



Swot Analysis: Optimization Of Free Trade Zone KPPB Sabang As Shore Base Port

Adnan¹, Amiruddin²

^{1,2} Universitas Gajah Putih

Email Correspondence : adnangayoe@gmail.com

Abstract. Free trade practices are formed based on agreements, which are binding on the parties and must be implemented in good faith. KPBPB Sabang is an area within the jurisdiction of the Republic of Indonesia which is separate from the customs area so that it is free from import duties, value added tax, sales tax on luxury goods, and excise (fiscal and non-fiscal incentives). KPBPB Sabang has the potential to become a shore base port to support the oil and gas (oil and gas) industry off the coast of Aceh, and oil and gas exploration activities in the Andaman (Sea) Block. Through SWOT analysis, the Sabang area has great potential to become a connectivity hub because it has met the minimum requirements. However, the synergy between regulations, facilities and services at KPBPB Sabang still needs to be improved, both as a multi-purpose port and as a shore base port.

Keywords ; KPOP Sabang, fiscal - non-fiscal incentives, shore-base.

INTRODUCTION

Free trade is a mutual understanding of trade transactions carried out by eliminating all barriers, both in the form of tariffs and non-tariffs, carried out by countries in a region. History records that world free trade has been carried out by a number of countries, both before and after the Second World War. This awareness arose from all parties that what was being treated was trade liberalization, where the economic system with protectionism had a negative impact on world trade. This was sparked at the Havana Convention (1948), in the form of the formation of the International Trade Organization (ITO).).

The view on the importance of the formation of the ITO is because the United States and European countries (especially the British Commonwealth or common wealth) see the need for market expansion to other countries as a precondition for minimizing unemployment and increasing the economic growth of their respective countries. So that with free trade (geographical market expansion, from national markets to multinational markets) various barriers to exports and imports have been removed together. The ITO was formed based on a proposal submitted by the United Kingdom and the United States to the Economic and Social Council (ECOSOC) of the United Nations (UN) in a conference, The United Nations Conference on Trade and Employment, and then ratified as the Havana Charter .

The ITO charter was later merged into the General Agreement on Tariffs and Trade (GATT). GATT is an international institution whose main activities are related to free trade. Since April 1994, GATT has changed into a new organization, namely the World Trade Organization (WTO), which is also strengthened by the results of the Uruguay Round negotiations . Failure to ratify the existence of ITO, because:

1. As a member of Congress, the United States tends to maintain protectionism through a system of tariffs .
2. Others argue that the ITO charter has done little to enable US companies to penetrate the world market, mainly because there are too many out-puts and caveats to the accord .
3. There is a strong commitment, especially from European countries, to systematically eliminate trade barriers , especially those relating to the British imperial preference system .
4. There are concerns that ITO will intervene in the market and have negative consequences in the form of ITO hegemony.

Although Indonesia has not played a role in the global market (as a price maker), Indonesia's wealth, which is dimensional in comparative and competitive advantages, will certainly be a strength in order to stimulate the Indonesian economy and increase its role in free trade. The global market or international market has been an economic instrument of the Indonesian government in the flow of trade traffic since ancient times. Before the Suez Canal was opened in 1869, the Indonesian archipelago was reached through the Sunda Strait from the African Continent. However, after the Suez Canal was opened, the route to Indonesia became shorter, namely through the Malacca Strait. Because of the natural harbor with deep and well-protected waters, the Dutch East Indies government at that time decided to open Sabang as a dock.

Pulau Weh (Sabang) before World War II was the most important port in the Strait of Malacca, much more important than Temasek (now Singapore). Widely known as a natural port called Kolen Station which was operated by the Dutch colonial government since 1881. In 1883, the Sabang pier was opened for ships to dock by the Atjeh Association. Initially, the pier was used as a coal base for the Royal Dutch Navy, but later also included merchant ships to send export goods from northern Sumatra. In 1887, the

Delange Firm assisted by Sabang Haven obtained the authority to add, build facilities and supporting facilities for the pier. Furthermore, the free pier (port) in Sabang began in 1895, known as Vrij Haven and managed by Sabang Maatschaappij .

In 1985, the status of Sabang as a Free Trade Area and Free Port of Sabang was closed by the Indonesian Government through Law No. 10 of 1985, on the grounds of rampant smuggling and the simultaneous opening of Batam as a Free Trade Area and Free Port (KPBPB). However, in 1993, Sabang Port began to be considered again with the establishment of the Indonesia-Malaysia-Thailand Growth Triangle Regional Economic Cooperation (IMT-GT). Furthermore, in 1997, a Science and Technology Jamboree was held initiated by BPPT at Gapang Beach, Sabang, to review the development of Sabang Port. In 1998, Sabang City and Pulo Aceh District were made into an Integrated Economic Development Area (KAPET) which together with other KAPETs was inaugurated by President BJ Habibie with Presidential Decree No. 171 of 1998. In the next administration, precisely on January 22, 2000, President KH. Abdurrahman Wahid initiated the Sabang KPBPB (Presidential Instruction No. 2 of 2000), followed by the issuance of Government Regulation in Lieu of Law No. 2 of 2000 concerning the Sabang KPBPB. And culminating on December 21, 2000, with the issuance of Law No. 37 of 2000 concerning the Sabang KPBPB.

Sabang is one of 4 (four) KPBPB in Indonesia, besides Batam, Karimun and Bintan. Currently, as many as 75,000 ships pass through the Strait of Malacca every year, so it is considered appropriate for the Indonesian Government to declare Sabang as a KPBPB in order to gain benefits as a logistics center for foreign ships passing through Malacca. Infrastructure for the port, in the form of warehouses and facilities for refueling have been and are being developed.

However, several studies indicate that the 4 (four) KPBPB developed by the Indonesian government are still not optimal and face various obstacles. In addition to overlapping regulations that cause difficulties in attracting foreign investment to encourage industrialization to create new jobs. KPBPB Sabang has not accelerated relative to the Sabang economy.

Therefore, various breakthroughs are needed so that KPBPB Sabang truly becomes a world-class Free Trade Zone (FTZ) by creating a positive investment climate, supportive regulations, and strengthening the role of the central-regional government, BUMN/D and the business community. The FTZ concept has several main characteristics, namely: the area is built as a manufacturing industry center that aims to produce export-oriented goods. Second, as an industrial area that receives special incentives to attract foreign investment. Third, this area is exempt from customs duties, obtains more flexible business arrangements and other fiscal conveniences.

In line with efforts to make the Sabang Area an FTZ, Pulau Weh (Sabang) is the closest area to the Andaman Block. The Andaman Block is an archipelago stretching across the Bay of Bengal and located between western India and northern and eastern Myanmar. Most of the islands are administrative areas of the Andaman and Nicobar Islands of India. The Andaman Block has the largest oil and gas reserves in the world. The momentum of exploration and exploitation activities in the Andaman Block must certainly be utilized by the Sabang KPBPB with various integrated and well-connected port facilities. The Sabang area must become a shore base port (having facilities, warehouses, workshops, cranes, jetties, workers' quarters, and airstrips), especially in supporting upstream oil and gas logistics, developing sea freight transfer businesses (ship to ship) and developing as a tourism destination with the support of sea transportation.

KPBPB Sabang is part of the implementation of the shared vision agreement on maritime cooperation in the Indo-Pacific region signed by the President of the Republic of Indonesia, Ir. H. Joko Widodo, and the Prime Minister of India, HE Shri Narendra Modi on 29-30 May 2018. This agreement has 6 (six) areas of understanding between the 2 (two) countries, namely increasing cooperation and investment, promoting the development of disaster risk sources, fostering tourism and cultural exchange, promoting maritime safety and security, and strengthening academic, science and technology cooperation. In the area of understanding, Aceh and especially the Sabang area were chosen as the main location for the understanding, especially in the aspects of sea and air connectivity, support for trade activities, and development of infrastructure related to ports in and around the Sabang area. This is an opportunity for Aceh, especially KPBPB Sabang, to develop and optimize shore base ports .

Identification of the role of KPBPB Sabang, shows that port activities tend to be more unloading goods than loading goods because the production of goods in the Sabang Area only meets the internal needs of the region, and there are no export-oriented industries in the Sabang Area. As a result, the Sabang port currently only focuses on loading and unloading services, ship agency services, ship services, ship maintenance and repair services. Based on the conditions and descriptions above, it seems necessary to conduct a study on the Sabang KPBPB so that it can play a role as a shore base port and become the global trade silk road by establishing it as a free trade area or free trade zone (FTZ).

LITERATURE REVIEW

Free trade practices are formed based on agreements, which are binding on the parties and must be carried out in good faith, *pacta sunt servanda* or agreements must be kept. This is to avoid antinomy, where one side demands a free trade system, but on the other hand, is reluctant to implement it fully (which has the potential to create compromise negotiations). Free trade will run well if it is oriented towards; efficiency, transparency, balance of payment, full employment. The definition of free trade refers to Black's Law Dictionary, namely: the open and unrestricted import and export of goods without barriers, such as quotas or tariffs, other than those charged only as a revenue source, as opposed to those designed to protect domestic businesses.

One of the concrete steps that has been taken by the Indonesian Government regarding the understanding of the free trade mechanism is by issuing regulations or rules regarding the implementation of KPBPB. Based on Article 1 paragraph (1), PP No. 41 of 2021, this KPBPB is an area within the jurisdiction of the Unitary State of the Republic of Indonesia which is separate from the customs area so that it is free from import duties, value added tax, sales tax on luxury goods, and excise, in order to accelerate national development goals. This PP regulates the entry and exit of goods to and from KPBPB, which is required to be carried out at the designated port. The port referred to in this case is a port that has obtained permission from the minister who organizes government affairs in the transportation sector and has been designated as a Customs Area.

Furthermore, based on Article 31 paragraph (1) of this PP, the entry and exit of goods to and from the KPBPB can only be carried out by entrepreneurs who have obtained

a business license from the business entity. The business license referred to is further stated in Article 31 paragraph (2), namely: entry of consumer goods for the needs of the population or entry and/or exit of goods, other than consumer goods for the needs of the population. In addition, it is also stated in Article 31 paragraph (3), that goods entered into the KPBPB are only those related to its business activities. Furthermore, there are provisions for sanctions that are regulated in more depth if goods entered from outside the customs area do not meet the provisions, then the applicable sanctions are: re-exported, donated or destroyed.

The Sabang Free Trade and Free Port Area (KPBPB) also has the potential to become a shore base to support the oil and gas industry offshore Aceh. Especially if oil and gas exploration activities in the Andaman (Sea) Block start operating. Shore base is a land facility that functions as a hub/logistics center as well as a transfer area for materials, equipment and personnel to support offshore oil and gas exploration and production activities. Furthermore, Shore base Port is a special port that has zero waiting time so that the time at the port only consists of 2 (two) components, namely not operating time (NOT) and effective time (ET) or loading and unloading time used based on the average length of the box/crane/hour mobile crane used , which is 22 boxes/crane/hour. While NOT is assumed to take 1 hour. In calculating the cost of a special port for PSV ships, it is a little special because the shipping process is carried out from the shore base . Considering that the shore base is a special port to assist offshore drilling activities, the rates applied are also different from ports in general.

Wijaya (2023) stated in his study that the entry of goods into the Sabang area is given exemption from import duties, exemption from value added tax, and exemption from sales tax on luxury goods as part of the fiscal incentives for the Sabang KPBPB as an FTZ. Meanwhile, for non-fiscal incentives, a more in-depth and separate study is needed before being determined as an additional incentive for the Sabang KPBPB.

Referring to the mandate as KPBPB and the potential as a shore base port, of course this is an important starting point for Sabang in optimizing its role as a free trade area (FTZ). Referring to the IBFD International Tax Glossary in 2015, Free Trade Zone (FTZ) refers to any area in a country's territory that does not impose direct and/or indirect taxes. This policy further emphasizes the way to invest that is increasingly easy and

profitable for investors. Of course, with the implementation of FTZ there will be differences with other regions in Indonesia, having special features in efforts to increase investment.

METHODS

Study on KPBPB Sabang aims to provide analysis results on the development plan for Sabang port into a shore base port . The method used in this study is descriptive, which can be interpreted as an effort to reduce problems to describe the state of the subject/object of research based on facts. In addition, this study also analyzes time series data from 2016-2022.

RESULTS

Sabang has strategic significance for Indonesia, because it is the westernmost gateway that directly borders the surrounding countries or regions, the Indian Ocean. Not only with ASEAN countries, but also connecting Indonesia with countries in the South Asia region (SAARC), IORA, IMT-GT Subregional Cooperation, the Middle East and Africa. Sabang has a number of economic sectors that have the potential to be developed, such as port logistics, tourism, fisheries and trade. Supporting facilities and infrastructure for economic activities such as loading and unloading activities originating from the operationalization of international ports (CT-1 and CT-3) in Sabang Bay. This implies that Sabang can also be a *multipurpose port* . Therefore, to develop Sabang as an FTZ, of course promotional efforts as a foreign investment destination must be made.

This Free Trade and Port Area according to Law No. 37 of 2000 covers the Sabang City Government (Pulau Weh, Pulau Klah, Pulau Rubiah, Pulau Seulako, Pulau Rondo) and Aceh Island, sub-district of Aceh Besar (Pulau Breuh, Pulau Nasi, Pulau Teunom) with a total area of 394 km² . All permits and licenses for investment and business in the Sabang Area have been delegated from the central government to the Sabang Area Council based on PP No. 83 of 2010, making it very efficient for business.

With its geographical conditions consisting of small islands, Sabang City has abundant marine and fisheries natural resources. Meanwhile, the utilization of marine and fisheries resources in the outermost small islands and border areas is still considered low. The fishermen's catch, which is very large, has not provided great benefits because access

to the market location is far away, there is no integrated management and there is no added value to the product. Therefore, one of the leading sectors that can be a priority for development in Sabang City is fisheries processing, with the note that it needs to be equipped with an integrated fishing port and *cold storage facilities* and packaging technology. It is necessary to develop production centers and processing of fisheries products, both catches and cultivation.

Sugar is the dominant import commodity originating from Malaysia at the Sabang KPBPB, although it is considered to be in conflict with the Regulation of the Minister of Trade No. 14 of 2020. In addition, *Rig Equipment and material stock support* , fuel, *general cargo* , *floating docks* and cigarettes come from a number of countries, such as Germany, Thailand, Vietnam and other countries. As a foreign tourist destination, every year the number of visits to Sabang when viewed from the means of transportation used, shows that Yachts and Cruises make a significant contribution to the number of foreign tourist visits.



Figure 1: Map and Conditions of Sabang

Sabang Free Port is directed as a regional economic growth center and is expected to improve the economy of the Sabang Region. The problem faced by Sabang Free Port is the less than optimal role and function of Sabang Free Port in supporting the regional economy. Therefore, a development strategy is needed with an *Aggressive Maintenance Strategy approach* (aggressive improvement strategy), namely an internal consolidation strategy by improving weakness factors to maximize the use of opportunities.

The development of Sabang as an FTZ can be mapped into 2 (two) policy aspects, namely:

DISCUSSION

1. Domestic Aspects

The development of Sabang as an FTZ is based on the strategic aspects of the region. As the outermost island bordering countries in the Indian Ocean region as well as an international shipping route, the central government must pay different attention compared to other regions. The development of the Sabang area is emphasized on the economic aspect by utilizing the pier supported by supporting industries and expanding *the hinterland* and *hinterway* (export commodity collection points) , including making Mahalayati Port a *feeder port* .

Sabang as an FTZ will increase investor confidence and stimulate the regional/national economy. This must be supported by clear regulations or legislation, both simplifying the business licensing process, certainty of providing incentives for investors (discounts), and other conveniences. For this reason, the development of Sabang as an FTZ requires support from various parties, both central and regional governments, BUMN/D, private sector (especially foreign) and others. The fisheries and tourism sectors must continue to be encouraged to support the development of the Sabang KPBPB.

2. International Aspects

The role of the Ministry of Foreign Affairs and Indonesian Representatives abroad can be *marketing intelligence* in exploring cooperation both bilaterally, regionally and multilaterally (such as RCEP, BRI, ASEAN, IORA, Indo-Pacific, etc.). The mandate of developing KPBPB Sabang is the responsibility of all Indonesian *stakeholders* . Investment promotion will be more effective and efficient if coordinated comprehensively. In this case, the Ministry of Foreign Affairs can also map potential countries by providing various export commodity information (creating demand, increasing the value proposition), this leads to the optimization of FTZ with KPBPB Sabang partner countries. Another breakthrough that must be made immediately in order to realize KPBPB Sabang as a *shore base* for the Andaman Sea, is the need to immediately realize the revision of *the Air Service Agreement* (ASA) to open flight routes with *the point of destination* Banda Aceh or Sabang to *Port Blair* in the Andaman Islands. In the maritime sector, it is proposed that the Andaman and Nicobar Islands Region be included in the cooperation framework because the existing cruise ship shipping route from

Andaman to Sabang, Phuket and Krabi is already running. And strengthening connectivity at KPBPB Sabang is highly dependent on the regulations implemented and accommodating economic activities, both in the trade, transportation, maritime and fisheries sectors as a manifestation of the FTZ. Based on the letter of the Directorate General of Sea Transportation, Ministry of Transportation number AL.204/1/13/DJPL/2022 concerning the addition of ports of call for embarkation and/or disembarkation of foreign cruise ships.

Table 1 : SWOT Analysis Matrix of KPBPB Sabang

STRENGTH – OPPORTUNITY	WEAKNESS- OPPORTUNITY
It is a KPBPB or FTZ so it is very possible to be used as a <i>multi-purpose port</i> .	Marketing patterns are still carried out conventionally, they need to be improved through digital information technology advances.
It is a representative port (meets minimum requirements) and strategic	The synergy between facilities and services is not yet optimal, but with the implementation of <i>shore base management</i> , the potential for regional and national foreign exchange can be increased.
Becoming the <i>shore base port</i> of the Andaman Block	The minimal use of <i>the Single Sub Mission</i> for Oil and Gas can be increased by business actors in order to accelerate the process of submitting import facilities by KKKS oil and gas and MNC oil and gas companies in the Andaman Block.
STRENGTH – THREAT	WEAKNESS – THREAT
Adequate facilities but not yet able to increase the amount of foreign investment (FDI)	Not yet a tourist destination, even though a number of <i>potential spots</i> need to be blown up comprehensively.
As a hub port, however, the number of foreign and domestic tourists has not shown a significant increase.	The low export activity is due to the fact that supporting industry clusters have not yet been established so that <i>transportation costs</i> can be reduced proportionally.
Fiscal incentive facilities are attached to KPBPB and FTZ, but the revenue contribution is still far behind Belawan Port, which is not a KPBPB and FTZ.	There is a clash between the regional management body and the central-regional government, especially in terms of licensing regulations and investment services.

Based on the results of the SWOT analysis above, there are a number of alternative solutions that could increase the role of KPBPB Sabang in the global economy.

1. Strength-Opportunity (SO)

Sabang has been designated as a KPBPB which means it has become an FTZ. Therefore, the facilities in Sabang can be optimized as a *multi-purpose port*. Sabang must be able to become a *shore base port* for oil and gas businesses, both those carried out in Indonesian waters and as a hub for the Andaman Block. A number of conditions faced by oil and gas cooperation contract (KKKS) contractors and other world oil and gas companies must be identified by the Sabang KPBPB manager.

The unstable world crude oil price conditions have caused oil and gas players to have to make efficiency in each *supply chain* unit. In line with the above conditions, KPBPB Sabang has a new opportunity by implementing reliable *shore base management* so that the logistics costs of oil and gas players can be reduced by up to 20 percent, which affects the speed of work. Making KPBPB Sabang as the shore base of the Andaman Block will make it easier for oil and gas players to operate to their *remote areas* because logistics come from the nearest warehouse or port. *Shorebase* is a port as a place to store goods from abroad or from other islands that are used in drilling activities. So, in the port there are warehouses, workshops, workers' quarters, cranes, jetties, and even an airplane runway. Upstream oil and gas activities consist of activities such as searching, producing, transporting to the refinery and selling, because at that time seismic equipment and all kinds of things were needed.

It continues downstream (production) for the transportation of its products in this case oil and natural gas. Equipment such as casing, tubing (*Long Lead Item*) takes a long time to order and of course requires comprehensive *supply chain management* (SCM). During operations and emergencies, goods will be taken faster because *the shore base* is close to the location. Ideally, *the shore base* should be in a place or bonded area. Considering, if there is a need for customs and all *Tax matters* can be taken care of directly, then efficiency can be obtained because it is done with a *business to business (b to b) approach*.

2. Strength-Threat (ST)

In addition, the existence of BPKS Sabang is also not utilized optimally in order to accelerate regional development to support the acceleration and equality of national development. Sabang has not been utilized, because a number of needs of the Acehnese people, descend in Belawan. In fact, the distance from Sabang to Banda Aceh is only 38 km, while the distance from Sabang - Belawan is around 650 km. If from Thailand or India descend to Belawan, then from Belawan go up again to Aceh compared to going directly to Sabang, of course *the cost* is cheaper.

3. Weakness-Opportunity (WO)

Sabang as an FTZ certainly has a positive side for business actors and investors. The ease of tax matters, incentives, and ease of licensing should be maximized. The advantages offered when investing in Sabang will certainly also increase income for investors. Thus, the mutual symbiosis that has been established in the Sabang FTZ will further make investment in Sabang grow. However, this potential has not been maximized due to low investment, low availability of supporting infrastructure, low quality of human resources, and the less than optimal supply chain, distribution, and production of raw materials in this area.

4. Weakness-Threat (WT)

The Indonesian government through SKK Migas, continues to encourage all oil and gas operations to be carried out efficiently and effectively, as well as with this *shore base solution* . Sharing facilities certainly shares costs that lead to creating *added value* or *profit* . Given that the oil and gas business tends to be *long time action* , exploration can take 20 years or even more, so building a *shore base* cannot reach *the break even point* in 2-3 years, but it is believed that the need for *supply base services* is quite high.

Basically, KPBPB Sabang provides convenience in licensing, especially in the port sector. The existence of PP Number 41 of 2021, creates a delegation of authority to regulators in the regions to provide investment permits directly. Therefore, regional regulators must move quickly to follow up on this regulation. The existence of this regulation is a golden opportunity to increase transaction volume as well as investment

in Sabang. Licensing must adopt a one-door system so that investors can process port permits more quickly. In this case, licensing must use an electronic system method and be directly connected to the national system. Port permits must also be handled directly so that they have an impact on the speed of completing port permit management.

CONCLUSION

Based on the study above, it can be concluded that:

1. Free trade practices are formed based on agreements, which are binding on the parties and must be implemented in good faith.
2. KPBPB Sabang is an area within the legal territory of the Republic of Indonesia which is separate from the customs area so that it is free from import duties, value added tax, sales tax on luxury goods, and excise (fiscal and non-fiscal incentives).
3. KPBPB Sabang has the potential to become a shore base port in order to support the oil and gas industry off the coast of Aceh, and oil and gas exploration activities in the Andaman (Sea) Block.
4. SWOT analysis shows that the Sabang area has great potential to be used as a connectivity hub because it meets the minimum requirements.
5. The synergy between regulations, facilities and services at KPBPB Sabang still needs to be improved, both as a multi-purpose port and as a shore base port .

SUGGESTION

Based on the discussion and conclusions above, the recommendations proposed for the development of the Sabang KPBPB include:

1. Increasing the promotion of the Sabang area as an investment destination and tourist destination must be carried out in line with advances in information technology (digitalization of information).
2. In addition to fiscal and non-fiscal incentive policies, the development of the Sabang KPBPB is also absolutely supported by regulations that can increase investment interest and the need to conduct socialization of the Sabang Single Sub Mission (SSm) in order to accelerate the process of submitting import facilities, especially for KKKS Migas and world oil and gas companies.

3. There is a need to develop industrial clusters in the Sabang KPBPB and feeder areas which will produce and be oriented towards export activities.

REFERENCES

- Foreign Policy Strategy Agency, Policy Brief, Vol.7, No.4, Apr-Jun 2022, Optimizing the Development of Free Trade Areas and Free Ports , Ministry of Foreign Affairs of the Republic of Indonesia.
- Dony Prananda, 2023, Dharmasisya Vol.2 Article 14, January 2023, History and Development of International Free Trade , Master of Laws, Faculty of Law, University of Indonesia, Jakarta.
- Wijaya Indra, 2023, Mandira Cendekia Scientific Research Journal, Vol. 1, No. 6, Improving the Sabang Free Trade Area and Free Port through Fiscal and Tax Incentive Policies, Bengkulu. <https://journal.mandiracendekia.com/index.php/mdi/article/view/1026>
- Government Regulation Number 26 of 2008 concerning RTRW places Sabang as the Center of the National Strategic Area (PKSN) and the National Strategic Area (KSN) in terms of economy as a Free Trade and Port Area and in terms of defense and security as a border area.
- Government Regulation Number 83 of 2010 concerning the Delegation of Government Authority to the Sabang Regional Council.
- Government Regulation in lieu of Law No. 2 of 2000 dated 1 September 2000 was subsequently ratified as Law Number 37 of 2000 concerning the Sabang Free Trade Zone and Free Port.
- Law Number 3 of 1970 concerning Free Trade in Sabang.
- Law Number 4 of 1970 concerning the determination of Sabang as a Free Trade Area and Free Port.
- Law Number 37 of 2000 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2000 concerning Free Trade Zones and Free Ports.
- World Bank. (2021). World Development Report: Trade and Development in the 21st Century. Washington, D.C.: World Bank Publications.
- Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120.
- David, F. R. (2011). *Strategic Management: Concepts and Cases* (13th ed.). Upper Saddle River, NJ: Prentice Hall.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education.
- Pearce, J. A., & Robinson, R. B. (2015). *Strategic Management: Planning for Domestic & Global Competition* (14th ed.). McGraw-Hill Education.
- Porter, M. E. (2008). The Five Competitive Forces that Shape Strategy. *Harvard Business Review*, 86(1), 78–93.
- Sabang Free Port Authority (BPKS). (2020). Annual Report: Sabang Free Trade and Free Port Zone Development. Sabang: BPKS.
- Thompson, A. A., Peteraf, M. A., Gamble, J. E., & Strickland, A. J. (2020). *Crafting and Executing Strategy: The Quest for Competitive Advantage: Concepts and Cases* (22nd ed.). McGraw-Hill Education.

- Yin, R. K. (2018). *Case Study Research and Applications: Design and Methods* (6th ed.). SAGE Publications.
- Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2017). *Strategic Management and Business Policy: Globalization, Innovation, and Sustainability* (15th ed.). Pearson.