



Rebalancing Power through Trade: Tariffs and Strategic Competition in an Era of Economic Slowdown

Dyah Roro Esti Widya Putri

Vice Minister of Trade of the Republic of Indonesia

Special Remarks

International trade is increasingly shaped by tariffs, export controls, sanctions, and strategic competition, transforming trade from a mechanism of market access into an instrument closely linked to national security, technological leadership, industrial policy, and geopolitical influence. As supply chains are reconfigured and investment decisions become more complex, Indonesia maintains that trade should remain a bridge rather than a battlefield, promoting stability, prosperity, and international cooperation amid growing global fragmentation.

Indonesia's response combines strategic flexibility, diversified partnerships, and open economic engagement. ASEAN centrality remains the foundation of regional integration, while Indonesia strengthens South–South cooperation through BRICS and continues active engagement with the OECD, G20, APEC, and the World Trade Organization. At the domestic level, competitiveness is reinforced through industrial upgrading, downstream value addition, digital transformation, and resilient supply chains to reduce excessive dependence on any single market, technology, or supply chain while preserving Indonesia's role as an open and trusted trading partner.

The presentation emphasised that multilateral economic institutions remain essential but require reform to reflect contemporary realities. Indonesia therefore supports strengthening the WTO dispute settlement system, updating trade rules for the digital economy, improving IMF governance, and expanding the World Bank's capacity to support infrastructure, climate transition, food security, and human capital development. Reform was presented as fundamental to maintaining institutional legitimacy, trust, and effective multilateral cooperation.

Growing reliance on tariffs, sanctions, export controls, and investment restrictions has increased uncertainty for economies integrated into global value chains. Indonesia

Corresponding Author:
Dyah Roro Esti Widya Putri

This article, authored by Dyah Roro Esti Widya Putri, is published under the terms of the [Creative Commons Attribution-ShareAlike 4.0 International Licence](#), which permits unrestricted use, distribution, and reproduction in any medium, provided that proper credit is given to the original author(s), the title of the work, the journal citation, and the corresponding DOI. The selection and peer-review of this article were conducted under the responsibility of the JGF Conference Committee.



Published by Lemhannas Press.

therefore builds resilience by diversifying export markets and investment partners, expanding market access through trade agreements, and investing in advanced technologies, digital infrastructure, green industries, and human capital. Supported by around twenty trade agreements covering more than sixty per cent of Indonesia's international trade, this strategy also promotes business cooperation, technology and knowledge transfer, stronger people-to-people relations, and the long-term vision of Golden Indonesia 2045.

Constructive engagement remains central to Indonesia's economic diplomacy. Indonesia's experience in responding to international trade investigations, including the Section 301 process, demonstrates the importance of evidence-based dialogue, bilateral consultation, and pragmatic negotiation. A pentahelix approach involving government, business, academia, civil society, and the media was presented as essential for strengthening policy coordination, negotiating capacity, and public understanding while reinforcing Indonesia's position in international trade negotiations.

The presentation concluded that the future of international trade will depend on tariffs, market access, and the level of trust among governments, businesses, and international institutions. Indonesia remains committed to strengthening an open, fair, predictable, and rules-based multilateral trading system through diversification, inclusive reform, and collaborative diplomacy.

Publication Note

This article presents an academic adaptation of the presentation delivered at the 10th Jakarta Geopolitical Forum (JGF X) 2026. Editorial revisions were limited to structure, language, and readability, while the speaker's original arguments, meaning, and policy recommendations remain unchanged.

References

1. Lembaga Ketahanan Nasional Republik Indonesia (Lemhannas RI). **Jakarta Geopolitical Forum X/2026: Strengthening Multilateralism: Survival Amid Global Turbulence and a Fragmented World** [video on the Internet]. Jakarta: Lemhannas RI; 2026 Jul 9 [cited 2026 Jul 17]. Available from: <https://www.youtube.com/watch?v=IbYayky-FmQ>