

Competitiveness of Export Commodities of Indonesian Plantation In The ASEAN Countries

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Abstract: This study aim to describing data or information about Indonesia's competitive power of export of commodities in subsector of farming among ASEAN countries; (2) presenting data or information about types of commodities that can become special products for export, in particular in farming sector. Object of the study was data about exports of commodities in subsector of farming in ASEAN countries and world in aggregates within the period of 2011-2014, which were classified into HS Code 6 digits product in US dollar measurement unit. Data were collected using a literature study by browsing or downloading from http://www.trademap.org/Product_SelCountry, wich is website of TRADE MAP (Trad statistics for International Business Development, using the indicators of Revealed Comparative Advanced (RCA) and Comparative Export Performance (CEP). Results of RCA analysis showed that, among 15 export commodities in the subsector of farming in Indonesia under investigation, 9 commodities have competitive power in ASEAN countries, including potatoes with the average RCA of 2.62, sweet potatoes with the average RCA of 1.80, cashew nuts with shell with the average of 5.67, coffee with the average RCA of 1.80, turmeric with the average RCA of 3.18, dried coconuts with the average RCA of 3.81, palm oil with average RCA of 4.04, cacao seeds , cacao seeds with the average RCA of 4.61, and tobacco with the average RCA of 2.22. Results of CEP analysis indicated that, out of 15 commodities under investigation, the were 8 commodities that can become special export commodities, including sweet potatoes with the average CEP of 2.96, cashew nuts with shells with the average CEP of 4.07, coffee with the average CEP of 5.13, pepper with the average CEP of 2.01, dried coconuts with the average CEP of 21.71, palm oil with the average CEP of 49.55, cacao seeds with the average CEP of 4.27, and rubber with the average CEP of 1.92.

Keywords: competitive power, export, commodities in subsector of farming

INTRODUCTION

Trade between the countries in the world is basically means a state for complementary domestic needs which can not be produced in its country. It is a fact that every country with different regions have different contribution to exports and imports of goods and services to gain the benefits. Every country has its own strategy to reduce its production costs.

The agreement of Asean Economic Community in 2015 has made certainly every country in the region must be ready to face the competition between countries, especially in the case of the export commodities. The competitiveness or excellence of a commodity is its inherent advantages in a commodity produced by a country in comparison with similar commodities produced by other countries [1].

The success in international trade of a country can be seen from its competitiveness. This competitiveness is a general concept that is used in the economy, which refers to a commitment to market competition, both within the region and internationally. The competitiveness has become a key for companies,

countries and regions to be able to succeed in global competition.

Indonesia as one of the ASEAN countries with a population of 253,6 million people, which is the world's fourth largest population after China, India and the United States or the highest in Southeast Asia (ASEAN) with an area of approximately 1,904,569 square kilometers is much wider compared to the other ASEAN countries. This indicates that Indonesia has advantages in terms of area and population when compared with countries other ASEAN members.

Besides the differences in area and population, Indonesia and other ASEAN countries have in common in tropical climatic conditions and geographic location, so it is not surprising that the member of ASEAN have in common in product or commodity exports, particularly in the agricultural sector.

Based on data collected and published by the Trade statistics of International Business Development (<http://www.trademap.org>), there are 15 types of sub-sector plantation commodities are still in raw materials

which are traded or exported to outside either among ASEAN countries or between countries in the world.

Exported commodities of plantation sub-sector is

grouped based on product classification codes or Harmonized System Code (HS CODE) force internationally in 6 digits. The 15 kinds of commodities are:

Tabel-1: Kinds of Export commodities in plantation sub-sector in ASEAN countries

HS Code	Exported Commoditis
'070190	Fresh or chilly potato
'070310	Fresh or chilly onion
'071410	Fresh or dried casava
'071420	Fresh or dried sewwt potato
'080131	Fresh or dried cashew nuts with shell
'080132	Fresh or dried cashew nuts without shell
'090111	Coffee, not roasted, not decaffeinated
'090412	Pepper
'091020	Turmeric
'100590	Corn
'120300	Copra
'151110	Palm oil, crude
'180100	Cocoa
'240120	Tobacco, not manufactured
'400300	Reclaimed rubber in primary forms or plates, sheets or strips

Source: ITC calculations based on UN COMTRADE statistics (processed)

The advantages of Indonesia compared to the neighboring countries are especially on the area and population factors. Labor factor also plays an important role as one of the determining factors of competitiveness. This is in line with the ideas of Adam Smith and David Ricardo that labor plays an important role in the production process where labor costs are a major component in addition to the cost of capital [2]. Similarly, the theory of Heckscher Ohlin (H - O), which assumes that each country will export commodities relatively intensively use the abundant production factor, because the costs will tend to be cheap, as well as import commodity factors of production are relatively rare and expensive.

Based on these two theories, it can be said that Indonesia has a comparative advantage in the agricultural sector when compared with other ASEAN countries. However, it is not in line with the dynamic comparative advantage pioneered [3]. Both experts agreed that the comparative advantage can be created (created comparative advantage). In other words, they oppose Richardo and Ohlin's theory which tend to see the natural comparative advantage. Likewise with the concept of competitive advantage that natural conditions is not necessary to be inhibitors for excellence basically be pursued and matched (in competition) with a variety of struggle or effort. Competitive advantage is the advantages possessed by a country to be competitive in the international market [4].

Thus, to determine the level of competitiveness of exported commodity in agricultural sector, especially in the Indonesian plantation sub-sector, in the framework of the free trade deal in the ASEAN region and the imposition of MEA end of 2015, the analysis of the competitiveness of exported commodities in this sector needs to be done.

Indonesia has potential advantages of natural resources which are supported by the climate and human resources. This should have the competitiveness of exported commodities in the agricultural sector, especially in the plantation sub-sector compared with some other ASEAN countries which also have the same export commodities to Indonesia .

On the basis of similarity of export commodities, of course, it is a challenge for Indonesia to continue improving its competitiveness against other ASEAN countries. Therefore, it is important to be able to encourage the export commodities in the agricultural sector, especially in the plantation sub-sector where Indonesia has a comparative advantage.

THEORETICAL REVIEW

Theory of competitiveness

The concept of competitiveness originated from the concept of comparative advantage (theory of comparative advantage) by David Ricardo. He said that international trade occurs when there are differences in comparative advantages between countries. He argued

that comparative advantage will be achieved if a country is able to produce more goods and services at a lower cost than in other countries.

In the theory of comparative advantage, a country can improve living standards and incomes if the country is to specify the production of goods or services that have high productivity and efficiency.

Competitiveness can be seen from three different levels, namely: the state, industry and enterprise level. Competitiveness is derived from the Latin meaning competitor. It is an involvement in the business competition in a market that describes a country's economic strength [5]. Competitiveness is the ability of companies, industries, countries or regions to generate revenue factors and factors of relatively high employment and sustainable to face the international competition (source: OECD). Therefore, the competitiveness of the industry is a phenomenon in the micro- enterprise level, the national industrial development policy is preceded by examining the industrial sector as a whole as a basis of measurement.

The level of competitiveness of a country in international trade arena basically is determined by two factors, namely comparative advantage and competitive advantage. Furthermore, the factors of comparative advantage can be considered as a factor that is natural and competitive advantages factors are considered as factors that are acquired or may be developed or created [6].

The competitiveness of a product or a commodity is a commodity's ability to compete in the domestic market, the regional or even in the international market and can survive in the markets, in the sense that if a product has the competitiveness of the product is exactly what many consumers demand. The competitiveness of a product can not be separated from the quality, quantity and price of the product itself. While the quantity and quality of the product itself is an output of productivity.

In the international competition, especially in the competitiveness of export products, there are three aspects to be considered [7]. The first is the price, in offering a product price must be equal to or lower than the price offered by a competitor, or the cost of production is lower than the cost of production in the country of destination. In this case the exporting country has a comparative advantage; the second is the quality of products, the quality offered must meet or correspond with consumer tastes; third is the time delivery which should be appropriate to the situation and market conditions in the destination country. Delays in shipment and delivery of goods can be fatal because it

allows these products no longer marketed which ultimately can reduce appetite and demand for such products.

Revealed Comparative Advantage (RCA)

Basri and Munandar [8] revealed that the RCA method was first introduced by Bela Balassa in 1965. Bela Balassa filed postulations about international trade based on the ratio or the ratio of exports and imports. The RCA has been widely used in empirical research, even it is a central concept in international trade theory.

Balassa [9] suggested a link between comparative advantage and RCA, which is the situation where the economic condition (EC) in various countries in which the trade decisive comparative advantage (C) internationally. This pattern is a set pattern of trade, production and international consumption (TPC) between countries. The linkage between comparative advantage and competitiveness (RCA) as follows:

EC → CA → TPC → RCA

Where Economic Conditions (EC) in various countries ultimately determine the pattern of international trade comparative advantage (CA). This pattern, in turn, set the pattern of international trade, production and consumption (TPC) between countries. Index constructed from TPC and post- trade variables may be normally used to indicate the comparative advantage between re-called as an index of "revealed comparative advantage (RCA)"

The revealed comparative advantage index RCA was first introduced [10] and operationalized by Balassa to measure the comparative advantage [9]. Revealed Comparative Advantage index in empirical studies, the concept of comparative advantage has been widely used. In fact, commodity pattern of comparative advantage is a central concept in international trade theory.

Tambunan [11] outlines that the Comparative Advantage (CA) is an index that describes the ratio between the market share of a product in a country's total exports to the export market of the same products in the total exports of the world's total exports. The RCA index that has a value equal to or more than one (1) means that the country has the competitiveness of a product above the world average and if the RCA index showed a value of less than one (1) the competitiveness of a product of the country is in below the world average.

Theory of Comparative Advantage

Comparative advantage is the concept of micro-economics which focuses on industry-specific trade. It

explains why a country may export labor-intensive products while other countries may specialize in capital-intensive. By this definition, each country has a comparative advantage in the production of some product or service that has a lower opportunity cost than its competitors.

Therefore, the comparative advantage has little significance from the perspective of the macro economy. In addition, the comparative advantage of the concept of balance, predict trading patterns when prices, trade flows and the exchange rate is in equilibrium. Business decisions, in contrast, often have to explicitly consider the short-term developments as well as the results of long-term equilibrium. It will include the current economic conditions, exchange rate fluctuations, and other factors that represent deviations from long-run equilibrium.

The concept of comparative advantage is widely used in the economic literature to evaluate the pattern of trade and specialization in commodities of countries which have competitive advantage [12]. The concept of comparative advantage by David Ricardo (1817) is one of the oldest international trade theory [2].

The concept of competitiveness rests on the concept of comparative advantage introduced by Ricardo around the 18th century (1823), hereinafter known as Ricardian models or the Law of Comparative Advantage of Ricardo (The Law of Comparative Advantage). Ricardo stated that even if a country is less efficient (having absolute loss) compared to other countries in producing two commodities, but there is still the basis for trade is beneficial to both sides. The country should specialize in producing and exporting commodities which have a comparative advantage and importing commodities that have larger absolute losses or have comparative disadvantages [12].

The theory of comparative advantage is the most widely used as an indicator in measuring the performance of a country's trade internationally. A country is considered to have a comparative advantage if it has a relatively low cost in production when compared to other countries [5].

The theory of comparative advantage was first coined by David Ricardo. According to David Ricardo, each country or nation as much as anyone, would gain from trade by exporting goods or services which are the greatest comparative advantage and import goods or services which are not comparative advantage [9]. David Ricardo argued that the comparative advantages arising from differences in technology that brings the productivity differences between countries [13].

David Ricardo's theory of comparative advantage further explained by the theory of comparative cost (labor efficiency) and the theory of comparative production (labor productivity). According to the theory of comparative cost (labor efficiency), a country would benefit from international trade if doing specialization in production and export of goods where the country is able to produce relatively more efficiently and import goods in which the country is relatively less productive or inefficient.

Meanwhile, according to production comparative advantage (labor productivity), a country will benefit from international trade if the country make specialization of products and export goods where the country is able to produce relatively more and import goods where the country has relatively less products or unproductive [5].

Theory of Absolute Advantage (Adam Smith) and Comparative Theory (David Ricardo) argued that international trade can occur even if a country does not have an absolute advantage, as long as the comparative prices in the two countries are different.

Furthermore, Ricard argue that it is better for all countries specialize their commodities where these countries have a comparative advantage and importing any other commodities. This theory emphasizes that international trade can be mutually beneficial if one state does not have to have an absolute advantage for a commodity as expressed by Adam Smith, but it is enough to have a comparative advantage in which the price of a commodity in a country relative to another is different [14].

RESEARCH METHODS

The object of thi research is the value of export commodity of plantation sub-sector of the ASEAN countries and the world (in aggregate) with the classification of a product or a 6 -digit HS Code in the period 2011-2014. The ommodities included palm oil (crude oil), coffee not roasted, cassava (cassava), yams, cashew nuts with shells, cashew nuts without shell, tobacco which has not been fabricated, reclaimed rubber, cocoa beans, coconut (copra) maize, turmeric, pepper, garlic and onions, and potatoes.

The export commodities data were obtained by searching the credible site (website) of International institutions and have the capability to collect, collate and present the data that is TRADE MAP (Trade statistics for International Business development) at http://www.trademap.org/Product_SelCountry and United Nations COMTRADE Statistic and Food Agriculture Association/FAO (<http://faostat3.fao.org>).

The method of analysis was Revealed Comparative Advantage (RCA), which describes the ratio between the value of Indonesian exports of certain commodities in the total value of world exports.

$$RCA = \frac{\frac{X_{ia}}{\sum X_a}}{\frac{X_{iw}}{\sum X_w}}$$

In which:

- X = export commodity value
- i = kinds of products
- a = country
- w = world or competitor country

The exports is export value of the same commodity ASEAN in total exports. Index RCA that has a value equal to or more than 1 ($RCA > 1$) means that the country's competitiveness on commodity exports or equal to the average export commodity ASEAN countries more and if the index RCA indicates a value less than 1 ($RCA < 1$), the export commodities that State has no competitiveness or below the average of other ASEAN countries. The RCA can be calculated using the following formula:

Methods of analysis or indicators Comparative Export Performance (CEP) was applied to describe the ratio between the value of exports of certain Indonesian commodities of plantation sub-sector in the total value of exports with export value of the same commodity in the world total export value. To determine the a specialization product or export commodity of a country, if a particular commodity of a country has a value $CEP > 1$ then commodity has advantages relative to exports or above the average value of world exports in the sense that the commodity has a value of $CEP > 1$ then commodities can be used as a specialty export product, and if $CEP < 1$ then the country does not have the relative advantage or below the average export commodity world. The following formula is used:

$$CEP = \left(\frac{\frac{X_i^B}{X^B}}{\frac{X_i^W}{X^W}} \right)$$

where X_i^B is the export commodity of country B, X^B is the total export of country B, X_i^W is the total export commodity of the world, and X^W is the total export of the world.

RESULTS AND DISCUSSION

The results of the RCA analysis towards export commodity of plantation sub-sector of Indonesia and other ASEAN countries in 2011-2014 period for each year are as follows:

The results of RCA analysis of export commodity of plantation sub sector in Indonesia in 2011 of the 15 kinds commodities, there are 10 kinds of export

commodities plantation sub-sector Indonesia that have competitiveness in ASEAN countries or have $RCA > 1$, which means that the commodities have export value above the average of the ASEAN countries.

And of the 10 kinds of commodities that have the competitiveness of the four types of commodities which are of high or superior competitiveness in ASEAN countries in the sense that this commodity dominate ASEAN market, such as: chips with RCA value of 1.73; cashew nuts with shells with RCA 5.71; Palm oil with a value of 4.15 and cacao bean RCA with RCA value 5.24.

For the commodities of yams, coffee, turmeric, copra, tobacco and rubber, although each has a competitiveness but there are other countries that are superior than Indonesia such as: (1) Laos is superior in yams commodity, coffee, and tobacco; (2) Vietnam is superior in commodity yams, coffee, copra and rubber; (3) The Philippine is superior in the saffron and tobacco commodities; (4) Singapore is superior to the commodity of turmeric; (5) Malaysia is superior to the rubber commodity; (6) Cambodia is superior to the tobacco commodity.

While the other five types of commodities have no competitiveness or $RCA < 1$ which means that the export value of the commodities is below the average of other ASEAN countries. The commodities are: garlic and onions, cassava, cashew nuts without shell, pepper and corn.

The results of the RCA analysis towards export commodity of Indonesian plantation sub-sector in 2012, of 15 kinds of commodities observed, there are 10 kinds of export commodities that has competitiveness in ASEAN countries. This means that 10 types of commodities have export value equal to or above the average value of exports of similar commodities in the ASEAN countries.

There are 10 kinds of export commodities of Indonesian plantation sub-sector have competitiveness, there are 5 kinds of commodities which are superior in ASEAN countries. This means that commodities have high export value or is above the value of commodity exports to other ASEAN countries. The commodities namely cashew nut shells with RCA 6.48; cocoa with RCA 4.82; palm oil with RCA value of 3.86; turmeric with RCA value of 3.00; and chips with RCA value of 2.14.

For the commodities of yams, coffee, copra, tobacco and rubber, although they have competitive edge in the ASEAN countries but there are still ASEAN countries which are superior to Indonesia, such as: (1)

Vietnam is superior to the commodity of sweet potato with RCA 4.72; coffee with RCA 7.90; copra with RCA 4.10, and rubber with RCA 1.61; (2) Laos is superior to the commodity of sweet potato with RCA 94.12; coffee with RCA 6.74 and tobacco with 7.86; (3) Myanmar is superior on tobacco commodities with RCA 3.63; (4) Philippines is superior to the commodity of tobacco with RCA 3.50; (5) Malaysia is superior to the rubber with RCA commodity 3.29.

While the other five types of commodities have no competitiveness or $RCA < 1$. This indicates that the value of exports of the commodities is below the average of ASEAN countries.

- 1) The results of the RCA analysis towards export commodity of Indonesian plantation sub-sector in 2013 show that of the 15 types of commodities, there are 9 types of commodities that have competitiveness or $RCA > 1$. This means that the 9 types of the commodity have a value of above-average export of ASEAN countries.

Of the nine types of commodities that have the competitiveness of the five species of them excel in ASEAN countries. Four kinds of other commodities despite competitive advantage but there are still other ASEAN countries that are superior to Indonesia, such as: (1) Brunei Darussalam is superior to the commodity potato with RCA of 5.36; (2) Vietnam is superior to the sweet potato commodities with RCA of 4.84 and coffee with RCA of 6.41; (3) Laos is more superior on sweet potato commodity with RCA of 67.73; coffee with RCA of 7.11 and tobacco with RCA of 2.62; (4) Philippines is superior to the tobacco commodity with RCA of 5.33.

While the 6 types of commodities of the 15 commodities observed have no competitiveness or $RCA < 1$ which means that the value of exports below the average of the ASEAN countries such as: onions and shallots; cassava; cashew nuts without shell; pepper; corn and rubber.

- 2) The results of the RCA analysis of the export commodity of Indonesian plantation in 2014 show that of the 15 kinds of commodities, there are 9 types of commodities that have competitiveness in

ASEAN countries. While the 6 types of other export commodities have no competitiveness or $RCA < 1$.

Of the nine types of export commodities of Indonesian plantation sub-sector have the competitiveness. Three of them excel in ASEAN countries, namely: cashew nuts with shells with RCA of 4.15. While other ASEAN countries, none of which have competitiveness or $RCA < 1$; so does the copra with RCA of 5.54; and palm oil with RCA of 4.00 while Malaysia is the only country competitor only has RCA of 2.45. While the 6 types of 9 types of those commodities, although they have competitive advantage but there are still other ASEAN countries which ahead of Indonesia, namely: (1) Brunei Darussalam is superior to the commodity of potato with RCA of 7.91; (2) Vietnam is superior to the sweet potato commodities with the RCA of 4.67; coffee with RCA of 5.47 and turmeric with RCA of 7.86; (3) Laos is superior to the sweet potato commodities with RCA of 66.47; coffee with RCA of 4.62 and tobacco with RCA of 4.05; (4) Malaysia is superior to the commodity of cocoa beans with RCA of 3.28; (5) Philippines is superior to tobacco with RCA of 5.23. While the other 6 types of commodities have no competitiveness or $RCA < 1$. This means that the six types of commodities have export value which was below the average export of ASEAN countries.

Based on the explanation as described above, then the results of the analysis of the export commodity RCA

Indonesian plantation sub-sector during the 2011-2014 Period of 15 kinds of commodities studied, there are 9 types of export commodities Indonesian plantation sub-sector was consistently during this period have competitiveness in the countries ASEAN.

For the development trend of competitive export commodity of Indonesian plantation sub-sector during the period, graphically presented in Fig-1

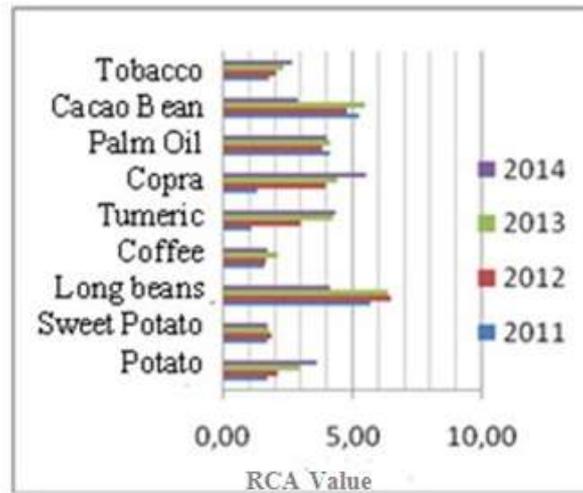


Fig-1: Export commodity of Indonesian plantation sub-sector

Furthermore, the countries which are the main competitor of export commodities of Indonesia plantation sub sector of 2011-2014 period can be seen in Table -2.

The comparison data of this study and previous one is presented in Table-3.

Table-2: Export commodity of Indonesia plantation sub sector which have competitiveness in 2011-2014 period

No	HS Code	Kinds of commodities	2011	2012	2013	2014	RCA average per year
1	'070190	Fresh or chilly potatoes)*	1,73	2,14	2,98	3,64	2,62
2	'071420	Fresh or dried sweet potatoes,	1,72	1,92	1,81	1,75	1,80
3	'080131	Fresh or dried cashew nuts with shell mete.)**	5,71	6,48	6,35	4,15	5,67
4	'090111	Coffee, not roasted, not decaffeinated	1,62	1,69	2,15	1,74	1,80
5	'091020	Turmeric)*	1,11	3,00	4,26	4,35	3,18
6	'120300	Copra)*	1,36	3,95	4,39	5,54	3,81
7	'151110	Palm oil, crude)**	4,15	3,86	4,14	4,00	4,04
8	'180100	Cocoa	5,24	4,82	5,46	2,92	4,61
9	'240120	Tobacco, not manufactured)*	1,76	2,08	2,37	2,67	2,22

Source : ITC calculations based on UN COMTRADE statistics. (Processed)

*Kinds of commodities which increase every year during the period

**Kinds of commodities which are superior in ASEAN during the period

Table-3: The comparative of result empirical review

No.	Kinds of commodities	Average of RCA	
		Current Research (2011-2014)	Previous Studies (1994-2003)
1	Cashew nuts	5,67	14,46
2	Cocoa	4,61	12,20
3	Palm oil	4,04	25,39
4	Copra	3,81	17,28
5	Turmeric	3,18	Not observed
6	Potatoes	2,62	Not observed
7	Tobacco	2,22	0,18
8	Coffee	1,80	5,74
9	Sweet potatoes	1,80	Not observed

Source: ITC calculations based on UN COMTRADE statistics

Based on the discussion above, this study strengthens the theory put forward by Michael E. Porter (1990) and Paul Krugman (1980) on the Comparative Advantage of Dynamic that comparative advantage can be created (created comparative advantage) or renewed with physical capital investment (technology) and human (labor).

The results of the CEP analysis towards the export commodity of Indonesian plantation sub-sector during the period 2011-2014 of 15 types of commodities are as follows:

1. The results of CEP analysis of the export commodity of Indonesian plantation sub-sector in 2011 show that of 15 types of commodities, there are nine kinds of commodities that have a value of $CEP > 1$ or have a relative advantage. This means that the value of exports of the nine commodities is on average of the world, so it can be used as a commodity product specialization or export commodity of Indonesian plantation sub-sector. The nine types of commodities have CEP values: cassava (1.71); sweet potato (1.22); cashew nuts with shells (3.27); coffee (3.53); pepper (1.50); copra (9.93); palm oil (52.82); cocoa beans (5.70); and rubber (1.87). Of the nine types of commodities, there are two types of the commodities which have the highest value of CEP: palm oil with CEP of 52.82 and Copra with CEP of 9.93. While the other 6 types of commodities have no relative advantage or $CEP < 1$. This means that this commodity has a value of exports below the average value of exports of the countries in the world. Thus, this commodity is recommended not to serve as an export product.
2. The results of CEP analysis on export commodity of Indonesian plantation sub-sector in 2012, of the 15 kinds of commodities, there are eight types of commodities that have relative superiority or $CEP > 1$. This means that commodities have export values above the average of the world export commodities. So that these commodities can be used as specialization products that have CEP: sweet potato (3.90); cashew nuts with shells (4.82); coffee (5.16); pepper (1.68); Copra (25.09); palm oil (48.57); cocoa beans (3.63) and rubber (2.04). While the other seven types of commodities have no relative advantage or value $CEP < 1$ which means that the export value of these commodities is below the average value of the similar world export commodity and therefore can not be used as a commodity or specialization export product.
3. The results of the CEP analysis of export commodity of Indonesian plantation sub-sector in 2013, of the 15 kinds of commodities, there are 10 types of commodities that have relative superiority or $CEP > 1$. This means that the commodities have export values above the average value of exports of

the world commodities. This means that the commodities can be used as a specialization product or Indonesian export commodities. Ten types of export commodities of Indonesian plantation sub-sector which have relative advantage or that can be used as a special product or export commodity of $CEP > 1$ respectively are: cassava (1.76); sweet potato (3.64); cashew nuts with shells (4.27); coffee (6.62); pepper (2.13); copra (19.20); palm oil (50.62); cocoa beans (5.64); tobacco (1.03) rubber (1.92). While the other five types of commodities have no relative advantage or $CEP < 1$, which means that this commodity has a value of exports below the average kind of world export commodity. These commodities are potatoes, onions, shallots, cashew nuts without shell, turmeric and corn.

4. The results of the CEP analysis of the export commodity of Indonesian plantation sub-sector in 2014, of the 15 kinds of commodities, there are 10 kinds of commodities which have the relative superiority or $CEP > 1$. This means that the value of exports of the commodity is above the average value of a kind of world export commodity. Thus, these commodities can be used as a specialization of Indonesian export products. Ten types of export commodities of Indonesian plantation sub-sector have relative advantage or that can be used as a specialty product or export commodity the $CEP > 1$ are: sweet potato (3.10); cashew nuts with shells (3.94); cashew nuts without shell (1.05); coffee (5.22); pepper (2.72); copra (32.60); palm oil (46.18); cocoa beans (2.11); tobacco (1.11) and rubber (1.86). While the other five types of commodities (as shown in Table 4.2.2.4) do not have a relative advantage or $CEP < 1$. This means that the 5 types of these commodities have export values below the average value of the world export commodities and therefore can not be used as a specialization of Indonesian export commodities. The commodities included in this category are: potatoes with CEP of 0.12; onions and red onions with CEP 0.10; manioc (cassava) with CEP of 0.92; turmeric with CEP of 0.18; and corn with CEP of 0.04.

Based on the analysis of the value of commodity exports CEP sub Indonesian plantation sector as described above, during the 2011-2014 period in a row, of the 15 kinds of commodities, there are eight types of export commodities of Indonesian plantation sub-sector which have relative advantage or $CEP > 1$. This means that the eight types of the commodities can be used as specialization of export commodities of Indonesian plantation sub-sector which have CEP average during this period, namely: sweet potato (3.10); cashew nuts with shells (3.94); coffee (5.22); pepper (2.72); copra (32.60); palm oil (46.18); cocoa

beans (2.11) and rubber (1.86). The eight kinds of

commodities are presented in Table-4.

Table-4: Commodity of Indonesian Plantation sub-sector wich has relative advantage in 2011-2014

HS Code	Product label	CEP Indonesia			
		2011	2012	2013	2014
'071420	Sweet potatoes	1,22	3,90	3,64	3,10
'080131	Cashew nut with shell	3,27	4,82	4,27	3,94
'090111	Coffee	3,53	5,16	6,62	5,22
'090412	Pepper	1,50	1,68	2,13	2,72
'120300	Copra	9,93	25,09	19,21	32,60)*
'151110	Palm oil	52,82	48,57	50,62	46,18)*
'180100	Cocoa	5,70	3,63	5,64	2,11
'400300	Reclaimed rubber in primary forms	1,87	2,04	1,92	1,86

Source: ITC calculation based on UN COMTRADE Statistics

CONCLUSION

Based on the discussion above, it is concluded:

- The competitiveness of export commodity of Indonesian plantation sub-sector in the ASEAN countries 2011-2014, of the 15 types of commodities, there are 9 types of commodities that have competitiveness in ASEAN countries, namely potato, sweet potato, cashew nuts with shells, coffee, turmeric, copra, palm oil, cocoa beans and tobacco, and the two types excel in ASEAN countries are palm oil and cashew nuts with shells.
- The export commodity of Indonesian plantation sub-sector sub Indonesai which can be used as specialty products are: sweet potato, cashew nuts with shells, coffee, pepper, copra, palm oil, cocoa beans, and rubber.

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