

THE DYNAMICS OF LOCAL GOODS TRADE AND IMPORTS IN THE SERIKIN CROSS-BORDER MARKET: AN ANALYSIS OF INDONESIA-MALAYSIA ECONOMIC INTERACTIONS THROUGH LITERATURE REVIEW

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Abstract

This study analyses the dynamics of local and imported goods trade in the Serikin Cross-Border Market as a reflection of economic interaction between Indonesia and Malaysia using a literature review method. This study explains how local and imported goods play a role in cross-border economic activities, while strengthening socio-cultural relations in the border region. Through a synthesis of various academic literature, it was found that local goods trade not only supports the economy of border communities but also preserves cultural identity and strengthens social networks. Meanwhile, the flow of imported goods indicates a high level of economic interdependence between the two countries, but also poses challenges such as intensifying business competition and the risk of illegal goods entering the market. The results of this study emphasise the importance of balanced and adaptive cross-border market management so that trade can take place in a healthy and sustainable manner, thereby contributing positively to regional economic development and bilateral relations between Indonesia and Malaysia.

Keywords: cross-border trade, local goods, imported goods, Serikin market, economic interaction, Indonesia-Malaysia, literature review

Introduction

The Serikin cross-border market, located in Sarawak, Malaysia, holds a strategic position in the economic relations between Malaysia and Indonesia. As a trading hub connecting border communities from both countries, Serikin plays a crucial role in supporting local economic activities and serving as an entry point for imported goods. The accessibility of this region presents significant opportunities for trade in competitively priced goods, both for daily necessities and regional speciality products.

The trading phenomenon occurring in this place reflects the dynamics of complex cross-border economic interactions, involving the exchange of goods, services, and culture between communities on both sides of the border (Apriani & Daniah, 2021). Cross-border trade in Serikin has its own characteristics because its existence is driven by unique socio-economic interactions.

Buying and selling activities in this market often operate outside the formal trade channels strictly regulated by official ports and customs. Many transactions are

conducted directly between sellers and buyers, with a business model that relies on personal relationships and mutual trust (Elyta, 2024). This situation makes the Serikin market a real example of a community-based economy developing in a border area. This phenomenon is worth examining as it reflects how informal markets can serve as a driving force for regional economies, despite facing various regulatory challenges (Lestari, 2023).

In the context of local goods trade, this market serves as a showcase for products from both countries. Indonesian residents living in the Kalimantan border region often bring agricultural products, handicrafts, and homemade processed goods to sell at Serikin. Conversely, Malaysian traders utilise this market to market Sarawak-specific products and industrial goods. This exchange is not merely an economic transaction but also a means of strengthening cross-border social ties inherited from the historical closeness of cultures and kinship between communities. This dynamic highlights the significant role of local trade in reinforcing social cohesion in border areas (Lestari, 2023).

Meanwhile, the import trade in Serikin holds its own appeal. Many Malaysian consumers visit this market to purchase Indonesian products at prices often lower than those in domestic markets. Similarly, Indonesian residents utilise this access to obtain imported goods entering through international trade routes in Malaysia, including electronic products, fashion items, and fast-moving consumer goods. The interconnectedness of cross-border distribution channels expands the choice of goods for consumers and accelerates the flow of goods on both a micro and macro scale (Amar et al., 2020).

Price is the main driver of trade in this region. Differences in exchange rates, production costs, and tax and import duty policies between Indonesia and Malaysia create opportunities for trade arbitrage. Traders in Serikin are able to offer goods at competitive prices, either through direct supply from the country of origin or through access to regional supply chains. This situation makes the market more dynamic, with price fluctuations heavily influenced by changes in government policy and global economic turmoil (Santoso, 2020). In addition to economic factors, geographical conditions and cultural proximity are also important elements influencing trade dynamics in Serikin. This border region has historically been a route for community interaction since long before the formation of modern national borders. Similarities in language, customs, and family ties facilitate negotiation and trade relations. This enables the creation of relatively flexible distribution networks even amid differences in legal regulations and official trade policies between the two countries (Prabowo, 2022).

Trade interactions in Serikin cannot be separated from the bilateral policy framework between Indonesia and Malaysia. Trade agreements, border regulations, and immigration rules influence how smoothly goods and people can move across the border. In some cases, strict supervision can slow down transactions and reduce profits

for businesses. However, on the other hand, policies that facilitate cross-border movement can significantly increase trade volume. Therefore, the Serikin market is an important indicator for observing the impact of international policies on the local economy (Prasetyo, 2025).

Cross-border markets such as Serikin are also influenced by developments in communication and transportation technology. Social media has become a strategic tool for traders to promote their products and attract consumers from wider areas. Information about prices, quality, and availability of goods can be disseminated quickly, thereby shortening the distribution cycle and improving efficiency. In addition, adequate land transportation facilitates the flow of goods from production centres to border markets, while also accelerating stock turnover (Amar et al., 2020).

In an economic analysis, the dynamics of trade in Serikin contain strong elements of interdependence. The sustainability of the economy in this region is highly dependent on mutually beneficial relations between the two countries. Local communities benefit from the business opportunities created, while consumers gain access to a wider range of affordable goods. However, there are also potential vulnerabilities, such as over-reliance on a single source of goods or the risk of a decline in trade due to policy changes in one of the countries (Nasution, 2023).

A literature review on this topic shows that cross-border trade in Serikin is not merely an economic phenomenon, but also a social and cultural one. Several previous studies have highlighted that this market represents regional connectivity on a micro scale, where the exchange of goods goes hand in hand with the exchange of values and knowledge.

From a regional development perspective, the existence of cross-border markets can be a tool to strengthen the local economy while strengthening international relations based on people-to-people contact (Sari, 2022). However, this dynamic is not without challenges. Trade practices without adequate supervision can open loopholes for the entry of illegal goods or smuggling activities.

Additionally, competition between local and imported goods raises questions about the sustainability of small and medium-sized enterprises in border areas. Inappropriate policies can disrupt market balance and harm local businesses. Therefore, a deep understanding of these trade patterns is necessary to formulate strategies that balance economic interests and domestic market protection.

In the Indonesia-Malaysia context, Serikin serves as an important case study for understanding how cross-border markets operate in an environment with differing economic and legal systems. This study will examine how the trade of local and imported goods occurs simultaneously, influences each other, and creates a unique economic ecosystem. The findings of this study can contribute to the literature on international trade, particularly in understanding the role of informal markets in global trade networks.

Research Method

The research method used in this study is a literature review, which aims to collect, evaluate, and analyse various scientific sources relevant to the topic of local goods trade and imports at the Serikin Cross-Border Market. This study utilises scientific journals, books, research reports, official statistical data, as well as government and international organisation publications that discuss cross-border trade, Indonesia–Malaysia economic interactions, and local market and import dynamics (Elijah & Aslan, 2025). The analysis process involves selecting credible literature, identifying key concepts, comparing findings across studies, and synthesising information to build a conceptual framework and research argumentation. This approach enables researchers to understand phenomena comprehensively without conducting field data collection, and to trace the relationships between theory, policy, and practice in the field based on existing written evidence (Boote & Beile, 2005).

Results and Discussion

Dynamics of Local Goods Trade in the Serikin Cross-Border Market

The dynamics of local goods trade at the Serikin Cross-Border Market is a highly complex and fascinating phenomenon, reflecting the economic, social, and cultural interactions between Indonesian and Malaysian communities. The Serikin Market, located on the border of Sarawak, Malaysia, serves as a hub for informal trade activities, offering a variety of local products that are in high demand among consumers from both countries. The majority of traders in this market are Indonesian citizens from various regions such as Bengkayang, Sambas, Singkawang, and Pontianak. They view this market as a lucrative business opportunity, where Indonesian local products can be sold at competitive prices and good quality, thereby attracting Malaysian consumers (Hidayat, 2024).

The most traded local products in Serikin include agricultural products such as vegetables and fruits, handicrafts, regional specialities, and processed household items. These products not only meet local market needs but also support the preservation of culture and local wisdom, which serve as unique attractions for visitors from Malaysia and other countries. The quality of the products offered is quite good, with prices more affordable compared to similar products available in the domestic Malaysian market. This constitutes a competitive advantage for Indonesian traders who rely on this market as their primary source of income (Wijaya, 2024).

Interactions between traders and consumers at Serikin occur in a unique and informal manner. Despite the absence of official trade routes and formal immigration checkpoints around the market, trade remains dynamic thanks to the social networks and trust built among business operators. Indonesian traders often have personal

relationships with buyers, most of whom are Malaysian residents, enabling transactions to proceed smoothly without the need for complex bureaucratic procedures.

This situation reinforces the role of Serikin Market as a community-based economic meeting point in the border region (Yuliani, 2025). Serikin's geographical location near the border facilitates access to local goods to the market and provides convenience for traders and consumers across borders.

This condition encourages economic growth in the border area with increased trading activities that are not only limited to buying and selling goods, but also serve as a forum for establishing social and economic relations between communities across national borders. Thus, this market has also become a symbol of people-to-people bilateral cooperation between Indonesia and Malaysia (Wibowo, 2024).

As the market develops, the number of traders selling at Serikin continues to grow. Traders face various challenges, such as varying kiosk rental costs depending on size and location, as well as intense competition between local and imported traders. Despite this, the profits earned, especially on peak days such as weekends, are quite promising and motivate business operators to continue participating in this market (Amar et al., 2020).

High demand from Malaysian consumers is one of the main factors driving the dynamics of local goods trade in Serikin. Malaysian consumers seek Indonesian local products not only because of their more affordable prices but also because of their uniqueness, which is hard to find in other markets. Textile products, especially traditional fabrics and regionally distinctive clothing, are among the most sought-after local products, followed by food and handicrafts.

This demand opens up opportunities for Indonesian traders to expand their distribution networks and increase their income (Djafar, 2016). Local products sold in this market often receive indirect support from the Malaysian government, which allows cross-border trade activities even without strict formal regulations. This provides more room for informal traders to operate and contribute to the local economy. The existence of markets such as Serikin also supports the development of the informal sector, which has long been the backbone of the border community's economy (Aslan, 2019). In a socio-cultural context, the trade of local goods in Serikin strengthens the relationship between communities living across the border.

In addition to being a place for economic transactions, this market serves as a space for social interaction that strengthens cohesion and mutual trust among communities, while preserving traditions and cultural values that have been passed down. This interaction influences consumption and production patterns and fosters a sense of togetherness that supports the economic stability of border areas (Amanda & Aslami, 2022).

The dynamics of local trade are also influenced by various external factors such as changes in government policies, currency exchange rate fluctuations, and global

economic conditions. For example, tax and import duty regulations between the two countries can alter the selling price of local goods and affect demand levels. Therefore, traders must be quick to adjust their business strategies to remain competitive amid these changes (Kartika, 2022).

Communication and information technology also play a significant role in strengthening the dynamics of local goods trade in this market. The use of social media and digital platforms helps traders promote their products, expand their market reach, and facilitate communication with consumers. This accelerates the distribution cycle and improves efficiency in trade, providing additional benefits for local businesses in the cross-border market (Fajar & Rahma, 2021).

Local traders in Serikin have also developed several strategies to maintain and enhance the competitiveness of their products. They strive to improve product quality, preserve the uniqueness associated with local culture, and diversify their product range to reach a broader market segment. Innovation in product presentation and packaging is also a key focus to make local products more appealing to buyers, particularly from Malaysia (Suratman, 2020).

The dynamics of local goods trade in Serikin are also not free from challenges faced by business actors. Competition with imported products and goods from outside the region requires traders to continuously improve quality and service. Additionally, uncertainty in regulations and the potential emergence of illegal goods or fraud pose risks that hinder the development of healthy and sustainable businesses (Firdaus, 2021). The existence of the Serikin cross-border market also demonstrates positive impacts on the economic development of the traders' home regions, particularly in West Kalimantan. Through this market, community income has increased and new job opportunities and businesses have emerged, which in turn strengthen the local economy and reduce unemployment and poverty rates (Yanti, 2023).

Overall, the Serikin Market is a concrete example of how local goods trade in border areas can serve as a key driver in regional economic interactions involving various socio-cultural and economic dimensions. This trade creates a dynamic economic ecosystem that not only supports economic growth but also strengthens bilateral relations between Indonesia and Malaysia at the grassroots level. Understanding these dynamics is crucial for developing policies that support the sustainability of cross-border trade and the well-being of border communities.

The Dynamics of Imported Goods Trade in the Serikin Cross-Border Market

The dynamics of imported goods trading in the Serikin Cross-Border Market illustrate the complexity of economic interactions between Indonesia and Malaysia, which involve not only local products but also various goods originating from abroad and entering through both formal and informal channels. The Serikin Market serves as a strategic point where imported products, especially from third countries, are traded

to cross-border consumers at prices that are often more competitive than those in the Malaysian domestic market.

This phenomenon demonstrates how informal markets are able to facilitate the flow of imported goods in a flexible manner that is responsive to market demand (Sutrisno, 2021). The most widely traded imported goods in Serikin include electronic products, branded clothing, fashion accessories, and fast-moving consumer goods such as snacks and beverages.

These products attract Malaysian and Indonesian consumers who visit the market to seek cheaper alternatives to imported goods. The presence of imported products in this market is the main attraction that strengthens Serikin's position as a unique cross-border market, where consumers have access to a wide variety of goods from various sources (Akbar et al., 2025).

The uniqueness of the dynamics of imported goods trade in Serikin lies in the distribution channels used. Many imported goods enter the border area through official port channels in Malaysia and are then distributed to the market through local intermediaries. However, some also enter informally or through unregistered channels, posing challenges for monitoring and regulation. This situation creates diversity in trade mechanisms that combine formal and informal elements, while also influencing prices and the availability of goods in the market (Dissing, 2018).

Interactions between local traders and importers in this market also reveal a mutually beneficial but dynamic economic relationship. Some local traders choose to become agents or retailers of imported goods, offering product variety while increasing competition in the market.

This competition encourages traders to continuously adjust prices and quality to attract buyers, thereby creating a dynamic market with healthy competition (Prabowo, 2022). Regulations related to the trade of imported goods in Serikin Market are an important aspect that influences the smooth running of business. Customs inspections and import policies implemented by the Malaysian authorities play a role in controlling the flow of goods to comply with applicable regulations.

However, limited supervision of informal markets has resulted in a number of imported products being distributed without proper permits or taxes. This poses a potential risk to state revenue and unfair business competition (Djafar, 2016).

In the context of Indonesia-Malaysia economic relations, the trade of imported goods in Serikin also reflects a high degree of interdependence. Imported goods that have been entering the Malaysian market through both official and informal channels provide complementary options to local products, while stimulating interregional economic activity. The existence of this market shows that cross-border movement of goods is not only a matter of bilateral trade, but is also related to broader global trade networks (Wibowo, 2024).

Changes in international trade policy have a direct impact on the dynamics of import trade in Serikin. For example, changes in import tariffs, product certification rules, and free trade agreements can affect the price and availability of imported goods. Traders in this market must quickly adapt to new regulations in order to remain competitive and meet consumer needs. This highlights the importance of understanding international trade policies to manage business risks (Yuliani, 2025).

Information technology also plays a significant role in the dynamics of imported goods trade in Serikin. Traders utilise digital platforms and social media to obtain information about the latest imported products and market their goods more effectively. This ease of access to information enables more efficient stock management and opens up marketing opportunities to a wider segment, including consumers outside the border area (Wijaya, 2024). In addition to economic benefits, import trade in this market also presents social and economic challenges. Competition between imported goods and local products sometimes creates tension among small businesses that feel pressured by cheaper imported products. This situation requires regulations that can balance the protection of local businesses with consumer demand for varied and affordable imported goods (Hidayat, 2024).

The price fluctuation of imported goods in Serikin is quite high due to external factors such as exchange rates, tariff policies, and global supply chain conditions. Traders must quickly adjust prices to cope with these changes to remain attractive to consumers. The resilience of import traders' businesses heavily depends on their ability to manage price and inventory risks (Sari, 2022). The availability of diverse imported goods also encourages innovation in traders' business strategies. They develop better services, such as warranties, after-sales services, and flexible payment systems to maintain consumer loyalty. Such approaches enhance buyer confidence and strengthen traders' positions in the market competition (Nasution, 2023).

Interpersonal relationships between traders and customers play a central role in the import trade in Serikin. Although the market tends to be informal, trust and reputation are important assets that determine business continuity. Traders who are able to build good relationships with their customers often reap sustainable benefits through recommendations and repeat purchases (Amar et al., 2020).

From an economic perspective, the import trade in Serikin's cross-border market contributes significantly to local income. The revenue generated from import activities strengthens the domestic economy and creates job opportunities for many people. This has a positive impact on poverty reduction and improved living standards for border communities (Prasetyo, 2025). However, this market also faces risks related to product safety and environmental impacts. Imported products entering without strict controls have the potential to bring in counterfeit or dangerous goods that can harm consumers. Additionally, the high volume of imported goods trade also raises issues of waste and environmental management, which require attention from relevant authorities.

Overall, the dynamics of imported goods trade in the Serikin Cross-Border Market reflect the complex interaction between various economic, regulatory, social, and technological factors. This market is not merely a place for goods exchange but also an economic arena filled with challenges and opportunities. A deep understanding of these dynamics is crucial for formulating policies that support the development of healthy, fair, and sustainable cross-border trade, while strengthening economic ties between Indonesia and Malaysia.

Conclusion

The dynamics of local and imported goods trading in the Serikin Cross-Border Market reflect the close interconnection between economic, social, and cultural factors in Indonesia–Malaysia interactions in the border region. This market functions not only as a place for the exchange of goods but also as a social interaction space that connects cross-border communities through informal networks and long-established kinship ties.

Local goods trade plays an important role in preserving cultural identity while providing a source of livelihood for border communities, while imported goods trade complements consumer needs and enriches the variety of products available in the market. The existence of local and imported goods flows in Serikin is clear evidence of the economic interdependence of the two countries.

Indonesian local goods are sought after for their uniqueness and competitive prices, while imported goods, whether from Malaysia or third countries, provide additional choices and encourage competitive market dynamics. However, this phenomenon also brings challenges such as the imbalance in competitiveness between local and imported products, the risk of illegal products entering the market, and the potential economic vulnerability due to changes in trade policies or global economic fluctuations.

This underscores the importance of balanced market management that protects local businesses while meeting consumer needs. Overall, the Serikin cross-border market is a concrete example of how formal and informal trade can intertwine to form a dynamic regional economic ecosystem.

The findings of this study indicate that a more adaptive, participatory, and culturally sensitive policy approach is needed to ensure sustainable market development. With proper management, trade in local and imported goods in Serikin has the potential to strengthen bilateral relations between Indonesia and Malaysia, improve the welfare of border communities, and contribute to regional economic stability.

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