



**FACULTY OF ECONOMICS
ANDALAS UNIVERSITY**

Thesis

**“ANALYSIS OF FACTORS AFFECTING THE TOTAL VALUE OF
INDONESIAN NON-OIL EXPORTS”**

By:

VIKE VANESHA


06151141

The Student of Bachelor Degree of Economics Department

*This thesis is submitted in partial to fulfillment of requirements for the
Bachelor Degree from Andalas University*

PADANG

2011

	University Alumnus Registration No:	VIKE VANESHA	Faculty Alumnus Registration No:
	Personal Identity		
a) Date of Birth: Padang/ Sept 26 th 1988 b) Parents' Name: Musbelwandri, SH & Maiharti Answita S.Sos c) Faculty: Economics d) Department: Economic e) Student No : 06 151 141 f) Date of Examination: February, 2 nd 2011 g) Graduate Standard: Very Satisfaction h) GPA: 3,12 i) Length of Study Period: 4 years and 4 months j) Parents' Address: Wisma Indah V, Jl, Gn. Kelud Blok EIII No. 4 Tabing-Padang			

Analysis of Factors Affecting The Total Value of Indonesian Non-Oil Exports

Thesis by : Vike Vanesha

Supervisor : Prof. Dr. H. Nurzaman Bachtiar, M.Sc

ABSTRACT

Indonesian export have been encouraged since 1983, starting with oil and gas exports that are excellent for Indonesian exports. But since 1999 until now, the growth of non-oil export replacing the oil and gas exports where previously formed the backbone of the Indonesian economic. Nearly 78% of total Indonesian exports are dominated by non-oil exports. Main destination countries of Indonesian non-oil exports are to Japan, United State, China, India and Singapore. Almost 56% of total Indonesian non-oil export are to those five countries.

This research is a quantitative research to get statistical data to show factors affecting the total value of Indonesian non-oil export. Data have been processed by using a factor analysis with Eviews 6 software tool. The data that used in this research are pooling data or combining of time series data from 2003 until 2009 and cross section data. Based on the results of factor analysis, the Exchange Rate variable have negative effect on total value of Indonesian non-oil exports. For GDP of importer countries, population importer countries and total value on the previous year have positive effect on total value of Indonesian non-oil exports.

Key words: *non-oil export, Indonesian export, pooling data*

This thesis has been presented before the examiners in the Thesis Examination and successfully passed the Thesis Examination on February 2nd 2011.

The Abstract has been approved by the advisor and the examiners:

Signature			
Full Name	Prof. Dr. H. Nurzaman Bachtiar, M.Sc	Drs. Masrizal M.Soc.Sc	Yessy Andriani, SE. M.IDEC

Approved by :

Head of Department: Prof. Dr. H. Firwan Tan, SE, M. Ec. DEA. Ing
NIP. 130 812 952

Signature

The Alumnus has registered to the Faculty of Economy of Andalas University and has obtained the Alumnus Registration Number:

	The officer in charge of Faculty /Andalas University	
University Alumnus Registration No:	Name :	Signature:
Faculty Alumnus Registration No :	Name :	Signature:

CHAPTER I

INTRODUCTION

1.1 Background of the Research

The process of globalization is rolling quickly and supported by specific technological advances in communications and information has resulted in the merging of the domestic market with international markets. Indonesia as one of the developing countries, adopted an open economic system in which the international economic traffic is very important in the economy and national development. Economic development requires that the welfare of the population should increase, and one measure of increased prosperity is the existence of economic growth (Abdul: 2002).

The relationship between exports and economic growth in recent years has become the attention of various circles. International trade, especially exports is believed to be driving forces in economic growth. Exports of aggregate output is very dominant in international trade. A country without a partnership with other countries will be difficult to meet their own needs.

Prioritisation exports to Indonesia have been encouraged since 1983. Since then, exports became attention to lead economic growth in line with changing emphasis on industrialization strategy of import substitution industries to export promotion industries. Exports have an important role future, especially after WTO negotiations agreement toward a world without trade barriers (Faisal: 2002).

Exports will continue to occupy an important role as a driving force in the domestic economy over the next decade, it is seen with many efforts to encourage export activities, whether conducted by government and employers, for example, by the issuance of policies such as: reducing the import duty tariff (especially material supporting materials exports). Simplification of certain commodity export trade system and other policies.

Due to the economic crisis that hit Indonesia since July 1997 has resulted in a decreased value of non-oil exports in 1998 amounted to 2.02% to U.S. \$ 41.0 billion over the previous year. Similarly, in 1999 a decline in export value amounted to 5.13%, to \$ 38.9 billion. The situation began to improve in 2000 along with starting the movement of the joints of the economy after a period of near-death experience, so that the export value reached U.S. \$ 47.8 billion, which means also an increase of 22.85%. In 2001, non-oil export value reached U.S. \$ 43.7 billion, down 8.58% compared to 2000. In 2002 the value of U.S. \$ 45.0 billion, an increase of 3.12% compared to 2001. In 2003 the value of U.S. \$ 47.4 billion, an increase of 5.24% compared to 2002. While in 2004 the value rose 17.93% to \$ 55.9 billion.

Policy development is absolutely non-oil exports imposed in order to reduce the negative growth (decrease) in exports of oil and gas commodities. This has long been proclaimed by the government in an effort to obtain foreign exchange and to support economic productivity and employment. Efforts to reduce dependence on foreign trade in Indonesia from the export of oil and gas to non-oil exports can be seen in the increase of industrial commodities exports

CHAPTER VI

CONCLUSION AND SUGGESTIONS

6.1 Conclusion

Based on the description of the results of research and discussion from the previous chapter, this study intended to examine the analysis of the factors that influence the Indonesian non-oil exports to countries where the primary goal in this case for specific countries are China, Japan, United State, India and Singapore in the period 2003 to 2009. From the analysis of data that has been done can be concluded as follows:

1. Statistically Indonesian currency exchange rates against currencies importer countries do not have a significant influence on the total value of Indonesian non-oil export. In this case the exchange rate has no effect on total non-oil exports of Indonesia.
2. Variable population importer countries have a significant effect on total non-oil exports of Indonesia. This could mean that if there is a change in importer countries, the population will affect the total non-oil exports of Indonesia.
3. Statistically, the variable GDP of importing countries have a significant influence on the total value of Indonesian non-oil export. This could mean that if there is a change in the GDP of importer countries will affect the total non-oil exports of Indonesia.

REFERENCES

- Adisti, Adila. 2010. *Pengaruh Pertumbuhan Ekonomi dan Ekspor Terhadap Kemiskinan di Indonesia*. Skripsi Ilmu Ekonomi Unand. Padang.
- Andini, Trie. 2010. *Does AFTA Create or Divert Trade for Indonesia?*. Skripsi Ilmu Ekonomi Unand. Padang.
- Bank Indonesia. 2010. *Laporan Kebijakan Moneter*. Online. Available HTTP: <http://www.bi.go.id> (accessed 14 November 2010).
- Budi Santosa. 2007. *Kinerja Ekspor Non Migas 2007*. Economic Review.
- Freund Caroline. 2010. Trade Watch March 2010. Online. Available HTTP: <http://www.worldbank.org/research/trade/> (accessed 14 November 2010).
- H. Nurul & Zulihar. 2010. *Perdagangan Bilateral Indonesia-China Periode 2000 – 2009*. Available HTTP: <http://www.scribd.com/doc/32854899/Perdagangan-Bilateral-Indonesia-China-2000-2009/> (accessed December 21, 2010).
- Hutabarat, Budiman. 2007. *Analisis Kesepakatan Perdagangan Bebas Indonesia – China dan Kerjasama AFTA serta Dampaknya Terhadap Perdagangan Komoditas Pertanian Indonesia*. Laporan Akhir Penelitian Departemen Pertanian.
- Jadun, Anugrahita. 2005. *Analisis Perdagangan Bilateral Antara Indonesia dengan Singapura Periode Tahun 1980-2003*. Skripsi Fakultas Ekonomi UH, Yogyakarta.
- Kuncoro, Mudjarad. _____. *Di Balik Perdagangan RI-Singapura*.
- Lestari, Adisty Dwi. 2009. *Analisis Permintaan Ekspor Non Migas Indonesia ke Amerika Serikat Periode 1999-2007*. Skripsi UI, Jakarta
- Lu, Weiguo. 1995. *Reform of China's Foreign Trade Policy*. Department of Parliamentary Library, Australia.
- Mei, Lin. _____. *The Economic Relation between China and Indonesia and Mainland China's Investments in Indonesia*.
- Mouchart, Michel. 2004. *The Econometrics of Panel Data*. Institut de statistique Université catholique de Louvain.