

Analysis of Swallow Nest Export Strategies from Indonesia to China with Export Restriction Regulations

Dony Saputra, Prima Feminita Asihatka, and Elena Putri Sutanto

Management Department

BINUS Business School Undergraduate Program

Bina Nusantara University

Jakarta, Indonesia

dony.saputra@binus.ac.id, prima.asihatka@binus.ac.id, elena.sutanto@binus.ac.id

Abstract

This research aims to provide information for Indonesian swallow nest entrepreneurs who want to export to China, but do not understand how to comply with the restrictive regulations made by Indonesia and China. This research uses a qualitative approach with the method used is a descriptive case study. The data collection technique used is semi-structured interviews with 5 informants, from the government association and exporting company. The informants were obtained using the linear snowball sampling technique. The data analysis technique used is the qualitative data analysis techniques using Miles Huberman approach. We show the current state of swallow nest exports after regulatory adaptation; 80% of swallow nest exports come from Indonesia and China is the biggest consumer. We also explain about the impact of exporting legally and illegally. Furthermore, we provide information about the real difficulties and opportunities facing Indonesian swallow nest exporters, as well as what needs to be done to be successful exporters.

Keywords

Export, Swallow nests, Indonesia, China, Regulation

1. Introduction

In 2010, China banned Indonesia from conducting direct swallow nest export trading activities, so it must go through Singapore or Hong Kong (Soim, 2019). The reason for the ban on swallow nest exports was due to the growing issue of bird flu and exacerbated by the issue of high nitrite content in the production of swallow nests from Indonesia (Ekspor News, 2021). The direct export ban made the price of swallow's nests decrease. In 2012 a MoU was finally made that swallow's nests with maximum nitrite content 30 parts per million (ppm) is acceptable. There is approval from the Chinese government, meets HACCP standards, there is verification from the Indonesian Animal Quarantine Installation (IKH), Verification of Veterinary Health and approved by the Ministry of Trade (Soim, 2019). After 5 years of negotiations and with conditions that must be met by both parties, Indonesia was finally able to return to its first direct export to China in 2015, China provides requirements for companies that want to export swallow nest, they must become swallow nest Registered Exporters (ET-SBW) & obtain certification Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) or currently known as General Administration of Customs of the People's Republic of China (GACC). To become a swallow nest Registered Exporters, the Indonesian government will analyze the company and ensure that it meets the standard procedures such as an appropriate heating process to kill the H5N1 bird flu virus, and that the nitrite content must be maximum 30 ppm (Ekspor News, 2021). This info builds enthusiasm Indonesia swallow nests industry, the price of Indonesian swallow nests has also stabilized also risen farmers and processing have returned to being enthusiastic about doing business in swallow nest until now (Soim, 2019).

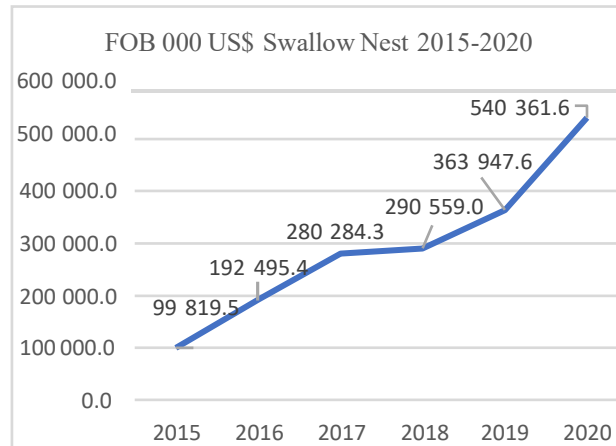


Figure 1. Indonesian Swallow Nests Export Data (2015-2020)

Based on Figure 1, according to data obtained from Central Bureau of Statistics Indonesia (2021) it was found that the value of Indonesian swallow nest exports every year continues to increase. The number of Indonesian swallow nest exports throughout 2020 reached USD 540.4 million, an increase of 48.5% from 2019. Swallow's nest provides various effects like anti-aging, anti-cancer, immune boosting, increasing cell proliferation, and accelerating wound healing (Effendy, 2015). During the current pandemic, the consumption of swallow's nest can also be used to increase immunity.

Indonesia, which is the largest swallow nests producing country in the world, Indonesia provides almost 80% of world demand (Tolok, 2021). Other countries that are suppliers of swallow nests are other Southeast Asian countries such as: Thailand, Malaysia, and Vietnam (Susanto and Nainggolan, 2021). Many swallow nest entrepreneurs who had the products and want to export to China but are still constrained by this complex regulatory process (Anwar, 2021). With such complex regulations, it feared that some entrepreneurs could do business without a permit. This kind of business can lead to negative outcomes, namely: uncontrolled environment, uncontrolled product standards, and low level of concession fees (Tangjitmanngamkul, 2019). In this study, the author will analyze the current condition of the export of Indonesian swallow nests to China after the restriction regulations, to find out the legal and illegal impacts of exporting Indonesian swallow nests to China, so that we can find out the obstacles and opportunities faced in the export process of Indonesian swallow nests to China. This study will also identify the key to the successful export of Indonesian swallow nests to China with restriction regulations.

2. Literature Review

2.1. The Journey of Exporting Swallow Nest

Swallow's nest is a product with an HS code 0410.00.10 naturally exists by itself, because it is the residence of the swiftlet that comes from its saliva (Lararenjana, 2021). The habitat of the swallow is a wide place, away from sunlight, has a temperature of 26 to 40 degrees Celsius with a humidity level of 80-90%, and is often found in the lowlands of less than 1000 meters above sea level (Realfood, 2021). Initially swallows inhabit caves located in various areas on the islands of Indonesia. However, rapid urbanization and industrialization became obstacles and reduce the provision of swallow nesting sites as seen in densely populated areas like in several areas on the island of Java. Finally, the Swallow seeks a damp, dark, and funky environment in an abandoned building for its new nesting site in an urban environment. This chance gave rise to the concept of making an awfully large artificial habitat to expand swiftlet cultivation activities. Currently, swallow nest habitats are found on the islands of Java, Maluku, Lombok, Sumatra, and Kalimantan. Additionally, the contribution of swallow cultivation is widely developed within the agricultural industry to achieve economic benefits (Susanto and Nainggolan, 2021). The Indonesian government has made several regulations so that what happened in 2010 does not happen again, and as a reference, the requirements and procedures for the export of swallow's nests from the territory of the republic of Indonesia to China are regulated based on Law no. 21 of 2019 concerning Animal, Fish and Plant Quarantine; Government Regulation No. 82 of 2000 concerning Animal Quarantine; Regulation of the Minister of Agriculture Number 26 of 2020 concerning Animal

Quarantine Actions on the Importation or Exportation of Swallow's Nests to and from within the Territory of the Unitary State of the Republic of Indonesia; Decree of the Head of the Agricultural Quarantine Agency Number 395/Kpts/OT.160/L/4/2014 concerning Guidelines for Quarantine Monitoring of Release of Swallow's Nest To The People's Republic of China; Decree of the Head of the Agricultural Quarantine Service Number 374/Kpts/Kh.210/L/5/2010 Regarding Technical Instructions for Handling and Inspection of Swallow's Nests and Sriti's Nests; Decree of the Head of the Agricultural Quarantine Agency Number 2732/Kpts/KR.210/K/12/2018 concerning Verification Guidelines for Heating Swallow's Nests for Export to the People's Republic of China; and many more regulations, requirements, additional obligations, procedures and service fees which can be seen in the document Requirements And Procedures For Export Reduction Of Swallow's Nest From The Republic Of Indonesia To China made by the Head of the Class 1 Mataram Agricultural Quarantine Center (Arinaung, 2021). With so many policies, it is felt that there is a need for simplification of permits. The Presidential Staff Office (KSP) also considered that it was time for negotiations with China. Considering Indonesia's current position as a strategic partner, it is time to strengthen negotiations with China. China should not hinder the export of swallow nest, which has huge potential to increase the country's foreign exchange (Jingga, 2021). Companies can export swallow nests directly to China if they meet all applicable requirements, namely being a registered exporter of swallow nests from the Ministry of Trade of the Republic Indonesia, being registered with the GACC, and carrying out quarantine procedures. Until 2021, only 23 companies have obtained swallow nest export certification to China.

2.2. Export Import Policy & Ethics

International trade (exports & imports) is the activity of buying and selling goods and services originating from different countries Wulandari and Lubis, 2019; Sedyaningrum et al., 2016 in (Ngatikoh and Faqih, 2020). When a company operates outside its home country, it operates in a market with a different political and legal system. Deciding when, where and how to do business without destroying the foundation of success is a never-ending challenge (Daniels et al. 2015). Regulations and policies that are set to be applied in international trade can be assisted by political elites and policy makers in a series of interpretations, planning, directing, and complying with the provisions in implementing export policies (Ngatikoh and Faqih, 2020). The results of trade policies are often contradictory, according to the government, they apply trade policies to provide protection and benefits for the country and citizens, unfortunately to determine how such policies may affect trade is complicated by uncertain and conflicting policy outcomes (Daniels et al. 2015). Business ethics is the study of business policies and practices regarding ethical dilemmas or controversial issues faced by companies. Often, business ethics involves a system of practices and procedures that help build trust with consumers. At one level, some business ethics embedded in legislation, such as minimum wages, restrictions on insider trading, and environmental regulations. On the other hand, business ethics can be influenced by management behavior, with far-reaching effects across the company. Business ethics are intended to ensure a certain level of trust between consumers and companies, guaranteeing fair and equal treatment to the public (Twin, 2021).

The same with the process of exporting Indonesian swallow nests to China, there are various kinds of regulations that regulate both from within the country and from export destination countries, there is a slight conflict in the stipulation of this regulation, the government and business actors feel that this regulation is important to enforce to maintain quality and safety, but there are also those who feel excessive and overlapping. In this case, the maximum nitrite content is only 30 ppm, while 80 ppm is also safe. Although China has a high demand for swallow's nests, China provides a quota limit for each Indonesian swallow's nest exporter company, which is the largest swallow's nest producer in the world. However, in doing business there are ethics that must be met by business actors, companies must comply with existing regulations, by carrying out this ethics the company can be trusted, carrying out business ethics will also provide many benefits for the company in the eyes of the company, consumers, and companies. This is because China provides very high prices for companies that comply with Indonesian swallow nest export regulations in China.

The existence of legal and illegal exports of direct swallow nests to China is caused by ignorance and the difficulty of export policies/regulations that have been made by the Indonesian and Chinese governments. Many exporters have realized the importance of this regulations and some still do not understand. Both situations certainly have an impact. The existence of policies and ethics that need to be fulfilled by direct exporters to China poses obstacles for exporters, but this industry also has many opportunities that can be exploited by exporters. Therefore, exporters need to know what is the best strategy that can bring the company to success.

3. Methods

This research uses a descriptive method with a qualitative case study approach. The data collection technique we used

was semi-structured interview. The informant selection method that we use is linear snowball sampling. The data source starts from the Sub-Coordinator of Fisheries and Agriculture at the Directorate of Export of Agricultural and Forestry Products, Ministry of Trade called I1, then I1 provides a reference for interviewing Indonesian swallow nest exporters to China. The informant of the first company is the Internal Systems Manager, called I2, and the informant of the second company is the General Manager, called I4. I1 also provided input for interviews with the Agricultural Quarantine Agency, the informant was the Sub-Coordinator of Animal Services, Operations named I3, and the informant of the swallow nest association was the Secretary General called I5. Therefore, there are government association and exporting company. We used Triangulation to examine the validity of the information and the data analysis technique used is Miles & Huberman with data collection, data reduction, data display, drawing conclusions and verification. The research method can be seen in Figure 2.



Figure 2. Research Method

4. Data Collection

In order to present, the results of the case study analysis of the Indonesian swallow's nest export strategy to China and the main findings of four research questions: current conditions, illegal and legal impacts, obstacles and opportunities, and the key to the successful export of Indonesian swallow's nests to China, the researchers carried out data collection techniques. Through semi-structured interviews with five informants, from government associations and exporting companies. Informants obtained by linear snowball sampling technique. The results of the data collection then analyzed using the Miles & Huberman approach.

Table 1. Current Condition, Legal & Illegal, Obstacle, Opportunity, and Key to Success of 5 cases

Component	Factors	I1I2	I3	I4	I5
Current Condition	Superiority	xx	x	x	x
	Regulation	xx	x	x	x
Legal & Illegal	Price & Catastrophic	xx	x	x	x
Obstacle	GACC Registration	xx	x	x	x
Opportunity	Product	xx	x	x	x
Key to Success	Obedience	xx	x	x	x

Table 1 summarizes the triangulation of five informants' responses on the factors that influence Indonesia's swallow nest export strategy to China. Factors that affect the current condition are superiority approved by 100% of the informants, and the regulations approved by 100% of the informants. The impact of legal export of swallow nests is the price approved by 100% of the informants, and the impact of illegal export is catastrophic approved by 100% of the informants. The obstacle at GACC registration approved by 100% of the informants, with the opportunity product

variations approved by 100% of the informants, and 100% of the informants agree that the key to success is Obedience.

5. Results and Discussion

The current export conditions, Indonesia is the largest producer of swallow's nest in the world in 2021, while China is the largest consumer of swallow's nest. About 80% of the world's demand for swallow nests provided by Indonesia. Exported swallow nests must be clean swallow nests. For companies to export Indonesian swallow nests to China, there are several regulations that companies must comply with, namely being a registered exporter of swallow nests from the Ministry of Trade and being a registered with the GACC (General Administration of Custom China). Every company that has been registered with GACC, will be given an export quota, this quota is determined based on the company's ability to produce swallow nests, this quota can also be changed later by submitting to GACC and GACC will conduct an assessment first, if approved then the quota amount will also be changed. The excerpt proves this factor from the interview, as seen in Table 2.

Table 2. Interview Excerpt on Current Condition

Informant Excerpt	<i>“Indonesia is 80% of the world's swallow nest producers. Well, if China, China is the biggest consumer in the world. <...> must be registered as a special exporter of swallow's nest <...> if it can be registered as a legal exporter in China, yes, you can export.” (I2)</i>
Informant Interpretation	I1, I2, I3, I4, I5 Indonesia is 80% of the world’s swallow nest producers and China is the largest consumer of swallow nests. Companies must be registered exporters of swallow nests and registered with GACC to be able to export swallow nests to China.
Code	Indonesia is the largest; Register Exporter

Based on information from the Ministry of Trade of the Republic of Indonesia, there are 60 companies registered exporters of swallow nests, but only 23 companies registered with the GACC, so there are still 37 companies waiting to be registered with the GACC. But even so, business actors and institutions support this regulation because it is considered to have many benefits, but they still hope that there will be a simplification of regulations related to the nitrite content of a maximum of only 30ppm which is expected to increase to 80ppm, because if the maximum is 30ppm, the washing process is more difficult and swallow nests can be torn apart, while 80ppm is also safe for consumption so that it is sufficient and the washing process can be easier. Currently the Indonesian government is in the process of negotiating with the Chinese side on this matter, but it will take time for an agreement and regulatory changes to occur. The statements of the informants can be seen as follows:

“We have negotiated several times about this situation, whether it can be increased, but so far it has not been possible <...> in the future, it will indeed be simplified what regulations are being communicated with China. Yes, we have always asked China to increase the nitrite level. Like before, it takes a long time” (I1).

Next, regarding the impact of illegal and legal exports in the Indonesian swallow nest industry to China. Every business actor wants their products to be sold and not just piled up, business actors need income to live, pay production costs and pay their employees. Of course, business actors need to rack their brains and think creatively so that their products can be accepted by the market and sold. However, carrying out illegal activities is not a solution. Exporting illegally will only harm many parties, exporting illegally means violating Law no. 21 of 2019 article 34. The illegal export of swallow nests will only harm many parties, the price obtained is also cheaper, while the risk is high. Illegal exports are very risky for a ban on the export of Indonesian swallow nests to China again. The problem of the sustainability of swallow nests is also very likely to occur, the quality of swallow nests exported illegally is also not monitored, and have the potential to contain harmful substances, such as formalin, H5N1 virus, and high nitrite content that can endanger human life if consumed. Exporting swallow nests illegally can cause disaster for the Indonesian swallow nest industry and consumers. In contrast to the legal export of swallow's nest, the price obtained is very high, the quality of the swallow's nest is maintained, safe for the environment and sustainability does not harm the industry and the state, can help absorb labors because the cleaning step of swallow nests can only be done manually, and is safe for consumption because it has passed the quarantine process. With good quality, consumers will also be satisfied. The profits from the illegal export of swallow nests are not worth the losses. Therefore, business actors need to work together to maintain the quality and sustainability of the swiftlet population and the industry, follow existing procedures and have business ethics in running their business.

“China requires a lot of protocols, it's quite heavy to run, but it's worth the price they provide” (I3).

If China finds a swallow nest from Indonesia, which turns out to be from illegal exports and contains harmful substances, the consequences will be not only for the illegal export actors, but also for the entire Indonesian swallow nest industry. If that happens, it is very likely that China will again ban the entry of Indonesian swallow nests into China. Then where will the results of the Indonesian swallow's nest be sold? Even if it is sold to non-China, it will not be as much as China. The excerpt proves this factor from the interview, as seen in Table 3.

Table 3. Interview Excerpt on Legal & Illegal

Informant Excerpt	<i>“If we can become legal exporters to China, we will have special price <...> all other countries the percentage is very small compared to the market in China <...> If China closes or prohibits the export of swallow's nests, where will 90% of all Indonesian swallow nests production be marketed.” (I2)</i>
Informant Interpretation	I1, I2, I3, I4, I5 The price that China pays to legal companies is very high and the impact of illegal exports is very dangerous and detrimental to many parties
Code	Legal, Higher Price; Illegal, Catastrophic

At this stage, GACC will conduct an audit of the swiftlet house and swallow's nest processing facility, at this stage GACC often finds findings that need to repair by the company and this requires patience. Forest fires and environmental sustainability problems can also cause raw material scarcity. The lack of public knowledge about the swallow's nest industry and the lack of popularity of Indonesia as a producer of swallow's nests in the eyes of the world also need to fix immediately. Business actors can ask for government assistance in this case the Ministry of Trade and Ministry of Agriculture to get guidance and training so that the directions are clearer and faster according to GACC standards. The statements by the informants can see as follows:

“Before they export, they have asked us, they have prepared it, if they can't export, we will do coaching” (I3).

To be able to comply with the regulations to become a registered exporter of swallow's nest and registered with the GACC, it will take a long time and big cost to meet the standards provided by GACC. The period for GACC registration varies depending on how well the swiftlet house and processing facilities meet existing standards. The more suitable the swiftlet house and its processing facilities are with GACC standards, the sooner the company can register with GACC. The GACC audit process during this pandemic done virtually. The excerpt proves this factor from the interview as seen in Table 4.

Table 4. Interview Excerpt on Obstacle

Informant Excerpt	<i>“Since GACC has its own mechanism, for registration they will conduct a field audit, so the audit process becomes difficult.” (I2)</i> <i>“It took a very long time too” (I1)</i> <i>“Both regulations issued by the Indonesian government and regulations issued by the Chinese government require very, very large costs.” (I2)</i>
Informant Interpretation	I1, I2, I3, I4, I5 At the registration stage at GACC which is very detailed and difficult to fulfil, it requires patience, time, money, and hard work.
Code	GACC Registration

Only clean swallow nests can export, and so far, there has been no demand for processed products, even though exports are allowed. Indonesia as the largest swallow's nest producer in the world should be able to have strong bargaining power. Opportunities for the Indonesian swallow's nest industry are still very wide, swallow's nest business actors can innovate by making processed swallow's nest products such as swallow's nest drinks, cosmetics, medicines, and it is hoped that there will be demand for processed swallow's nest products that can add value to products, increase profits and more labors is absorbed. This can be done if business actors synergize with other business actors and have a strategy to offer these processed products. There are not too many competitors in this industry, and Indonesia has abundant resources for swallow nests. The excerpt proves this factor from the interview, as seen in Table 5.

Table 5. Interview Excerpt on Opportunity

Informant Excerpt	<i>" <...> we want to export swallow nest drinks first, the raw materials needed are not much, automatically the price will be higher and human resources can be absorbed for the factory as well. for cosmetics, swallow nest drink, we really want that, but the destination country doesn't exist yet." (I3)</i>
Informant Interpretation	I1, I2, I3, I4, I5 A very lucrative new market is by selling finished products of swallow nests such as food, beverages, and cosmetics
Code	Product Variety

"So far, what still needs to be done is processed food products because so far, the term is just cleaned and exported directly, we hope that Indonesia can provide finished products. So far, Indonesia is the biggest producer, and China is the biggest consumer, so we should have bargaining power as producers, don't be too influenced by consumers, and we should have a strong position." (I1).

The key to the successful export of Indonesian swallow nests to China sounds very simple but is difficult to implement. The only way to export Indonesian swallow nests to China without risking another ban is to follow the regulations. If business actors feel they are not ready to comply with the current regulations for exporting Indonesian swallow nests to China, it is advisable to export to non-China first, where the regulations are not as difficult as to China while increasing capital to renovate swiftlet houses and processing facilities according to regulations. Even though the prices offered by non-China are much different, but when compared to the risk of illegal exports to China, it is still not worth it. The best suggestions and recommendations for potential exporters of Indonesian swallow's nests who want to enter the Chinese market are to follow existing regulations, maintain good relations with regulators, be patient by continuously improving the quality of companies and production facilities, attend training and guidance provided by the government, monitor, have enthusiasm and keep trying. Companies that have registered with the GACC are not allowed from lending company names to other companies.

This regulation is indeed very strict, but it is very important to enforce, the price of swallow's nest in China is very expensive, the largest consumer is also in China, surely many want to sell swallow's nest to China, so with this regulation, China can protect its people by ensure that only safe and traceable swallow nests can enter China. This regulation also makes it easier for China to know the traceability of the swallow's nest if at any time there is a problem. As for Indonesia, this regulation can help maintain the good name of the Indonesian swallow nest industry so that what happened in the past does not happen again, and so that the China-Indonesia swallow nest business relationship can continue and be mutually beneficial. Business actors do not need to be worried or confused about complying with existing regulations, because the government provides maximum support by providing training, coaching, mentoring, to communication with GACC regarding this registration process.

"The government, in this case the Quarantine Agency, has provided support to business actors who have not yet exported by providing training, coaching, and mentoring. The Quarantine Agency also cooperates with trade attaches for communication with GACC." (I3).

Business actors and institutions, they support this regulation because they feel that there are more benefits that can obtained. This regulation also formed not to make it difficult for business actors, but to protect it, therefore business actors and institutions support this regulation. The excerpt proves this factor from the interview, as seen in Table 6.

Table 6. Interview Excerpt on Key to Success

Informant Excerpt	<i>"Just follow all the regulations that have been set by the Indonesian government and continue to establish good partnerships, hand in hand with the relevant authorities. Like it or not, business actors must increase their patience, because everything takes time" (I2) "Many audits must be audited repeatedly." (I1)</i>
Informant Interpretation	I1, I2, I3, I4, I5 Just follow all the regulations that have been set by the government and keep good cooperation with relevant officials, and be patient

Code Follow the Regulation; Patience

6. Conclusion

The purpose of this research is to provide information for Indonesian swallow nest entrepreneurs who want to export to China, but do not understand how to comply with the restrictive regulations made by Indonesia and China. The limitations of this study are: This research focuses on exporting Indonesian swallow nests to China; Special regulations and qualifications that only apply in Indonesia; This regulation only applies as long as the regulation on Export Policy and Regulation by the ministry of trade, Regarding Animal Quarantine Measures For The Entry Or Exit Of Swallow's Nests To And From The Territory of The Unitary State of The Republic Of Indonesia, Regarding Certification of Veterinary Control Numbers for Animal Products Business Units by the ministry of agriculture, Decree of the Head of the Agricultural Quarantine Agency Regarding Guidelines for Requirements and Actions Animal Quarantine Against the Release of Swallow's Nests from the Territory of the State Republic of Indonesia to the People's Republic of China, Regarding Guidelines for Quarantine Monitoring of the Release of Swallow's Nests to the People's Republic of China, Regarding Guidelines Swallow's Nest Heating For Export To The People's Republic Of China, Regarding Guidelines for Examination of Nitrite Content Swallow's Nest for Export to The People's Republic of China, Regarding Verification Guidelines on Heating Swallow's Nests for Export to the People's Republic of China applies; and the number of informants is only a few, namely only 5 people.

The lack of previous research that discusses regulations and export strategies for swallow nests. Previous studies have discussed a lot about the content of swallow's nests and the benefits of swallow's nests without being associated with the process and regulation of swallow's nest imports in export destination countries, especially in this case China. When examined in this study, the results obtained deepen insight and focus more on the export of Indonesian swiftlet nests to China as an export destination. Based on the analysis presented, it can conclude that Indonesia is the largest producer of swallow's nest in the world with China as the largest consumer of swallow's nest in the world. To be able to export Indonesian swallow nests to China, the company must be a registered exporter of swallow nests from the Ministry of Trade of the Republic of Indonesia and registered with the GACC (General Administration of Customs China). So far, only 23 companies have been able to export directly Indonesian swallow nests to China. Each of these companies has an export quota that adjusted to the company's capabilities. Swallow's nest that exported must be a clean swallow's nest with a maximum nitrite content of 30ppm. Business actors and the government hope for relief regarding this nitrite content, and currently the trade ministry is in negotiations with the Chinese side regarding the nitrite content to increase to a maximum of 80ppm.

In all fields there must be those whom do it right or wrongly, this study also discusses the impact of legal and illegal export of swallow's nests. Exports of legal swallow's nests will bring many benefits for business actors, China provides very high prices for companies that have permits to export to their countries, China also has a very large demand for swallow's nests, and the high price also accompanied by quality and must comply with all existing regulations. Not only for business actors, this legal export also brings many benefits to the environment, government, and consumers. Meanwhile, illegal exports will have a dangerous impact that is very detrimental to the actors themselves, consumers, the environment, government, and industry, because it can have an impact on banning re-exports. Therefore, the illegal export of swallow's nests strictly prohibited because it violates Law number 21 of 2019 article 34.

The main obstacle experienced by business actors in the process of exporting Indonesian swallow nests to China is at the registration stage at GACC because an audit will be carried out, it takes a lot of time and money to adjust to regulations. Other obstacles are related to forest fires, which can cause a reduction in raw materials, the number of people who do not know what a swallow's nest is and the name Indonesia which is not yet well known as the world's largest producer of swallow's nest. Meanwhile, the opportunity for Indonesia's bird's nest industry in the future is to have bargaining power to offer processed swallow's nest products so that not only clean swallow's nests are exported, this will bring more profits and more labor absorption. The swallow's nest industry still doesn't have many competitors in it, and Indonesia has abundant resources that can be used as well as possible while being wise in protecting the environment.

The key to the successful export of Indonesian swallow nests to China is to follow existing regulations, attend training and assistance provided by the Indonesian government, be patient, have good relationships with regulators, continue to monitor the progress of the registration process, and have enthusiasm. If the company feels that it has not been able to meet the existing regulations, the company can export to non-China or sell locally, which is much easier to regulate,

even though the price given is not as high as China, at least it does not have a risk that can harm and endanger many parties. The profits obtained can be collect for the renovation of the swiftlet house and the processing facilities in order to meet the regulations given by China. After obtaining a permit and registered with the GACC, the company can normally export Indonesian swallow nests directly to China.

This regulation was made not to make it difficult for business actors, but to protect the Indonesian swallow's nest industry and consumers of swallow's nests. Business actors and related agencies are also supportive of this regulation because there are more benefits and advantages to be gain. However, business actors and related agencies also expect some simplification of regulations related to nitrate content and overlapping regulations to be correct immediately. The further research are gaps that need to be investigated include; Analysis of importing Indonesian swallow nest to China with regulatory restrictions; Analysis the comparison of Indonesian swallow nest exports to Hong Kong and Indonesia to China; Analysis of the potential development of the Indonesian swallow's nest industry.

References

- Anwar, M. C., Banyak kendala eksportir sarang burung walet mengadu ke ksp, *kompas*, September 27, 2021, <https://money.kompas.com/read/2021/09/27/205542526/banyak-kendala-eksportir-sarang-burung-walet-mengadu-ke-ksp?page=all>. Accessed October 18, 2021.
- Arinaung., Persyaratan dan prosedur ekspor sarang burung walet dari wilayah Republik Indonesia China, Available: <http://mataram.karantina.pertanian.go.id/wp-content/uploads/2021/05/Persyaratan-dan-Prosedur-Ekspor-Sarang-Burung-Walet-dari-Indonesia-ke-China.pdf>, Accessed on January 17, 2021.
- Daniels, J. D., Radebaugh, L. H., and Sullivan, D. P., *International Business Environments and Operations*, 15th Edition, Pearson Education, United States, 2015.
- Effendy, M., Edible Bird Nest as Multipotential Agent, *J Majority*, vol. 5, no. 5, pp 40-44, 2015.
- Ekspor News - Sarang Burung Walet 2021, Kementerian Perdagangan Republik Indonesia, 2021.
- Ekspor Sarang Burung menurut Negara Tujuan Utama 2012-2020, Available: <https://www.bps.go.id/statictable/2019/02/25/2022/ekspor-sarang-burung-menurut-negara-tujuan-utama-2012-2020.html>, Accessed on: October 18, 2021.
- Jenis-Jenis Burung Walet dan Ciri Khasnya, May 31, 2021, <https://realfood.co.id/artikel/jenis-jenis-burung-walet-dan-ciri-khasnya>. Accessed November 30, 2021.
- Jingga, R. P., Pengusaha sarang burung walet adukan hambatan ekspor ke KSP, Available: <https://www.antaranews.com/berita/2412441/pengusaha-sarang-burung-walet-adukan-hambatan-ekspor-ke-ksp>, Accessed on December 7, 2021.
- Lararenjana, E., 8 Manfaat sarang burung walet untuk kesehatan, menarik dicoba, Available: <https://www.merdeka.com/jatim/8-manfaat-sarang-burung-walet-untuk-kesehatan-menarik-dicoba-klm.html>, Accessed on October 18, 2021.
- Ngatikoh, S. and Faqih, A., Kebijakan Ekspor Impor: Strategi Meningkatkan Pertumbuhan Ekonomi di Indonesia, *Jurnal Ilmu Ekonomi Islam*, vol 4, no. 1, pp 68-93, 2020.
- Soim, A., Bambang Irianto, Eksportir yang Mengelola 400 Rumah Sarang Burung, February 12, 2019, <https://tabloidsinartani.com/detail/indeks/agri-profil/7872-Bambang->. Accessed October 18, 2021.
- Susanto, A. W. and Nainggolan, Y. A., Discounted cashflow analysis valuation of agriculture business swiftlet bird nest farming case study: “Wahana Walet Sejahtera” in berau east Kalimantan, *Proceedings of the 11th Annual International Conference on Industrial Engineering and Operations Management*, pp 6047-6057, Singapore, March 7-11, 2021.
- Tangjitmannangkul, J., A comparative analysis of Thai bird's nest export to Chinese market, *European Journal of Business and Management*, vol. 11, no. 13, pp 68-76, 2019.
- Tolok, A. D., Wow! China Akan Beli Sarang Walet Indonesia Senilai Rp16 Triliun, May 4, 2021, <https://ekonomi.bisnis.com/read/20210504/99/1390313/wow-china-akan-beli-sarang-walet-indonesia-senilai-rp16-triliun>, Accessed October 18, 2021.
- Twin, A., Business Ethics, Available: <https://www.investopedia.com/terms/b/business-ethics.asp>, Accessed on December 7, 2021.

Biographies

Dony Saputra, S.Kom, MM, M.Kom has been teaching for 9 years as an Information Technology Lecturer with research subject on Business Intelligence and Data Analytic in Several College and University in Jakarta and Tangerang Area, Indonesia. He changes his lecturing career to International Business Management Program in Bina

Nusantara University. He has received award from Microsoft for attending conference on 21st century skills collaborate with Stanford University in Crescent Girl School Singapore on 2012 as well as awarded by Erasmus + for Faculty mobility exchange to Rotterdam Business School Netherland on 2016 for teaching Business and Export Import. He has earned Lecturer certification and Academic Grade of Senior Lecture (Lektor KUM: 300) from Indonesia Ministry of Education.

Prima Feminita Asihatka studied International Business Management for her Undergraduate Program at Bina Nusantara University Jakarta, Indonesia. Covering many aspects of management, Business, International Business, and international trade. Her interest is in export, she has attended import-export education and training for 2 months during the 3rd semester holiday of lectures. She is very interested in implementing his knowledge, she plans to export in her own business after graduating from college.

Elena Putri Sutanto studied International Business Management for her Undergraduate Program at Bina Nusantara University Jakarta, Indonesia. Covering many aspects of management, Business, International Business, and international trade. She has attended import-export education and training for 2 months during the 3rd semester holiday of lectures. Her main field of interest in business and international trade. She hopes to pursue a career in the field of business, particularly focusing on practical international trade. Despite this, she will always be interested in e-commerce, management and will continue to work on them in her spare time.