

INTRODUCTION

Trade, the exchange of goods and services between two countries, has developed with globalization.¹ International trade is significantly influenced by several factors, one of which is infrastructure. One of the infrastructures that have an important role in supporting humans to be able to carry out their activities is transportation. According to Simbolon (2003), in transportation, there is the expression ship follow the trade and trade follow the ship. The word ship follows the trade implies that transportation (ship) follows the development and progress of trading activities and the word trade follows the ship also means that the development of trading activities depends on transportation (ship).² In transportation facilities and infrastructure, sea transportation plays an important role in the running of trade because it has high economic value, including large carrying capacity, and relatively cheap cost.³

Indonesia is the largest archipelago country in the world with many islands and an area of oceans that exceeds land. Because of that, a port is a business activity that is very important for the running of the economy and is a place for port service activities which is very influential in supporting the trade sector for goods exported, imported, as well as shipping services via sea transportation. As a vital sector, the Port sector should be controlled by the state. Indonesian government has entrusted State-Owned Enterprises to carry out exploitation in the port sector namely Pelabuhan Indonesia Ltd.

From the description above, it is important to analyze the transportation infrastructure effect on the Indonesian trade, so that if the performance of these variables continues to be improved it will be able to improve the performance of Indonesia's international trade. In addition, we can find out the accuracy and impact of the government's efforts in infrastructure development so that it can be used as a direction for moving forward in the future.

¹ Adam Smith, *An Inquiry Into The Nature And Causes Of The Wealth Of Nations*, 2005.

² Giovanni Iburian, *Analisis Pengaruh Transportasi Darat Terhadap Pertumbuhan Ekonomi Di Indonesia*, 2016. Giovanni Iburian, *Analisis Pengaruh Transportasi Darat Terhadap Pertumbuhan Ekonomi Di Indonesia*, 2016.

³ Adris A Putra And Susanti Djalante, 'Pengembangan Infrastruktur Pelabuhan Dalam Mendukung Pembangunan Berkelanjutan', *Jurnal Ilmiah Media Engineering*, 6.1 (2011),