DINASTI INTERNATIONAL JOURNAL OF DIGITAL BUSINESS AND MANAGEMENT (DIJDBM)
E-ISSN : 2715-4203
P-ISSN : 2715-419X
https://dinastipub.org/DIJDBM dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijdbm.v5i5
Received: July 15th 2024, **Revised:** July 30th 2024, **Publish:** August 15th 2024

International Trade Concept: Analysis of Letters of Credit, Custom Bonds and Export-Import Regulations

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Abstract: The scientific literature review article entitled Concept of International Trade: Analysis of Letter of Credit, Custom Bonds and Export-Import Regulations is in the domain of operational management science. The purpose of this article is to formulate a hypothesis regarding the relationship between various aspects, which will then be used as the basis for further research. This study uses a qualitative descriptive research methodology. The data used in this study comes from previous studies that are still relevant to this study. Information was collected from leading scientific online platforms, such as Publish or Perish, Google Scholar, DOAJ, and the Sinta journal. The results obtained from this study are presented as follows: 1) Letter of credit influences the Concept of international trade; 2) Custom bonds influence the concept of international trade; and 3) Export import regulations influence the concept of international trade.

Keyword: Internasional Trade, Letter of Credit, Custom Bonds, Export Import

INTRODUCTION

The global economy relies heavily on international trade to facilitate the interchange of goods and services between nations. This is an essential mechanism that links domestic and international markets, giving producers more chances to access a larger consumer base and take use of the comparative advantages of each nation. In this environment, having a thorough understanding of the instruments and processes involved in global trade is essential (Susanto, Subagio, et al., 2024). In order to regulate and facilitate cross-border transactions, this article will examine three essential elements of international trade: import-export regulations, custom bonds, and letters of credit. To begin with, a letter of credit (LC) is a crucial financial tool used in global trade. LC, which is provided by the buyer's bank, serves as a guarantee of payment from the buyer to the seller. This agreement guarantees that the seller will get money only after submitting the agreed-upon paperwork, including the insurance certificate, bill of lading, and commercial invoice. One of the biggest barriers to international trade is the danger of non-payment, which is significantly decreased by the protection and certainty that LCs provide. In this situation, LC assures buyers that payment would only be made after the items are delivered per the agreed-upon terms, while sellers can be sure they will get paid on schedule. The several forms of LC, such as irreversible and revocable LC, as well as the advantages and disadvantages of using them, will be covered in more detail (Susanto, Sawitri, et al., 2023).

Table 1. Development of Indonesia's Export Value in 2021-2022 (US$ Billion)

2021	Export Value (US$ Billion)	2022	Export Value (US$ Billion)
Jan	15,30	Jan	19,14
Feb	15,26	Feb	20,49
Mar	18,40	Mar	26,59
Apr	18,47	Apr	27,32
May	16,91	May	21,49
Jun	18,55	Jun	26,14
Jul	19,37	Jul	25,47
Aug	21,44	Aug	27,93
Sep	20,62	Sep	24,76
Oct	22,09	Oct	24,73
Nov	22,85	Nov	24,06
Dec	22,36	Dec	23,78
Total Exports 2021	231,61	Total Exports 2022	291,90

Source: PEB and Non PEB Documents, processed

Based on table 1, it is known that in 2022, Indonesia's exports increased with the total value of Indonesia's exports reaching US$291.90 billion compared to 2021 with an export value of US$231.61 billion. From January to April 2022, Indonesia's exports continued to increase, but in May they decreased due to the Eid al-Fitr holiday. Export activities with the highest value occurred in August 2022 with an export value of US$27.93 billion. Then the value of Indonesia's exports in the following months tended to have the same amount, although some decreased. Based on this, it can be seen that the value of Indonesia's exports is quite stable because its value tends to be the same, although at some times it has decreased due to economic conditions and regulations.

In order to guarantee adherence to laws and customs procedures in the destination nation, custom bonds are yet another crucial instrument in international trade. The importer, the surety company, and the custom party enter into a formal contract known as the bond, which assures that the importer will comply with all relevant customs responsibilities, including paying import duties, taxes, and other expenses. Because custom bonds offer a financial guarantee that these commitments will be fulfilled, they help custom authorities reduce risk. Examining several kinds of custom bonds, like continuous bonds and single entry bonds, and their consequences for a seamless import procedure is crucial in this analysis. Furthermore covered will be the difficulties businesses frequently have in securing and upholding custom bonds, as well as the function of surety firms in this procedure (Ali et al., 2020).

Third, policies and guidelines put in place by the government to control the movement of commodities into and out of a nation are known as export-import regulations. Document requirements, import and export licenses, tariffs, quotas, and other customs laws are all covered by these regulations. These regulations' primary goals are to safeguard domestic business, ensure that state funds are raised through taxes and duties, and uphold adherence to environmental, health, and safety requirements. Overly onerous rules, however, have the potential to impede trade by driving up prices and lengthening delivery times for goods. As a result, finding a balance between trade promotion and protection is crucial. The European

Union, China, and the United States are just a few of the major nations whose regulations will be the subject of this examination, along with their effects on global trade flows. Furthermore, the difficulties that importers and exporters encounter in adhering to intricate and constantly evolving regulations will be described (Istianingsih, 2016).

Import-export laws, custom bonds, and letters of credit are the three interconnected foundations of global trade. They are crucial in ensuring that transactions proceed securely and without hiccups, lowering risks for all parties. A letter of credit, for instance, lowers the risk of non-payment and non-delivery of goods by offering financial protection to both purchasers and sellers. Conversely, custom bonds offer an assurance that all customs-related responsibilities will be met, which makes it easier for products to pass through borders and prevents delays brought on by customs-related problems. Notwithstanding their complexity, import-export laws are designed to safeguard the nation's economic and security interests while ensuring that trade is carried out in conformity with accepted norms (Susanto, Sawitri, et al., 2024).

Nonetheless, there are significant obstacles to overcome in order to execute and adhere to these three elements. Among the issues that traders typically deal with include potential fraud, stringent documentation requirements, and complex LC procedures. When it comes to custom bonds, businesses frequently struggle to both maintain continuous compliance with the requirements of the customs laws and to meet the standards required to secure the bond. However, different countries have different import and export laws, which add another level of complexity and frequently call for specific expertise and resources to guarantee compliance.

Innovation and technology play an ever-more-important role in meeting this problem. Trade process digitization may lower red tape, boost transparency, and lower the risk of fraud. Examples of this include automating customs systems and using blockchain for Letters of Credit. Fintech products and electronic trading platforms may also make it easier for firms, particularly SMEs, to obtain trade collateral and financial instruments, enabling them to engage in global commerce. In conclusion, it is critical for those involved in international trade to have a thorough understanding of custom bonds, letters of credit, and import-export laws. These three elements serve as crucial risk management tools and regulatory compliance guarantees in addition to being trade facilitation aids. Innovation and technical advancements present chances to improve efficiency and security in international trade, notwithstanding the difficulties that must be overcome. As a result, the examination of these three elements is important from both an academic and practical standpoint, with ramifications for both the business sector and the global economy at large (Ali et al., 2024).

Based on the background of the problem that the researcher has written, the problem formulation is determined as follows: 1) Does a letter of credit have an effect on the concept of international trade?; 2) Do custom bonds have an influence on the concept of international trade?; and 3) Do import-export regulations affect the concept of international trade?

METHOD

This study takes a descriptive qualitative approach, focusing on the Analysis of Letters of Credit, Custom Bonds, and Export-Import Regulations on the Concept of International Trade. The researcher reviewed previous studies that discussed the Analysis of Letters of Credit, Custom Bonds, and Export-Import Regulations on the Concept of International Trade. Data sources were obtained from online media such as the Scopus Elsevier Journal, Sage, Emerald, SINTA Journal, DOAJ, WoS, Google Scholar, and EBSCO. Previous research is needed to support the formulation of the problem so that readers do not raise questions, (Ali, H., & Limakrisna, 2013):(Susanto, Arini, et al., 2024).

RESULTS AND DISCUSSION

Results

International Trade Concept

The exchange of commodities and services between nations through imports and exports is known as international trade. This enables nations to increase the size of their marketplaces for products and services that would not be offered locally (Susanto, Ali, et al., 2023). Because every nation has a comparative advantage in manufacturing particular commodities and services, trading with other nations enables more effective utilization of the world's resources. By giving individuals access to a wide range of goods and technologies, it also significantly raises living standards and fosters political and economic ties between nations. Numerous international agreements and organizations that guarantee the fairness and transparency of commercial activities support international trade (Oktavia et al., 2023).

Indicators that support the concept of international trade include: 1) The idea of comparative advantage states that a country must import commodities that are produced less efficiently and export commodities that are produced more efficiently. The benefits of international trade are rooted in this; 2) Trade Balance: A metric that describes the disparity between the amount of goods and services a country imports and exports. A surplus is characterized by a positive trade balance, and a deficit is characterized by a negative trade balance; and 3) International Agreements and Organizations: The World Trade Organization (WTO) and other agreements, such as the EU and NAFTA, control international trade. To ensure efficient and fair trade, these groups and agreements establish standards and regulations.

The variables of the international trade concept have been studied by previous researchers, including: (Rangkuty et al., 2021), (Andini, 2018), (Diah Arumsasi, 2021), (Suryanto & Kurniati, 2022).

Letters of Credit

A letter of credit, often known as an L/C, is a financial document that a bank issues at the request of a buyer, guaranteeing the seller's payment under specific terms. Letters of credit are used in international trade to lower payment risk, guaranteeing payment to sellers who can produce documentation attesting to the agreed-upon delivery of goods. As an intermediary, the bank issuing the letter of credit assures that payment will be made as long as all requirements outlined in the document are fulfilled. Both sides are protected by this: the buyer does not have to pay until after obtaining proof of delivery, and the seller is guaranteed payment (Jinan, N., MHK, 2023).

The indicators of a letter of credit are; 1) Parties involved, in a letter of credit, the following four parties are often involved, namely, the seller (beneficiary), the buyer (applicant), the issuing bank, and the successor bank (advising bank). The buyer asks his bank to open a letter of credit, which is then sent to the seller's country via the successor bank; 2) Required documents, Bill of lading, invoice, packing list, certificate of origin and insurance are usually required. To demonstrate that the product has been shipped in accordance with the terms of the letter of credit, the seller must provide such documentation; and 3) Payment Terms, Letter of credit can be paid at sight (pay immediately after receiving the document) or usance (pay after a predetermined period of time). When payments are made to vendors is determined by these terms.

Variables for aviation credit letters have been studied by previous researchers, including: (Mawadah et al., 2022), (Egga Pratiwi et al., 2024), (FAW, 2023).

Custom Bonds

An importer or exporter can guarantee customs officials that all applicable requirements are followed by providing a custom bond. These bonds ensure that in the event of regulatory infractions, taxes, customs fees, and other consequences will be paid. The financial security that customs authorities receive from custom bonds enables them to more successfully enforce laws. Custom bonds give companies the guarantee that, as long as their items meet all conditions set down by customs authorities, their goods will be handled more swiftly and effectively. This keeps the free movement of products across international borders intact (Kustiyaningrum et al., 2017).

Indicators of Custom Bonds are: 1) Guarantee, Banks or insurance organizations that function as guarantors for importers or exporters to comply with customs laws usually issue special bonds; 2) Bond value. The bond value is determined by considering the import or export value of the product as well as possible fines or costs that may arise if a violation occurs; and 3) Validity period, depending on the type, customary bonds have different expiration dates. Continuous bonds typically have a one-year term, but single transaction bonds are valid for only one delivery.

Custom bond variables have been studied by previous researchers, including: (Darmawan et al., 2020), (Fatah, 2011), (Fitriani et al., 2020).

Export Import Regulations

The government has established a set of guidelines known as export-import regulations to control the export and import of products and services. These rules address the requirements for documentation, permits, registration processes, tariffs, and limitations that apply to specific items. This regulation's primary goal is to safeguard the nation's interests in terms of economy, security, health, and the environment. For instance, in order to safeguard regional industry or stop the spread of illness, certain commodities would not be allowed to be imported or exported. For those in international business, adhering to export-import laws is crucial to avoiding penalties and guaranteeing the seamless running of their enterprise. Success in international trade requires an understanding of these rules and adherence to them (Silano et al., 2023).

Indicators of import and export regulations are: 1) Quantitative limits and quotas, these policies set a limit on the quantity of commodities that can be imported or exported within a specific time frame. They may apply to certain types of goods; 2) Licensing and Certification, prior to being imported or exported, a number of commodities need special permits or certifications, such as an export permit, a certificate of origin, or a health certificate; and 3) Documentation, commercial invoices, packing lists, bills of lading, and certificates of origin are among the crucial records that are typically needed during the export-import process.

Export-import regulatory variables have been studied by previous researchers, including: (Sianturi et al., 2023), (Syauqina et al., 2022), (Bambungan et al., 2021), (Rori, 2020), (Sofiana Rina, 2019).

Relevant Previous Research Results

Based on the findings above and previous research, the research discussion is formulated as follows:

Table 2. Relevant Previous Research Results

No	Author (Year)	Research Results	Simmilarities with this article	Difference with this article
1.	(Prahaski & Ibrahim, 2023)	Influence of international trade policy on the economic growth of developing countries, the conclusion is that trade policy has significant potential to become a driver of economic growth	Equation on the International Trade variable	Differences in economic growth variables in developing countries
2.	(Ayu et al., 2020)	The role of the bill of lading document in export-import activities, namely: as proof of ownership of goods, and also	Equation of the import-export variable	Differences in bill of lading application variables

		as proof of the existence of a ransportation contract.		
3.	(Asmoro, 2021)	Exports of creative industry products in the fashion sector have a significant and positive effect on the trade balance	Equation on the export variable	Differences in the discussion regarding the creative industry in the fashion sector regarding the trade balance and employment in Indonesia

Discussion

Based on the findings above and previous research, the research discussion is formulated as follows:

The Influence of Letters of Credit on the Concept of International Trade

The idea of international trade is heavily influenced by letters of credit, especially when it comes to the balance of trade, comparative advantage, and the function of international institutions and agreements. A letter of credit is a reliable payment method that consists of four main parties: the seller (beneficiary), the buyer (applicant), the opening bank (issuing bank), and the successor bank (advising bank). Letters of credit ensure that transactions involving foreign trade can be carried out more safely and reliably by involving these parties. Because banks guarantee payment as long as certain conditions are followed, buyers and sellers can feel more at ease. This lowers the likelihood of non-payment, which is often a major barrier to cross-border trade.

According to the theory of comparative advantage, a country must import commodities whose production is less efficient and export commodities whose production is more efficient. Letters of credit are especially important in these situations because they allow countries to trade with more confidence and without worrying about the dangers associated with repayment. As a result, countries can concentrate more on the production of goods in which they have a comparative advantage, thereby increasing the productivity and efficiency of the world economy. For example, country A, which excels in electronic goods production, can rely on letters of credit to guarantee payments from country B, which excels in textile production, so that both countries gain economic benefits from trade. International trade also involves the use of documents required for letters of credit, such as bills of lading, invoices, packing lists, and certificates of origin. These records provide peace of mind for everyone by showing that goods have been delivered according to the contract. Since this allows a country to ensure and guarantee that they receive goods of the right quality and quantity, it is important in the context of comparative advantage. More and more countries are involved in international trade as the trade process becomes more accountable and transparent with complete and accurate documents.

International trade is also greatly influenced by the payment terms in a letter of credit, which may be sight (money paid immediately after the document is received) or usance (payment made after a certain period of time). These payment terms help sellers and buyers to better manage their cash flow and finances by providing flexibility. This flexibility is very important for the trade balance because it allows a country to control the volume of imports and exports according to its economic conditions. For example, flexible repayment periods in letters of credit can help countries experiencing trade balance deficits manage their purchases more carefully and prevent further escalation of trade imbalances. The use of letters of credit is closely related to the function of international agreements and organizations in global trade. The norms and regulations that control international trade behavior are set by institutions such as the World Trade Organization (WTO) and free trade agreements such as the EU and NAFTA. These regulations are complied with through letters of credit, which guarantee fair and transparent international commercial transactions through proper payment terms and documentation requirements. This is important because international organizations and agreements seek to lower trade barriers and expand market access, both of which drive the expansion of the world economy.

By using letters of credit, businesses from various countries can more easily comply with regulations set by global organizations, thereby reducing the possibility of conflict and increasing trade efficiency. For example, the WTO mandates that transactions must be concluded in good faith and trade documents must be clear and transparent. These needs are met through letters of credit, which offer a reliable and transparent framework for documentation, payment and fulfillment of trade requirements. Therefore, letters of credit contribute to the development of a more stable and predictable trading environment, both of which are necessary for the smooth running of global trade. Additionally, through international trade agreements, letters of credit assist countries in achieving their economic goals. Letters of credit allow businesses in member countries to trade with fewer barriers, taking advantage of reduced tariffs and simpler rules of origin in free trade agreements, such as those within the European Union. This promotes general economic prosperity, strengthening integrity.

Additionally, through international trade agreements, letters of credit assist countries in achieving their economic goals. Letters of credit allow businesses in member countries to trade with fewer barriers, taking advantage of reduced tariffs and simpler rules of origin in free trade agreements, such as those within the European Union. This promotes general economic prosperity, strengthens economic integration, and increases the volume of trade between member countries.

On the other hand, letters of credit can support the development of commercial relations between parties to bilateral or regional trade agreements. Letters of credit allow countries to transact with more confidence, fostering trust and closer cooperation by guaranteeing payment and providing clear documentation. This is important because trade agreements often aim to reduce dependence on certain markets while increasing trade between countries that have close political and economic ties. Overall, letters of credit had a significant and far-reaching impact on the idea of international trade. International trade can be conducted more effectively and safely with the help of a letter of credit that involves important parties, guarantees the necessary documents, and sets clear payment terms. By allowing countries to trade according to their advantages, improving the balance of trade by offering flexibility in cash flow arrangements, and complying with regulations set by international treaties and organizations, it promotes the idea of comparative advantage. Thus, letters of credit support the expansion and stability of the world economy as a whole in addition to facilitating commercial transactions.

Letters of credit influence the concept of international trade, this is in line with previous research, including: (Ayu et al., 2020), (Egga Pratiwi et al., 2024), (Jinan, N., MHK, 2023).

The Influence of Custom Bonds on the Concept of International Trade

The idea of international trade, including the concepts of comparative advantage, trade balance, and the function of international treaties and institutions, has been greatly influenced by custom bonds. Customs officials are reassured by customs bonds that importers and exporters would abide by all relevant laws and requirements. If there is a violation, this assurance pays for the taxes, penalties, and customs costs. With this guarantee, nations can lower the possibility of non-compliance, which can impede trade flows, assuring the seamless and effective operation of the international trade process. In addition, this assurance gives participants in international commerce peace of mind that their financial obligations will be fulfilled, which is crucial for preserving the stability and efficiency of trade operations. According to the theory of comparative advantage, nations should import commodities that are produced less efficiently than they are and export those that are produced more efficiently than they are. This idea is supported by custom bonds, which guarantee seamless import and export operations free from needless bureaucratic roadblocks. Custom bonds allow importers and exporters to concentrate more on their primary business of manufacturing and trading goods in accordance with their unique competitive advantages. For instance, because custom bonds already ensure regulatory compliance, a nation that excels in textile manufacture can readily import raw materials from other nations without worrying about undue customs hassles. By doing this, nations may optimize the advantages of their comparative advantages, raising the global economy's productivity and efficiency.

The value of the items being imported or exported, along with any possible fines or fees that can be incurred in the event of a violation, are taken into account when determining the value of a custom bond. Customs administrations and nations are further protected by this value from possible financial losses resulting from non-compliance. The value of custom bonds is a significant factor in the context of the trade balance. A country's ability to ensure the payment of all debts allows it to better control the flow and outflow of goods, which impacts the trade balance. For instance, custom bonds can assist in managing cash flow and guaranteeing that all import-related expenses are paid on schedule in the event that a nation's import value grows. This helps prevent an uncontrollable deficit in the balance of trade. Put another way, by guaranteeing that all monetary commitments associated with imports and exports are fulfilled, custom bonds contribute to the preservation of a stable trade balance. International trade is significantly impacted by the expiration of custom bonds. Depending on the type, custom bonds typically have different validity periods. For example, continuous bonds are good for an entire year, whereas single transaction bonds are only valid for a single delivery. International trade actors have flexibility in how they set up their businesses throughout this validity period. For instance, continuous bonds enable businesses to deliver more than once in a year without needing to set up new bonds for every transaction, which speeds up trade and lessens administrative load. This adaptability is particularly crucial for international trade since it enables businesses to react to changes in the market more swiftly and effectively.

The application of custom bonds is strongly tied to the function of international organizations and treaties in commerce. The norms and regulations that control the conduct of international trade are established by institutions like the World Trade Organization (WTO) and free trade agreements like the EU and NAFTA. Custom bonds, which provide assurances of adherence to customs laws, assist nations in adhering to these requirements and guarantee the fair and transparent conduct of commerce. This is significant because international organizations and agreements seek to lower trade barriers and broaden market access, both of which promote expansion of the world economy.

Custom bonds make it easier for businesses across borders to abide by the regulations established by international organizations, lowering the possibility of legal issues and boosting trade effectiveness. For instance, the WTO mandates that transactions must be completed in good faith and that trade documents must be clear and transparent. These criteria are satisfied by custom bonds, which offer a guarantee of payment for all debts, making the trading environment more steady and predictable. Countries may communicate and trade with greater confidence as a result, fostering closer collaboration and trust. This is essential for the smooth operation of international trade. Additionally, through international trade agreements, custom bonds assist nations in achieving their economic objectives. Custom bonds enable businesses in member nations to trade with fewer barriers, taking advantage of reduced tariffs and simpler rules of origin under free trade agreements, such those found in the European Union. This promotes economic prosperity generally, strengthens economic integration, and increases trade volumes between member nations.

On the other hand, custom bonds can support the development of economic relationships between the parties to bilateral or regional trade agreements. Custom bonds give nations the assurance that customs laws will be followed, facilitating more confident trade and fostering more mutual trust and cooperation. This is significant because trade agreements frequently seek to lessen reliance on specific markets while boosting trade between nations with tight political and economic links. In general, custom bonds have had a significant impact on the idea of global trade. Custom bonds make international trade safer and more effective by guaranteeing adherence to customs laws, guaranteeing a suitable bond value, and giving flexible periods. By enabling nations to trade in accordance with their advantages, enhancing the trade balance by guaranteeing that all financial commitments are fulfilled, and abiding by rules established by international treaties and organizations, it promotes the idea of comparative advantage. Thus, custom bonds support both the expansion and general stability of the world economy in addition to facilitating commerce.

Custom bonds influence the concept of international trade, this is in line with previous research, including: (Fitriani et al., 2020) (Kustiyaningrum et al., 2017), (Darmawan et al., 2020), (Hasan & Dana, 2017), (Faizah, 2019), (Yuliawati & Suarjaya, 2017).

The Influence of Import Export Regulations on the Concept of International Trade

The idea of international trade, including the ideas of comparative advantage, the balance of trade, and the function of international agreements and organizations, is heavily influenced by export-import regulations, which include quantitative limits and quotas, licensing and certification, and documentation. The amount of commodities that can be imported or exported within a certain time period is regulated by quotas and quantitative limits. The purpose of these restrictions is to maintain the trade balance, regulate domestic market prices, and protect domestic industry. However, these limitations can also hinder trade and hinder the effective distribution of resources based on comparative advantage. For example, a country cannot fully exploit its comparative advantage in international trade if it is restricted by quotas and has a comparative advantage in steel manufacturing. As a result, potential trading income is not maximized and resource allocation becomes less effective.

An important part of import-export law is licensing and certification. Before being exported or imported, a number of commodities need to obtain special permits or certificates, such as export permits, certificates of origin, or health certificates. The destination country's quality, safety and environmental standards are met by traded goods thanks to these permits and certifications. Licensing and certification can function as barriers or facilitators in the context of comparative advantage. Requirements that are too strict have the potential to hinder trade and reduce the benefits of competitive advantage. For example, if a country produces a lot of processed food but is subject to strict export laws related to health and safety requirements, then the competitiveness of those products in the global market may suffer due to high compliance costs. In contrast, unambiguous and transparent licensing and certification can increase international trust and facilitate trade, allowing countries to better exploit their comparative advantages.

An important component of import-export laws is documentation. To process and verify trade transactions, documents such as bills of lading, packing lists, certificates of origin and commercial invoices are required. Ensuring that all parties participating in a trade are aware of their respective conditions and obligations requires complete and accurate documentation. Good documentation helps record and manage the movement of goods and services between countries in the context of the trade balance. For example, the government can monitor and assess the trade balance more efficiently if imported and exported commodities are well documented. If a trade imbalance occurs, a country's government can use documented data to determine the cause of the deficit and implement corrective measures, such as changing tariffs or providing incentives to important domestic industries.

Export-import laws also have a major impact on the functioning of international agreements and organizations. The norms and regulations that control international trade behavior are set by institutions such as the World Trade Organization (WTO) and free trade agreements such as the EU and NAFTA. Export-import laws that comply with international standards assist countries in complying with these requirements and ensure that trade is conducted fairly and openly. For example, the WTO encourages member countries to reduce trade barriers and enact laws prohibiting discrimination. Countries can improve market access and reduce trade disputes by aligning their import-export laws with WTO criteria. This is important because international organizations and agreements seek to lower trade barriers and expand market access, both of which drive the expansion of the world economy.

The trade balance is also heavily influenced by quantitative restrictions and quotas. Quotas are a useful instrument for managing the volume of imported commodities, protecting domestic businesses from unwarranted foreign competition, and maintaining a stable trade balance. For example, the government in a country with a significant trade deficit may implement import quotas as a way to limit the amount of commodities entering the country and encourage domestic manufacturing. However, this approach could also trigger retaliation against other countries, hampering global trade and harming bilateral or multilateral economic relations.

International agreements and organizations are also impacted by licensing and certification. Building economic cooperation is easier for countries that have strong licensing and certification requirements that are aligned with international norms. For example, clauses relating to mutual recognition of certification and licensing are often seen in free trade agreements. This facilitates trade flows and lowers costs by allowing goods certified in one country to be accepted in other countries without the need for recertification procedures. However, a country's licensing and certification requirements can prevent a product from entering the global market if it deviates too much from international norms. International agreements and organizations also require effective and consistent documents. For example, member countries of free trade agreements usually decide on uniform documentation forms that make it easier to handle and verify commercial transactions. Trade efficiency increases due to reduced bureaucracy and faster delivery times. Documentation guidelines are also set by international organizations such as the WTO to encourage responsibility and openness in trade. Member countries can foster mutual trust and reduce the possibility of conflict and trade disputes by following these rules. In general, the idea of international trade is heavily influenced by export-import laws, which include quantitative limits and quotas, licensing and certification requirements, and documentation requirements. These rules influence the efficiency of resource allocation based on comparative advantage, the flow of goods and services, and the balance of trade by controlling the entry and exit of goods.

Import-export regulations influence the concept of international trade, this is in line with previous research, including: (Sianturi et al., 2023), (Sianturi et al., 2023), (Silano et al., 2023), (Rori, 2020), (Batubara et al., 2023), (Mahani F,A., Nasution, 2022), (Nugraha & Andraini, 2023).

Conceptual Framework

A conceptual framework has been established based on research findings, previous investigations, and the above-mentioned discourse:

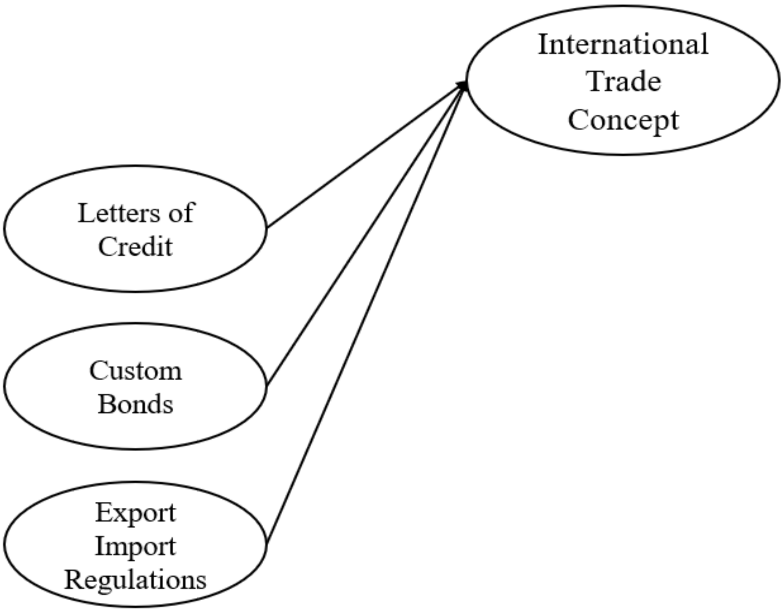

Figure 1. Conceptual Framework

Based on Figure 1 above, letters of credit, custom bonds and export-import regulations influence the concept of international trade. However, apart from letters of credit, custom bonds, and import-export regulations that influence the concept of international trade, there are other variables that influence it, including:

1) Technology and innovation: (Pakpahan, 2021), (Ningsih, 2018), (R. Saputra, 2023b), (Maisharoh & Ali, 2020), (Fitriyanti, 2021), (Natasya, 2023), (R. Saputra et al., 2023), (Putri Primawanti & Ali, 2022), (Zahran & Ali, 2020), (Oktaviani & Fajriah, 2023).
2) Global economic conditions: (F. Saputra & Ali, 2022), (Prahaski & Ibrahim, 2023), (Bambungan et al., 2021), (Mardinsyah & Sukartini, 2020), (Nurhayati & Juliansyah, 2023).
3) Political and legal stability: (R. Saputra, 2023a), (Ayu et al., 2020), (Juditia Damlah, 2017), (Rori, 2020), (Zuhriadi et al., 2024).
4) Transport infrastructure: (Maisharoh & Ali, 2020), (Ali et al., 2024), (Shobirin & Ali, 2019), (Husen & Baranyanan, 2021), (Matondang et al., 2024).

CONCLUSION

Based on the problem formulation, results and discussion above, the conclusions of this research are:

1. Letters of Credit influence the Concept of International Trade;
2. Custom Bonds influence the Concept of International Trade; and
3. Import Export Regulations influence the Concept of International Trade.

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