

The Strategic Role of Customs Intelligence in Handling Smuggling of Goods in the Strait of Malacca

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Abstract

The Malacca Strait is a waters prone to the smuggling of various goods. The smuggling crosses the borders of Indonesia and Malaysia. Since 1994, the two countries have cooperated in the form of a coordinated patrol (PATKOR KASTIMA) to deal with smuggling in the Malacca Strait. Customs intelligence support is needed by both countries for the optimization of coordinated patrols. This study uses qualitative methods, data collection is carried out by literature studies and interviews with competent resource persons at the Directorate General of Customs and Excise (DGCE) and the Royal Malaysian Customs Department (RMCD). The results show that customs intelligence carried out by Indonesia and Malaysia during coordinated patrols is a tactical intelligence activity that produces strategic intelligence and supports strategic decisions of the two countries at the national, regional and global levels.

Keywords

Indonesia; Malaysia, patkor kastima; strategic intelligence; threat



I. Introduction

The Strait of Malacca has an important role in world trade by sea. This strait is an alternative route for ships from the Pacific Ocean to the Indian Ocean or vice versa, thus making the Malacca Strait a trade link between countries in the western and eastern hemispheres (Freeman, 2003). In addition to bringing opportunities in the trade and economic fields, the Malacca Strait also poses a threat in the form of smuggling various types of goods including drugs (Trisna, 2020). The smuggling threatens the national security of countries that have authority in the Straits of Malacca (littoral states), including Indonesia and Malaysia.

Smuggling of goods in the Malacca Strait is a transnational crime. Peter (1999) explains the definition of transnational crime, namely violations that have the onset, prevention and/or direct or indirect effects involving more than one country. In addition, the World Customs Organization (WCO) in the Illicit Trade Report 2019 explained that customs administration has an important role as the first line of defense in combating illegal cross-border trade, protecting citizens and the economy caused by criminal organizations. The WCO stressed the need for continued international cooperation to monitor, analyze and deal with illicit trade which has become a global threat.

Based on the WCO report, there are several smuggled goods using sea routes, including culture heritage, cannabis, cocaine, new psychoactive substance, opium, heroin, protected plants and animals according to CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna). In addition, there are other smugglers including Intellectual Property Rights (IPR), medical products, cigarettes, alcohol products, weapons and ammunition.

Considering that the Malacca Strait is between Indonesian and Malaysian waters, the handling of smuggling requires the cooperation of the two countries. McGruddy (2013) stated that intelligence collaboration carried out by the two countries looked at the potential benefits, namely the acquisition of information used to help solve problems or assist surveillance activities. McGruddy also argues that no country can effectively carry out comprehensive information gathering, so cooperation and collaboration are needed.

Indonesia and Malaysia are member countries of the World Trade Organization (WTO), the World Customs Organization (WCO) and the Association of South East Asian Nations (ASEAN). Thus, the two countries not only have the same threat in the Malacca Strait, but also have the same interests in regional and global forums. In 1972, Indonesia and Malaysia made an agreement as outlined in the General Border Committee (GBC) and formed the Coordinated Operations Control Committee Malaysia-Indonesia (COCC MALINDO) forum. One of the agencies under COCC MALINDO is the TPOM which organizes coordinated patrols between Indonesian and Malaysian customs institutions to deal with the threat of smuggling in the Malacca Strait. The coordinated patrols refer to the 1972 Security Arrangement.

The Indonesian and Malaysian Customs Coordinated Patrol known as PATKOR KASTIMA is an implementation of cooperation between the two countries in dealing with the threat of smuggling of goods in the Malacca Strait. Since 1994, Indonesian customs institutions (Directorate General of Customs and Excise / DGCE) and Royal Malaysian Customs Department (RMCD) have implemented PATKOR KASTIMA. Until 2022, PATKOR KASTIMA has been held 25 times. In 2020-2021 PATKOR KASTIMA will not be held due to the Covid-19 pandemic.

RMCD explained that due to smuggling, Malaysia lost state revenue, threatened domestic industry and threatened the entry of illegal goods that endangered the community, such as drugs (Talib, 2022). RMCD and DGCE have agreed on the process of exchanging information during PATKOR KASTIMA based on the principle of benefits, trends in accordance with information exchange, and accepted mechanisms for exchanging information. (Talib, 2022).

Based on DGCE data, in 2016-March 2022 there were 4048 drug prosecution cases consisting of 4,037 Narcotic and Psychotropic actions weighing 20,715,903.02 grams and 11 precursor prosecution cases weighing 1,475,857.00 grams, bringing the total weight to 22,191. 760.02 grams. Especially during the KASTIMA PATKOR 2016-March 2022, there were drug prosecutions with a total weight of 4,033,711.46 grams with details of 3,261,882.94 methamphetamine, 528,587.23 grams of Marijuana, 46,223.39 grams of Heroin and 197,017.90 Ecstasy.

Table 1. Drug Enforcement (PATKOR KASTIMA 2016-March 2022)

Year	Meth (gr)	Marijuana (gr)	Heroin (gr)	Ecstasy (gr)	Total Weight (gr)
2016	17.833,00	7	0,24	10.238,00	28.078,24
2017	42.843,74	6,23	9,15	-	42.859,12
2018	42.091,00	3	-	6.386,00	48.480,00
2019	7.986,20	1	-	100	8.087,20
2020	256.000,00	-	46.214,00	-	302.214,00
2021	1.535.765,00	528.570,00	-	112.417,50	2.176.752,50
Mar-22	1.359.364,00	-	-	67.876,40	1.427.240,40
TOTAL					4.033.711,46

Source: DGCE, 2022

Based on these data, the waters of the Malacca Strait are areas that are prone to smuggling of goods, including drugs. Drugs have become a global threat and drug smuggling, including transnational crimes, requires the cooperation of all parties by applying the concept of unity of effort. Such cooperation requires intelligence support, both tactical and strategic.

Dowell (1992) argues that strategic intelligence is an important tool in law enforcement policy development, program planning and implementation. Dowell also argues that strategic intelligence aids the development and use of resource considerations for policy making by providing complex understanding and providing analytical support to governments. Strategic intelligence can assist decision makers related to complex national policies to prevent, detect, disrupt and investigate transnational organized crime (Coyne, 2015).

Schneider (2014) argues that crime prevention has several characteristics, including being proactive, using risk management (targets), using methodologies, and being evidence-based. In crime prevention, intervention is needed to the problem by studying the scope and strategies used to prevent and deal with crime, by appointing the most appropriate institution, including determining how to intervene by taking into account the measurement of the level of risk. Schneider also argues that a collaborative, multi-stakeholder and multi-sectoral approach that is implemented in a coordinated manner is a good strategy in dealing with crime. Thus, handling smuggling in the Malacca Strait requires collaboration and coordination between Indonesia and Malaysia.

II. Review of Literature

The method used in this research is qualitative. Collecting data by literature study, submitting a list of questions and direct interviews with competent resource persons from the Directorate General of Customs and Excise and the Royal Malaysian Customs Department. Data analysis with a qualitative approach to an interactive model consisting of a data condensation process, data display and conclusion drawing/verification (Miles, 2014).

III. Result and Discussion

Indonesia and Malaysia have the same threat in the Malacca Strait, namely the smuggling of various goods across the borders of the two countries. To overcome this threat, the two countries agreed to make various efforts, including cooperation in exchanging intelligence information during PAKOR KASTIMA. In its implementation, PATKOR KASTIMA is supported by intelligence, both tactical and strategic.

This collaboration is in accordance with Prunckun's (2015) opinion that policies in the field of intelligence that are applied to national security and law enforcement require the application of comprehensive intelligence principles based on the results of intelligence analysis. Prunckun also argues that intelligence is classified into four categories including basic, tactical, operational and strategic. Tactical intelligence provides immediate insights that support specific operations, oriented towards individual targets or short-term activities and provides daily updates on ongoing events. Strategic intelligence is concerned with longer-term forecasts or broader inferences about the larger goals (Prunckun,2015).

Strategic intelligence is included in the category of warning intelligence or warning intelligence because it has a more specific focus on providing warning facilities about an event or situation that may occur at a certain time. Some of the characteristics of strategic

intelligence include being considered a higher form of intelligence, providing a comprehensive view of targets or activities, predicting the future or identifying potential problems, providing advice on threats/risks and vulnerabilities, providing warnings about the possibility of certain events or situations, providing options for planning and policy development, assisting in allocating resources, and requires extensive knowledge of targets or areas of activity (Prunckun, 2015).

In addition, the cooperation in exchanging intelligence information is in accordance with Dowell's (2017) opinion that strategic intelligence is undergoing development, adaptation and introduction in the law enforcement environment. Dowell also explains that the increase in crime and the reduction in law enforcement resources are the triggers for improve capacity at a broader level of understanding Law enforcement agencies must have awareness of the need for coordination, communication and cooperation between fields to reduce difficulties in integrating strategic intelligence and law enforcement.

MacGruddy (2013) also argues about the need for intelligence collaboration at the national, regional and global levels to increase cooperation between countries. This collaboration is carried out in the form of collaboration to collect and analyze information to assist decision making. MacGruddy also argues that the collaboration takes into account the potential benefits of each country in solving problems and reducing the need for supervision that requires a large budget. Threats of smuggling of goods, human trafficking and terrorism have encouraged countries in the world to cooperate in the field of intelligence. This collaboration will facilitate efforts to address complex issues by providing a common perspective, so as to overcome misunderstandings (MacGruddy, 2013).

The intelligence cooperation between DGCE and RMCD is in accordance with the concept presented by Walsh (2007), that cooperation in the exchange of intelligence between countries with different technical capabilities and local knowledge is valuable for handling transnational crimes. Indonesia and Malaysia have local knowledge regarding the smuggling of goods in the Malacca Strait which can be used as complementary data and information. Walsh argues that countries that cooperate in intelligence exchange can regulate intelligence sharing by balancing the benefits and risks by creating a hierarchical element in the agreement. The intelligence exchange process also considers mutual benefits such as diplomatic support, military assistance or intelligence assistance. Walsh also argues that the arrangement of intelligence exchange by applying the concept in a hierarchical manner will increase cooperation between countries to gain mutual benefits.

DGCE and RMCD have a Memorandum of Understanding on Cooperation and Mutual Administrative Assistance on Customs Matters signed on November 10, 202, one of which regulates the exchange of administrative and intelligence data/information as well as the implementation of capacity building. The MoU is the legal basis for the implementation of cooperation that has been and will be implemented, including information exchange cooperation.

Customs intelligence cooperation carried out by DGCE and RMCD is an effort to complete information on transnational crimes. The information held can be used for handling crimes in other countries. Intelligence collaboration and coordination is a global demand that is implemented starting from the national and regional levels. The threat of smuggling in the Malacca Strait is a shared responsibility, not only Indonesia and Malaysia as littoral states, but also the responsibility of the user state. The complexity of the problem of smuggling in the Malacca Strait requires the cooperation of all countries.



Source : DGCE,2022

Figure 1. PATKOR KASTIMA Patrol Sector

The intelligence unit at DGCE involved in PATKOR KASTIMA consists of intelligence units at the Head Office and Regional Office in Kepulauan Riau, Batam, Riau, Sumatra Utara and Aceh. The intelligence unit at the Head Office is carried out by the Sub-Directorate of Intelligence by carrying out the preparation of policy formulation materials, standardization and technical guidance, evaluation and implementation of intelligence in the context of preventing violations of customs and excise laws and regulations. The intelligence unit in the regional office will provide data support and intelligence information to be submitted to marine patrol officers.

The Intelligence Cycle consists of planning and direction, collection, processing and exploitation, analysis and production, dissemination and evaluation (Jeffrey, 2016). This cycle is an information collection and analysis activity carried out by several intelligence units for the purposes of users of intelligence products. Data and information collectors must understand user needs including intelligence needs during follow-up operations. The intelligence cycle at DGCE consists of activity planning, data collection, assessment, analysis, data distribution as well as data evaluation and updating.

Intelligence planning during PATKOR KASTIMA consisted of information retrieval activities, detection and identification of potential smuggling, mapping of smuggling-prone areas, risk level assessment, data security and personnel security. The plan is prepared taking into account the nature of intelligence activities, namely open or closed. Data collection is done by using internal and external data sources. Internal data sources are in the form of data or information obtained through information gathering activities or receiving information from other internal units. External data sources are data or information obtained from reports from the public, certain institutions or other external

sources. The information gathering activity is a series of efforts, work, activities, and actions carried out in a planned and directed manner to seek, find and collect information related to the smuggling of goods in the Malacca Strait. During PATKOR KASTIMA, information gathering was carried out by intelligence units at the headquarter and regional offices and assisted by officers on patrol boats.

The next stage is an assessment to determine the feasibility of data analysis by making a classification of the reliability of the source and the validity of the data or information that has been collected. The results of these assessments are managed in the intelligence operations support system. Data and information analysis is carried out by matching, comparing, testing and researching data or information. If the results of the data and information assessment do not meet operational needs, they will be returned to the collecting officer for further investigation.

The next cycle is intelligence analysis which will produce several intelligence products including intelligence result notes (NHI), information notes (NI), recommendations or other information. The NHI is an intelligence product that contains information on strong indications of violations in customs and/or excise and specific and urgent Intellectual Property Rights to be followed up by the Enforcement Unit. The enforcement unit during PATKOR KASTIMA was a marine patrol task force. The NI contains indications of violations in the customs and/excise field that are general or specific in nature so that more in-depth research can be carried out by the intelligence unit. Intelligence products in the form of recommendations consist of recommendations for customs and excise audits, research on tariffs and/or customs values, investigations, system improvements and other procedures. The intelligence product in the form of other information is information about the tendency of violations of a general nature or a vulnerability map that can be used to support the implementation of PATKOR KASTIMA.

The next process is the distribution of intelligence products which is carried out using electronic media, surveillance application systems or data exchange systems. Under certain conditions, the distribution of intelligence products can be carried out manually. During PATKOR KASTIMA, the distribution of intelligence information is conveyed through office automation, radio communications, mobile phones, satellite telephones and other distribution media taking into account the speed of delivery. This intelligence information is very time sensitive, because the Malacca Strait has a narrow water boundary, so smugglers can cross national borders quickly. Some smugglers' ships even use high-speed boat engines. Some of DGCE's newest patrol boats have been equipped with communication satellite support that can support the distribution of intelligence products. In addition, at the time of PATKOR KASTIMA, officers from DGCE and RMCD were exchanged on board the patrol boat to facilitate the process of distributing intelligence products.

PATKOR KASTIMA in 2016-2019 used 64 patrol boats belonging to DGCE with various types, including Fast Patrol Boat (FPB) 60 meters, 38 meters and 28 meters as well as speedboats 15 meters and 10 meters.

Table 2. Patrol Vessels involved in PATKOR KASTIMA 2016-2019

No	2016	2017	2018	2019
1	BC 20006	BC 15040	BC 30005	BC 30005
2	BC 10002	BC 8006	BC 20006	BC 20008
3	BC 119	BC 20002	BC 20004	BC 20006
4	BC 60001	BC 10021	BC 9004	BC 8001
5	BC 20005	BC 1410	BC 8001	BC 8005

6	BC 1603	BC 20011	BC 911	BC 10022
7	BC 20007	BC 9002	BC 1410	BC 1410
8	BC 15019	BC 60001	BC 10022	BC 20005
9	BC 119	BC 7006	BC 30004	BC 30005
10	BC 10002	BC 10002	BC 30001	BC 30004
11	BC 20005	BC 1305	BC 20005	BC 20002
12	BC 20007	BC 1410	BC 20004	BC 20005
13	BC 20008	BC 20005	BC 1410	BC 8005
14	BC 30004	BC 15041	BC 1105	BC 15040
15	BC 30005	BC 10021	BC 15020	BC 15041
16	BC 60001	BC 30002		
17		BC 20011		
18		BC 6003		

Source: DGCE,2022

Based on DGCE data, PATKOR KASTIMA 2016-2019 has taken 49 actions against ships smuggling in the Malacca Strait. Data from the Regional Office in Kepulauan Riau, the prosecution at the time of PATKOR KASTIMA with an estimated value of Rp. 36,900,896,200 and the potential loss to the state is Rp. 30,470,358,800. In 2020-2021 PATKOR KASTIMA will not be held due to the Covid-19 pandemic.

Table 3. Enforcement Against Smuggling Vessels (PATKOR KASTIMA 2016-2019)

No	2016	2017	2018	2019
1	KM. Selamat II	KM. Anugerah Bersama	KM. Sunly Jaya I	KM. Tetap Semangat
2	KM. Roslaini	KM. Robi Utama	MV. Seven Seas Conqueress	KM. Aulia Jaya
3	KM. Nabila II	KM. Nur	KM. Berkat Firana	KM. Chantika
4	KM. Purnama	KM. Tanpa Nama	KM. Anugrah Pratama	KM. Alif
5	KM. Ridho	KM. Auliya Putri	KM. Tunas Baru	KM. Lisna 08
6	KM. Camar II	KM. Usaha Sebati	KLM. Berkat Saudara Jaya	KM. Harapan Jaya 25
7	KM. Maju Jaya 58	KM. Sinar Cahaya	Anonymous	KM Nora Jaya
8	KM. Fadli Maulana I	Anonymous	Km Yosoa	KM lintas Laut 3
9	KM. R.08	KM Doa Ibu	Km Doa Ibu	KM Berkat Usaha
10	KM. Jaya Perkasa	KM Makmur	KM Gurita	
11	KM. Anugerah Pratama	KM Anugerah Ilahi	KM Kuala Kapuas I	
12	TB. Efesus 8	KM Enji	KM Cinta Damai	
13	KM. Linda Jaya	KM Rina Jaya II		
14		KM Bahtera Merdeka		
15		KM Jaya Abadi		

Source: DGCE, 2022

Based on these data, 45% are actions based on support from specific customs intelligence information, and 55% are information support that requires further deepening in the field. The types of violations committed by these vessels include smuggling of imports, exports and violations of the Free Trade Zone facility. The smuggled commodities consist of various types, including drugs, onion, wood, food and beverages, used clothing, fuel, cigarettes and mixed goods. In order for data and intelligence information to be accurate, updates are carried out by updating data and information on border crossers, passengers, shipping companies, commodities, shipping traffic and several other data. The update can be based on input from the internal unit by considering the results of research on alleged violations or the results of investigations.

Intelligence information support is very helpful in implementing PATKOR KASTIMA, especially the implementation of coordinated patrols by implementing risk management during coordinated patrols. Intelligence information assists in the placement of patrol boats and regulates ship movement patterns, so that the implementation of marine patrols can be carried out with a targeting pattern. Thus, the principles of efficiency and effectiveness can be applied. Based on the equation of need, Indonesia and Malaysia have agreed to cooperate in exchanging intelligence information data not only during PATKOR KASTIMA, but also after PATKOR KASTIMA. This is based on the fact that there are still smuggling activities after PATKOR KASTIMA.

Customs intelligence held by DGCE and RMCD are input sources for the exchange of intelligence data at the ASEAN forum through the Alert Notice System (ANS) program. In addition, intelligence data that results in prosecution will also be submitted to the World Customs Organization forum through cooperation in exchanging enforcement data using the Customs Enforcement Network (CEN) platform. RMCD and DJBC are actively involved in exchanging data through the CEN platform, so that other countries can use the data for surveillance purposes. RMCD and DJBC can also take advantage of data on prosecutions carried out by other countries. Thus, the support of customs intelligence information not only acts as an early warning to prevent smuggling in the Malacca Strait, but also plays a role in supporting strategic decision making (Salya, 2022).

IV. Conclusion

Customs intelligence carried out by DGCE and RMCD during PATKOR KASTIMA in handling smuggling in the Malacca Strait is a tactical intelligence activity that produces strategic intelligence and supports strategic decisions of the two countries at the national, regional and global levels. Customs intelligence has the role of early detection and warning to prevent, deter and tackle smuggling in the Malacca Strait that threatens the national security of Indonesia and Malaysia. The cooperation in exchanging customs intelligence information between the two countries is the application of the concept of unity of effort by optimizing existing resources.

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