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A COMPARATIVE MARKET ANALYSIS OF INDONESIAN EXPORT COMMODITIES: AN OPPORTUNITIES AND CHALLENGES

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ABSTRACT

Indonesia is one of the largest exporter of commodities, especially food and chemical products. On the other hand, Indonesia's export-import data also shows that high exports of chemical commodities and foodstuffs are also followed by relatively high imports on this commodity. This study examines the comparative advantages of Indonesia export commodities. The purposes are to map and to analyze the condition and potential of Indonesian export market with various trading partner countries, and to know the potential opportunities and challenges that will be faced in order to increase the market share of Indonesian export commodities. Testing of comparative advantage using chemical commodities. Revealed Comparative Analysis (RCA) is a method used to analyze the competitiveness of Indonesia export commodities. The results of this study found that chemical export commodities have a comparative advantage with values above 1 in 2012-2016. In terms of imports, chemical raw materials tend to be larger. Superior commodities can not be separated from challenges or obstacles such as dependence on the main export destination countries, economic crises and high raw material imports. On the other hand, there are opportunities to continue increasing export contribution to national income. Maximizing the potential of the market diversification strategy issued by the government is expected to increase commodity exports in Indonesia.

Keywords: Comparative advantage, Opportunities, Challenges

