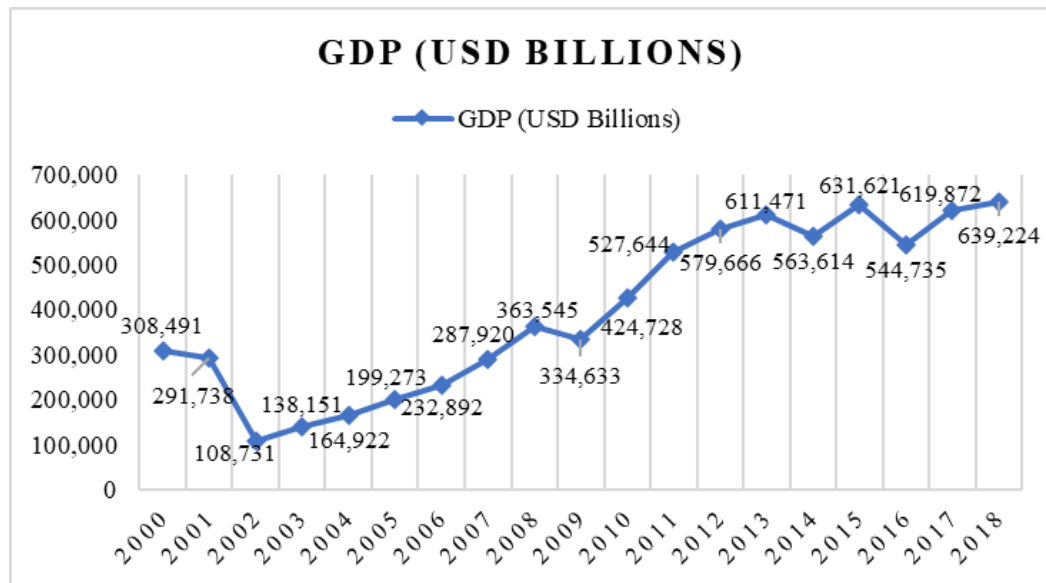


Figure 2. Argentina's Total Population and Unemployment Rate
 Source: Imf.org, 2018

In accordance with the increase in the number of its GDP, the total population in Argentina also gradually increased and reached 44.5 million people in 2018. As for the amount of unemployment, it continuously decreases, apart from 2015-2017 it slightly increased, but then fell back to seven percent in 2018 (see Figure 2.).

Spain-Argentina Bilateral Relations

Diplomatic relations between Spain and Argentina were established long before the independence of Argentina as an independent country in Latin America. Both countries maintain a good relationship by establishing several numbers of their representatives in both countries. Argentina has an embassy in Madrid and consulates-general in Barcelona and Vigo, and consulates in Cadiz, Palma, and Santa Cruz de Tenerife. Whereas Spain has an embassy in Buenos Aires and consulates-general in Bahia Blanca, Cordoba, Mendoza, and Rosario. Since 1947, both countries have signed many bilateral agreements in the area of economy, politics, security, education, socio-culture, and tourism (Pais, 2019).

Spain and Argentina maintain intense bilateral relations, marked by the flow of historical migration and Spanish investment. Spain's commercial offer is highly valued by Argentina but faces the problem of Argentine protectionist barriers. The entry of the new Mauricio Macri government opened a new chapter in the interim relationship, the signs of closeness and willingness to deepen them

have been extraordinary, as evidenced by the resumption of bilateral visits at the highest level (Macri to Spain in February 2017, Mariano Rajoy to Argentina in April 2018) and at the ministerial level, very intense in 2017 and 2018. This ended the period - with the previous administration - where economic relations deteriorated, both due to various activity restrictions such as, above all, the YPF oil firm nationalisation in April 2012 from Spain's Repsol, followed by the rejection of Double Tax Agreement between Argentina and Spain (has been renegotiated and entered into force), which means cooling bilateral relations. Even with the historical burden in the minds of Spanish businesses, a new interest in the opportunities offered by this market is expected (Relaciones Bilaterales Argentina 2018).

Trade and Investment

In 2008, trade between Argentina and Spain reached its highest peak with a trade turnover of US\$ 4.5 billion. However, this did not last long because the value of mutual turnover between the two countries continued to decline to reach US\$ 3.2 billion in 2017 with a surplus always in favour of Argentina (see Figure 3.).

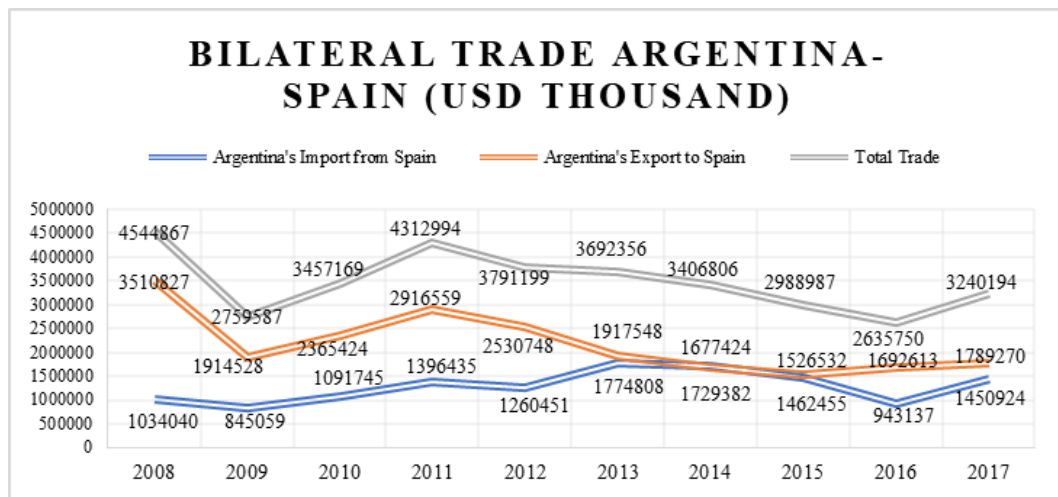


Figure 3. Bilateral Trade Argentina-Spain (in USD Thousand)

Source: trademap.org, 2019

Argentina's main exports to Spain include animal-based products, frozen fish, crustaceans and sea shells, copper, and organic chemicals. Based on figure 4, it is clear that food industry waste, animal fodder occupies the first position as Argentina's main export commodity, followed by vehicles and cereals. Whereas

fish occupies the 8th position out of 10 of Argentina's main export commodities to its trading partner.

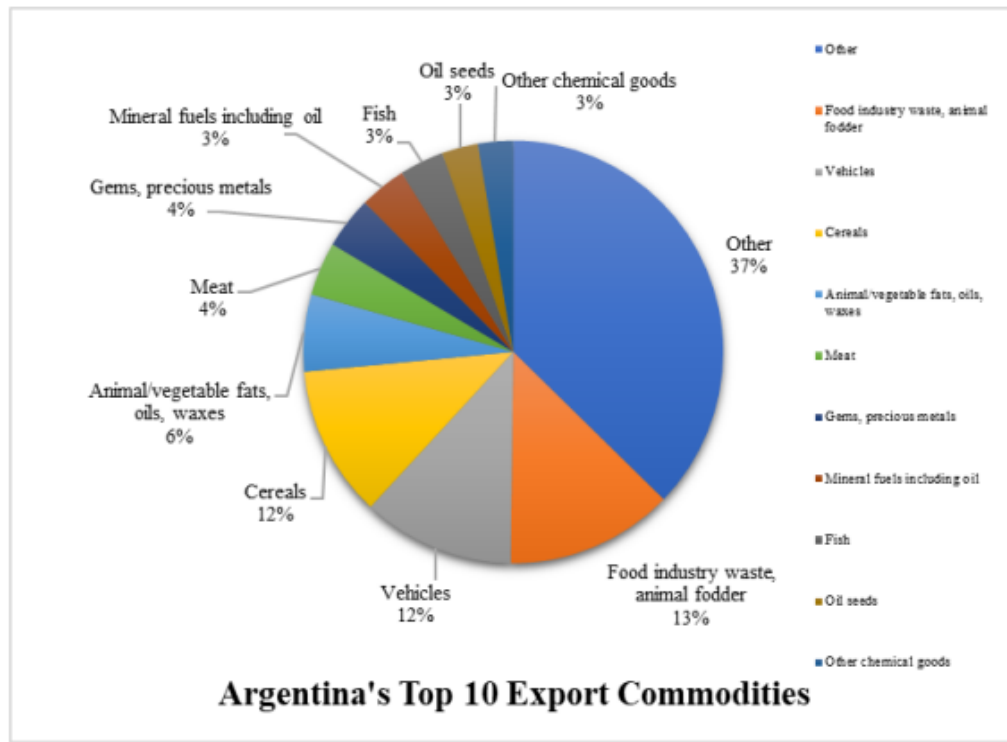


Figure 4. Argentina's top ten export commodities

Source: trademap.org, 2019

On the other hand, Spanish exports to Argentina include automobile components and equipment, electrical materials, and chemical drugs. In Argentina, Spanish multinational companies operate such as Banco Bilbao Vizcaya Argentaria, Banco Santander, Mapfre, Telefónica, and Zara (Relaciones Bilaterales Argentina 2018).

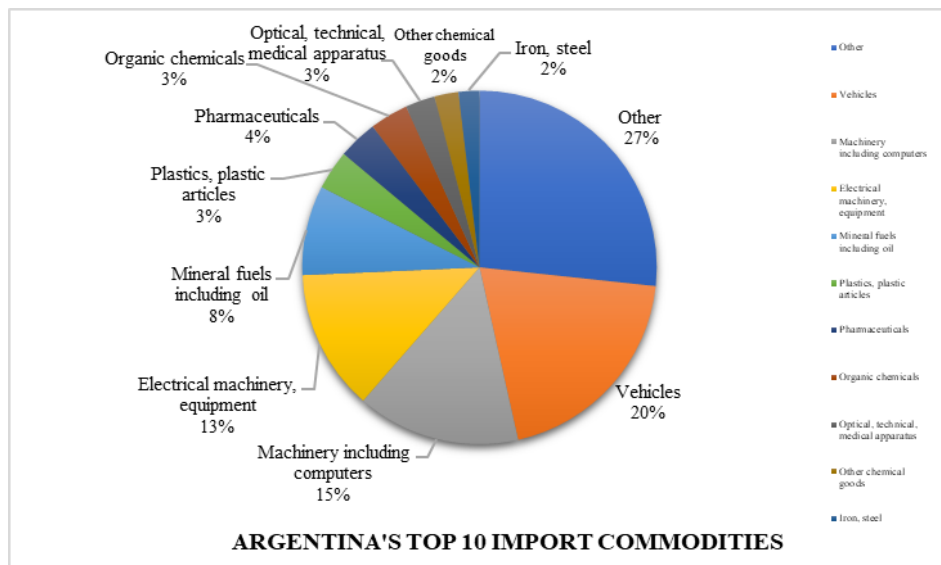


Figure 5. Argentina's top ten import commodities
 Source: trademap.org, 2019

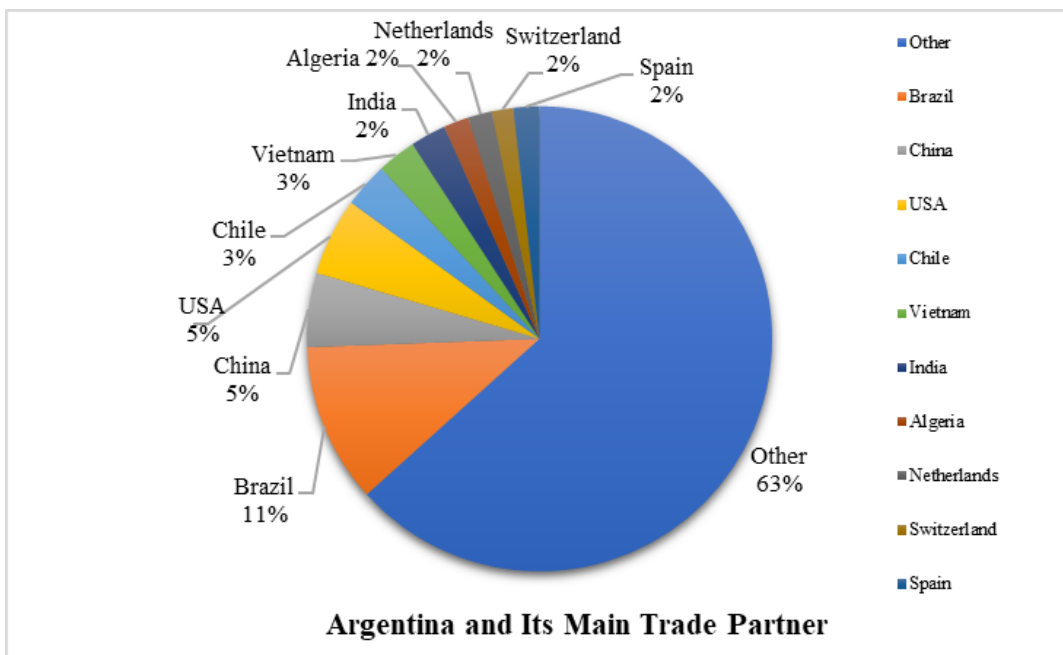


Figure 6. Argentina and its main trade partner
 Source: trademap.org, 2019

Accordingly, Spain is also included in the ten countries of Argentina's main trade partners along with Brazil, China, USA, Chile, Vietnam, India, Algeria, Netherlands, and Switzerland (see Figure 6.). On the other hand, Argentina is Spain's 11th trading partner after China. In figure 7, it appears that the European

Union countries remain the main trading partners of Spain where the first rank is occupied by France, Germany, and followed by Italy.

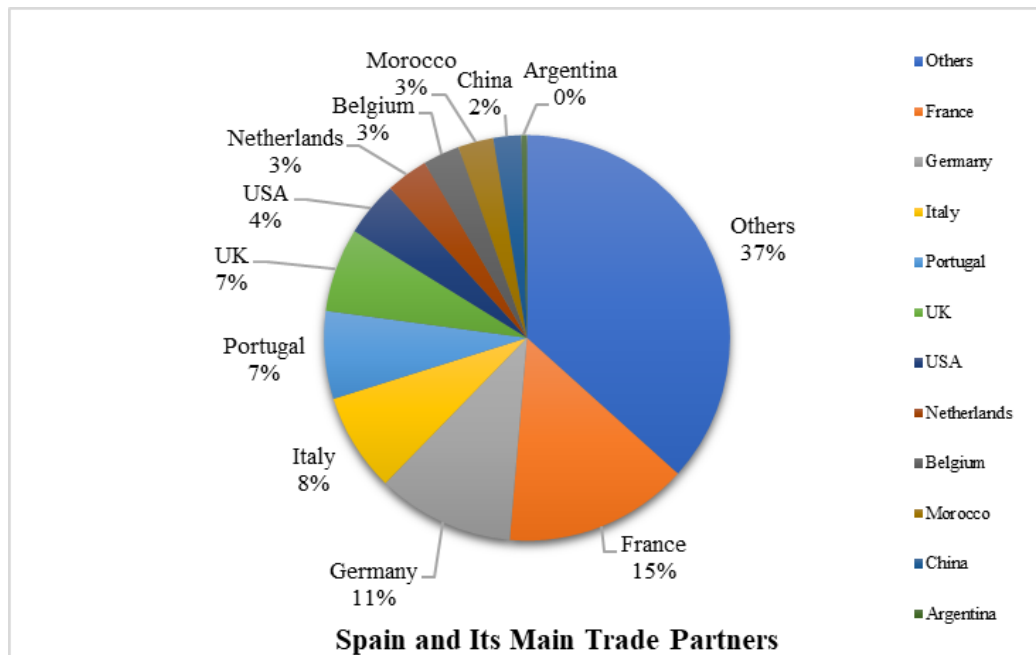


Figure 7. Spain and its main trade partners
Source: trademap.org, 2019

In the last decade, Spain has consolidated its position as a major European investor in Latin America, especially in Brazil, Mexico, Argentina, and Chile accounting for around 32,82%, 20,58%, 22,44%, and 10,11 % respectively of the total investment in Latin America in 2012. Spanish investment is mostly channelled into services such as energy, telecommunications, infrastructure, banking, and oil and gas extraction (Martinez and Jareno 2014, 132).

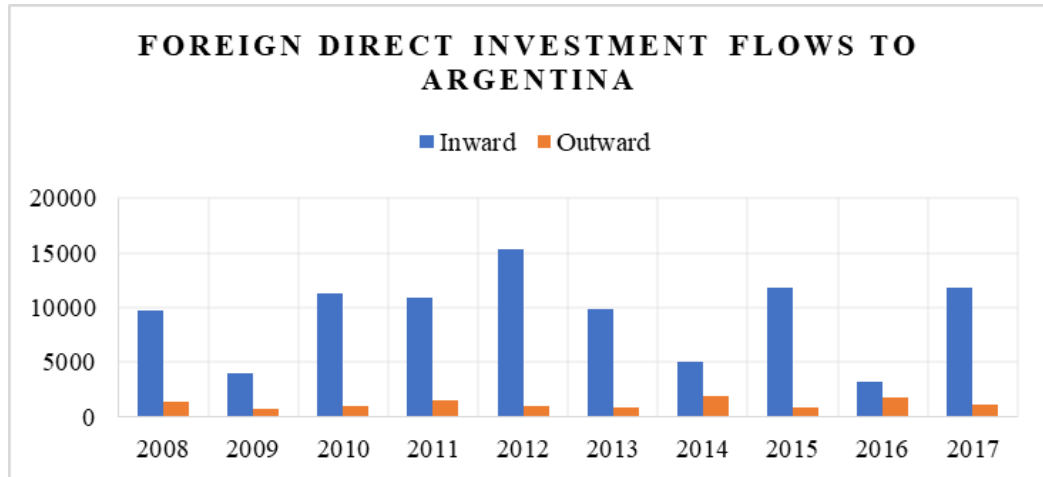


Figure 8. Inward and Outward FDI to Argentina (2008-2017 in USD Million*)

* US Dollars at current prices in millions

**FDI Stock

Source: <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx>

In 2009, Spain became the first largest investor in Argentina followed by the USA, the Netherlands, Brazil, and Chile, accounting for around 28%, 17%, 9%, 5%, and 5% respectively (Ministry of Foreign Affairs, International Trade and Worship, 2010). As shown in figure 8 and 9, we can compare the total amount of investment coming to Argentina (inward) was always higher compared to Argentina’s investment to other countries (outward).

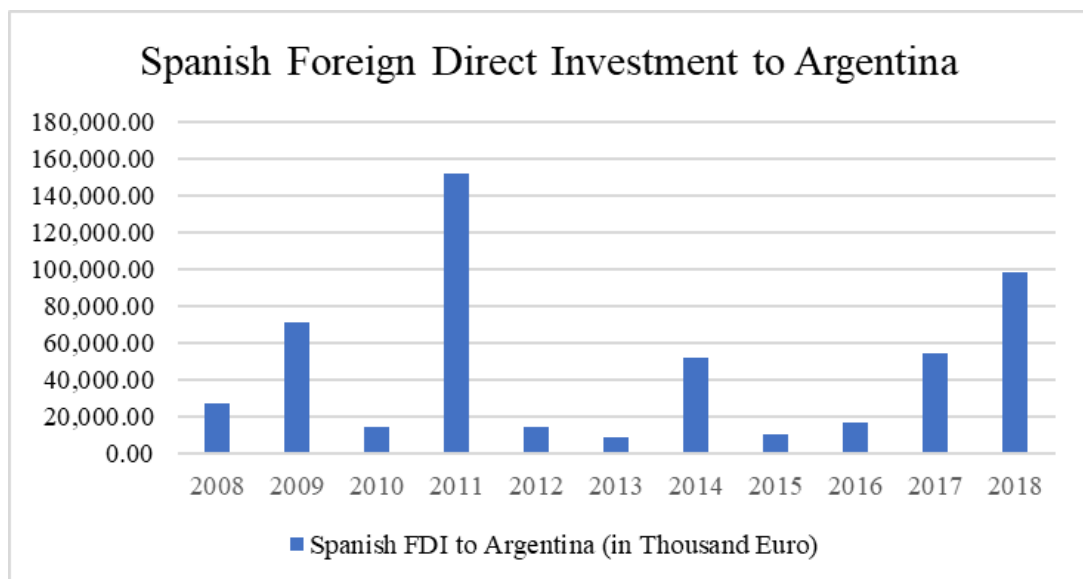


Figure 9. Spanish FDI to Argentina (in Euro Thousand)

Source: datainvex.comercio.es

As for the total amount of Spanish investment in Argentina, the highest value was in 2011 which reached 170.7 USD million of the total 10.8 USD billion. However, since 2012 the amount of investment has decreased significantly and continued for the next three years before finally increasing again in 2015. Spanish companies that mostly invested in Argentina belong to energy, banking, insurance, and telecommunications (Curci and Cardoza 2009, 29–46).

Indonesia's Profile

Indonesia is the third largest democracy in the world, with a population of 265 million people, and the fifteenth economy, which according to analysts will become the fifth by 2030. Indonesia is among the highest countries regarding its economic performance. Based on the graphs, we can clearly see that its GDP has increased significantly since 2000 and reached 1.022 trillion USD in 2018, despite a decline from 2011 to 2014 (see Figure 10.).

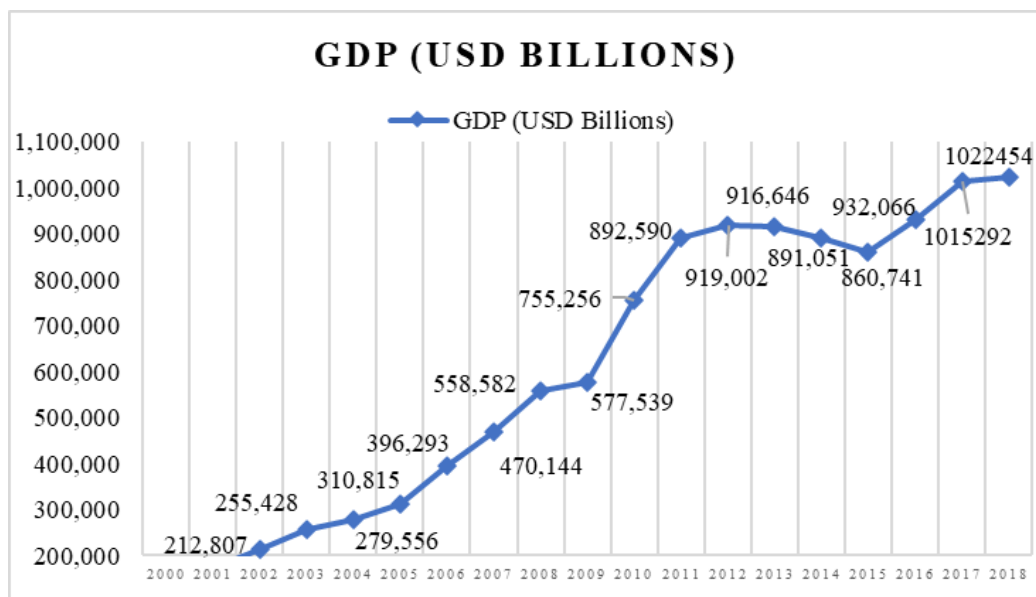


Figure 10. Indonesia's GDP
Source: Imf.org

In line with the size of GDP, starting from 2000 the population also gradually increased and reached 264 million people in 2018. Meanwhile, the total number of unemployed for the last thirteen years continued to decline to 5.3 percent in the same year (see Figure 11.).

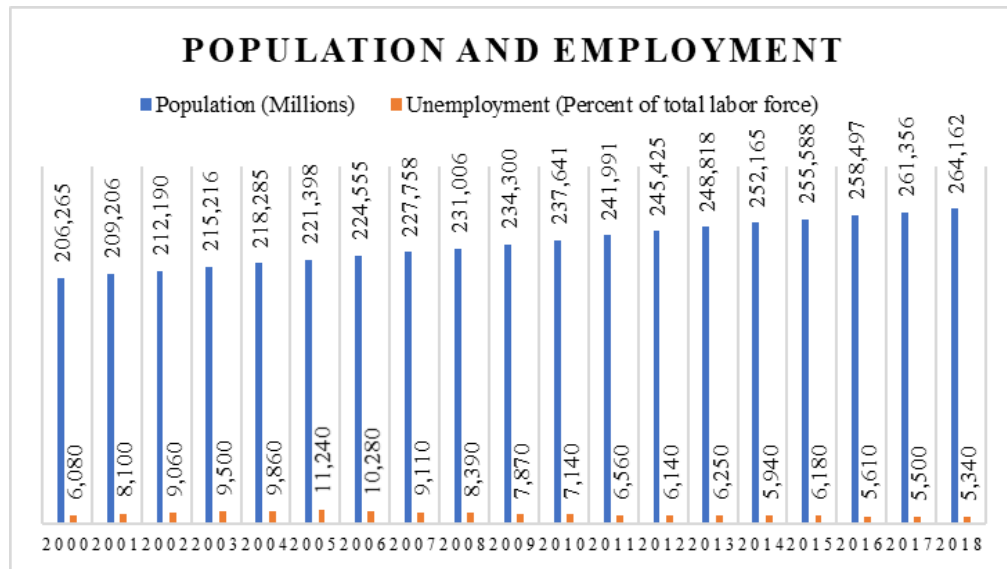


Figure 11. Indonesia’s Total Population and Unemployment Rate
 Source: Imf.org

Spain – Indonesia Bilateral Relations

Spain has always been one of Indonesia’s strategic partners. The relations between both countries have long been established before the nation-state era was present. Back in the Spanish empire, initial contact with the early kingdoms of the eastern Indonesian archipelago was carried out in the sixteenth century, although mainly the British, Dutch, and Portuguese who carried out their colonial rules in the Indonesian archipelago. The first contact occurred during the exploration period when King Charles I of Spain sent Ferdinand Magellan to find a western route to reach the spice islands. Moreover, during this period, Spain fought with Portuguese domination in the eastern islands of Indonesia and briefly ruled North Sulawesi and Tidore in Maluku, before being pushed north to the Philippines archipelago by the Dutch East India Company in 1663. Consequently, unlike its Portuguese and Dutch colleagues, the Spanish influence in Indonesia was short and minimum as they alternatively settled in the Philippines (Ramerini 2019).

The diplomatic relations officially began sixty years ago in 1958, followed by the establishment of embassies in both capital cities. Indonesia has an embassy in Madrid and consulates in Barcelona and Palamas while Spain has an embassy in Jakarta and a consulate in Denpasar, Bali. At present, the cooperation has expanded to various fields, from trade, culture, education and defence technology

sector. Moreover, Indonesia is identified by Spain as its natural partner and has called Indonesia one of the priority countries in its foreign relations with the Asian region (Ministry of Foreign Affairs of the Republic of Indonesia 2011).

Trade and Investment

The economic and commercial relations with Spain are very dynamic, although, there is still great potential for improvement particularly in their cooperation in trade and investment. Based on the graph below, the total value of mutual turnover between the two countries reached US\$1.91 billion in 2008, US\$2.08 billion in 2009, and US\$2.63 billion in 2010. The trade balance was largely in favour of Indonesia, with surpluses from 2005-2010, even in 2009, Indonesia recorded a surplus of US\$1.57 billion and a surplus of US\$2.01 billion in 2010 (see Figure 12.).



Figure 12. Bilateral Trade Indonesia-Spain (in USD Thousand)

Source: trademap.org, 2019.

Although Indonesia is not included as Spain’s main trading partner, as we can observe from the chart below, on the contrary, the EU is in the fourth position as Indonesia’s main trading partner. Accordingly, Spain is actually ranked fourteenth place among Indonesia’s export partners that buys coal, copper, palm oil, natural rubber, and electronics.



Figure 13. Indonesia and its main trade partner
 Source: trademap.org, 2019

Figure 14 also illustrates that rubber is included in the top 10 Indonesian export commodities, with mineral fuels including oil in the first position followed by animal/vegetable fats, oils, waxes, electrical machinery, equipment, and vehicles. This shows that at least two of the commodities imported by Spain are Indonesia’s main export commodities.

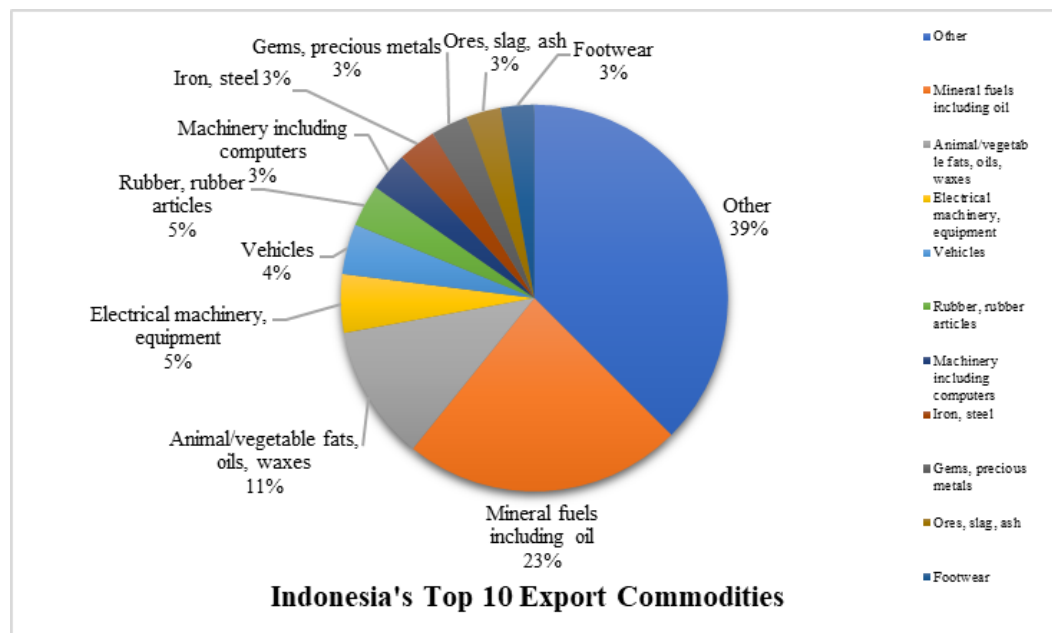


Figure 14. Indonesia’s top ten export commodities
 Source: trademap.org, 2019

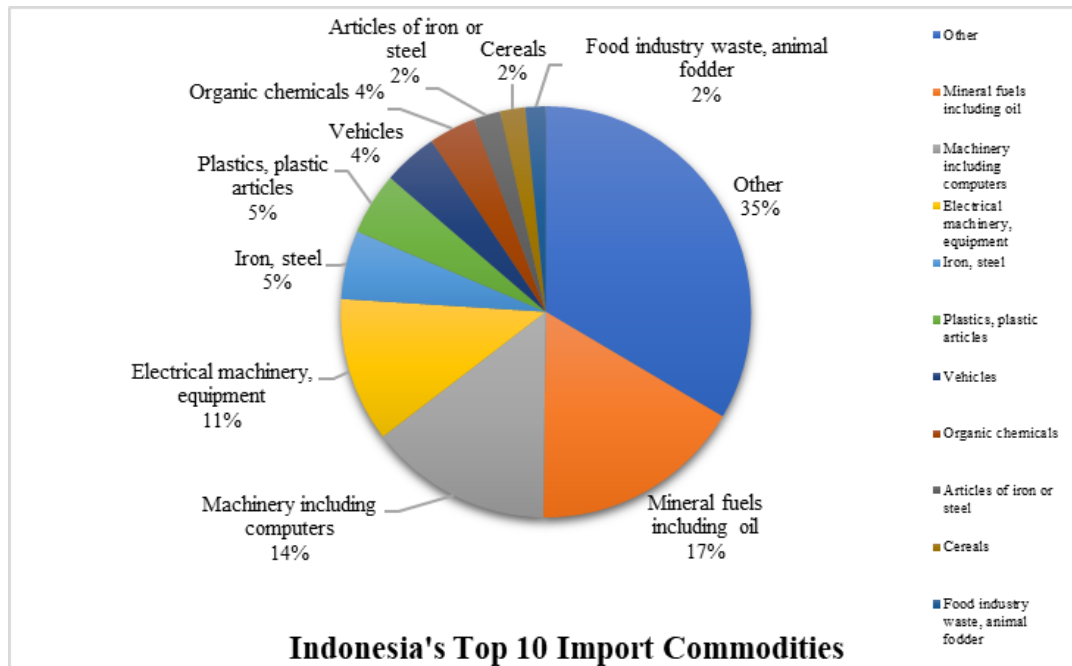


Figure 15. Indonesia's top ten import commodities
 Source: trademap.org, 2019

On the other hand, overall, Figure 15 illustrates mineral fuels including oil being the main import commodity from Spain, followed by machinery including computers and electrical machinery equipment. Spain also sells airplanes, aluminium, cigarette paper, and medicines to Indonesia. Besides that, the Spanish Inditex group as a well-known clothing retailer companies, such as Zara, Stradivarius, Pull and Bear, Bershka, and Mango, are also relatively easy to find in most major cities in Indonesia.

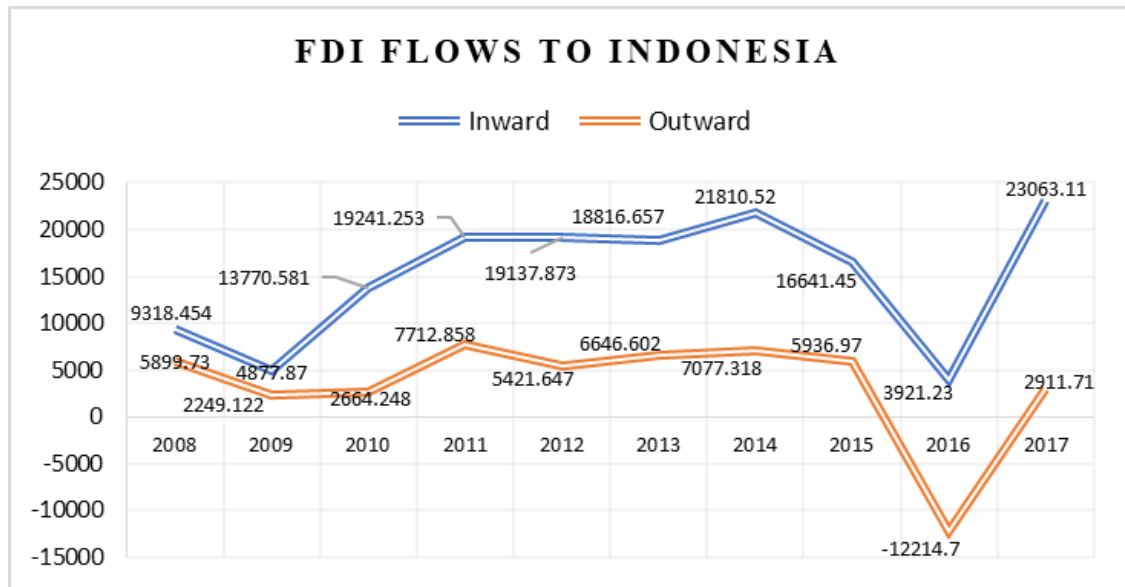


Figure 16. Inward and Outward FDI to Indonesia (2008-2017 in USD Million*)

* US Dollars at current prices in millions
 **FDI Stock

Source: <http://unctadstat.unctad.org/wds/TableView/tableView.aspx>

As shown in figure 16, similarly to Argentina, we can also see that the total amount of investment entering Indonesia (inward) is always higher than Indonesia’s investment to other countries (outward). This shows that Indonesia still needs more investment coming into the country in various sectors.

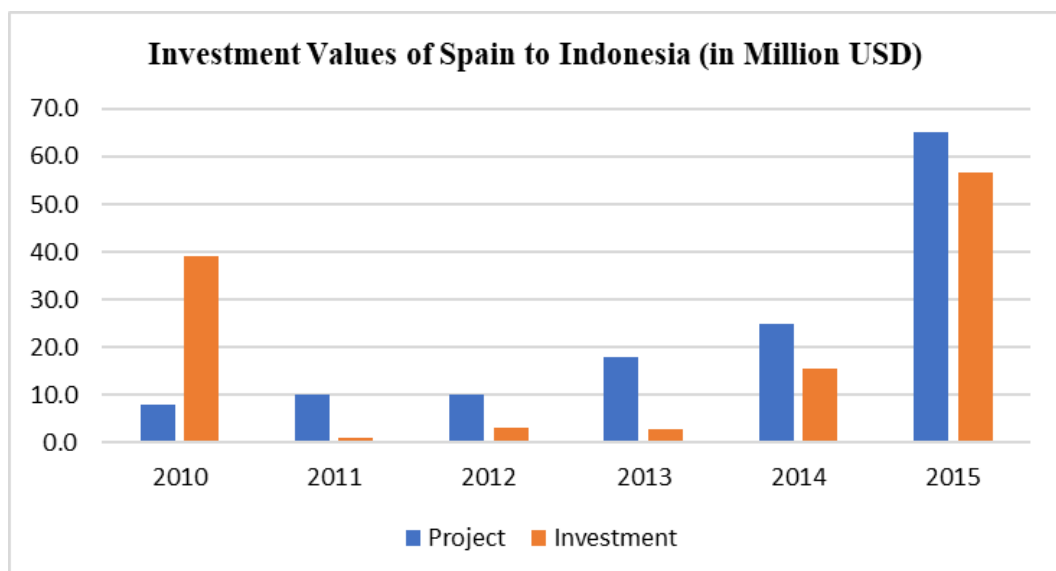


Figure 17. Total project and investment from Spain to Indonesia

Source: Bkpm, 2017.

In terms of Spain’s investment in Indonesia, it is considered that it has not yet reached its true potential because there are still many opportunities to continue to grow. Within a period of six years (2010-2015), Spanish investment in Indonesia has only reached US\$118.6 million in 136 projects, mainly in the construction, chemical and pharmaceutical, transportation, logistics, storage, and communications sectors, most of which are located in Java and Bali (Antara News 2011).

Strength, Weakness, Opportunity, and Threat Analysis

In this section, this paper will present a strength, weakness, opportunity, and threat (SWOT) analysis related to the relationship between Argentina-Spain and Indonesia-Spain both in trade and investment relations. Thus, it can be seen clearly what are the advantages, weaknesses, opportunities, and threats of the economic bilateral relationship.

Table 1: SWOT Analysis

Strength	Weakness
<p>Argentina-Spain Both Spain and Argentina are members of the G-20 and the Organisation of Ibero-American States. The diplomatic relationship has been long-established since Argentina’s independence day from Spain. Argentina is considered the main trade partner of Spain as it is ranked the 11th trade partner of Spain.</p> <p>Indonesia-Spain Both Indonesia and Spain are members of the G-20. In 2018, it counts as sixty years of good diplomatic relations with an intensive state visit. In addition to that, positive progress was also made in political, economic, educational, cultural, and defence cooperation throughout this time. So far, the balance of trade is mostly in favour of Indonesia.</p>	<p>Argentina-Spain As for the weakness, Argentina is still having to face the trade barrier with Spain as their trade partner. Moreover, distance also becomes one of the inherent obstacles to trade activities. The high cost is still being imposed on both countries.</p> <p>Argentine protectionist barriers, as well as, worsened economic relations because of the numerous restrictions such as the nationalisation of YPF in April 2012, followed by the denunciation of the Double Taxation Agreement between Argentina and Spain.</p> <p>Furthermore, there are some limitations in trade with Latin America, especially instability in economic policy and legal uncertainty for foreign investment. Exchange rate</p>

<p>Argentina and Indonesia almost have similar characteristics in terms of their relations with Spain. However, in terms of their economic performance, these two countries are having a huge gap in their GDP level. Indonesia is one step forward in its economic development compared to Argentina. As for trade with Spain, Indonesia and Argentina both have a surplus for their trade with Spain. However, in terms of investment, the Spanish investment in Argentina is bigger compared to Indonesia.</p>	<p>volatility, infrastructure problems, and the need to have local partners are other factors that influence economic relations between Spain and its partners in the region.</p> <p>Indonesia-Spain Likewise, Indonesia also suffers from the high cost and trade barrier with Spain as its trade partner. The distance between countries is relatively far away. The trade and investment volume of both countries is also considered relatively small. In addition to that, language and cultural differences are seen as one of the obstacles of the economic relations between Indonesia and Spain particularly for Indonesian exporters in trade sectors compared to Argentina and Spain who both speak Spanish. Furthermore, based on the aforementioned discussion, it portrays that Spain really maintains its economic relations with its neighbouring countries by relying mostly on the European Union Countries. France, Germany, Italy, Portugal, the United Kingdom, the Netherlands, and Belgium are still the main and major trade partners of Spain.</p>
<p>Opportunities</p>	<p>Threat</p>
<p>Argentina-Spain In April 2018, after having an official visit from the Spanish Prime Minister for the first time in eleven years, both Argentina and Spain tried to normalise their bilateral relations, especially in their trade deal and investment sector as Spain is Argentina's second-largest investor (Blázquez and Sebastián 2004). It was seen as a good opportunity for both parties to strengthen their bilateral economic</p>	<p>Argentina-Spain The economic crisis in Argentina back in 2002 was seen as a threat as it affected the economic growth of Spain in terms of its GDP would have risen by around 0.8%. It proves the interdependence of both countries in the economic sphere (Macri 2018).</p> <p>Indonesia-Spain Overall, Indonesia and Spain have no threat in terms of their bilateral</p>

<p>relations.</p> <p>Indonesia-Spain</p> <p>There are still many opportunities for both Indonesia and Spain in terms of their economic relations in trade and investment. It can be seen from the number of investments coming in from Spain that this continues to increase, this is also expected to open up opportunities for an increase in the number of projects that can be realised.</p>	<p>relations. In terms of the security and defence sector, terrorism is the only issue that may occur in which Spain and Indonesia already have a military-engagement programme for their military pact (Parameswaran 2018).</p>
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Reflecting on the aforementioned finding, several strategies that can be implemented by Argentina and Indonesia regarding their bilateral cooperation with Spain, particularly in the field of trade and investment are as follows:

1. Trade

Apart from both Argentina and Indonesia which continue to experience a surplus in their bilateral trade with Spain, their trade turnover is considered relatively small. To overcome this, firstly, this can be done through market penetration (Hutabarat 2017, 96). Penetration into Spain requires cooperation with local business partners in the target market. Technically, local business partners certainly have more control over the strategy, have resources, and are supported by a better, more spread out and efficient distribution network to facilitate consumer access to products from Argentina and Indonesia. Argentina can also maximise its advantages of speaking the same language and try to find local partners in Spain. Through collaboration with local partners, marketing strategies and distribution networks can be built. Thus, local consumers can easily access and obtain these products at more affordable prices. This in turn will increase the competitiveness of a product in the market.

Secondly, to outweigh the high costs and trade barriers, trade agreements can be seen as a way to overcome trade barriers (Hutabarat 2017, 19). To date, Indonesia is still working to accelerate the completion of the Indonesia-Europe Union Comprehensive Economic Partnership Agreement (I-EU CEPA)

negotiations which have been running for more than seven years and will enter the 12th round in October 2022. Spain as a member country of the European Union, which applies the Common Commercial Policy, requires Spain, in making trade cooperation agreements with its partner countries, including Indonesia, must go through the EU (European Union 2022). Similarly, in 2019, as part of a bi-regional Association Agreement, the EU and the four founding members of Mercosur (Argentina, Brazil, Paraguay, and Uruguay) concluded negotiations for a trade agreement. However, until now, the agreement has not yet entered into force because it requires the completion of the ratification process by both parties (Malamud 2022).

Thirdly, some efforts can still be made to increase promotion such as by opening promotion centres, carrying out trade missions, participating in exhibitions, and carrying out positive campaigns for Indonesian and Argentine products. Additionally, Argentina and Indonesia also need to continue to intensify trade promotion in Spain as their strategic partner. This can be done through the implementation of various trade missions (Hutabarat 2017, 97).

In addition to the trade show exhibitions, the current digital era provides flexibility for promotions through various online media. At the same time, Indonesia can also take advantage of the advertising marketing strategy in Indonesian films which have started to receive attention on the international stage as a means of promoting Indonesian products. This could be used to overcome the language and cultural differences are seen as one of the obstacles of the economic relations between Indonesia and Spain particularly for Indonesian exporters in trade sectors compared to Argentina and Spain who both speak Spanish.

2. Investment

On the one hand, as previously mentioned, Spanish investment is mostly channelled into services such as energy, telecommunications, infrastructure, banking, and oil and gas extraction. Argentina has also set energy and infrastructure as its investment priority sectors (United States Government 2021). Likewise, one of Indonesia's investment priority sectors based on the 2015-2019 Investment Strategic Plan is infrastructure (BKPM 2017). It means Argentina and

Indonesia can prioritise encouraging investment inflows from Spain in these priority investment sectors.

On the other hand, Argentina and Indonesia must improve the investment climate in their respective countries to be able to attract investors from Spain to invest in various projects including infrastructure development. Furthermore, other efforts that can also be taken into consideration are to increase investment promotion by collaborating with state representatives in Spain (embassies and consulates general) and other related investment promotion centre institutions.

CONCLUSION

Economic bilateral relations between Indonesia and Spain are still less dynamic compared to the economic bilateral relations established between Argentina and Spain. The trade turnover between Argentina and Spain is still much higher compared to Indonesia and Spain with its peak reaching US\$ 4.5 Billion in 2008 whereas the trade turnover between Indonesia and Spain only reached US\$ 1.9 Billion. In 2017, the trade turnover between Indonesia and Spain only reached US\$ 2.5 Billion compared to Argentina and Spain's US\$3.2 Billion in the same year. Argentina is seen as the main trade partner for Spain whereas Indonesia is only seen as a strategic partner in trade. Both Argentina and Indonesia share similarities in their main export commodities such as mineral fuels including oil, animal/vegetable fats, oils, waxes, vehicles and gems, and precious metals. As for the main import commodities, both are having similarities in commodities such as mineral fuels including oil, machinery including computers, electrical machinery, equipment, plastics, plastic articles, vehicles, and organic chemicals. The strategies that can be carried out by Argentina and Indonesia in increasing trade turnover with their trading partner Spain include market penetration, trade agreements, and increased trade promotion. In terms of investment, Spain is the biggest investor in Argentina whereas in Indonesia the amount of investment coming from Spain is still very small. As for increasing the amount of incoming foreign investment to Indonesia and Argentina from Spain, the strategies that can be taken into consideration are improving the investment climate and increasing investment promotion.

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