# The Impact of Agricultural Trade Facilitation For Agricultural Food Exports in Indonesia and Southeast Asia

### Masyhuri

Professor of Agricultural Economics and Agribusiness, Center for World Trade Studies. Universitas Gadjah Mada, Yogyakarta. Indonesia

Saktyanu K. Dermoredjo

Researcher of Center for World Trade Studies and Center for Agro-socio Economics and Policy Studies, Bogor, Indonesia

### Introduction

- \* ASEAN Free Trade Agreement (AFTA) is the main economic framework in the ASEAN region as one of the policy towards the ASEAN Economic Community or the ASEAN Economic Community (AEC)
- \* 2009: trade transactions between ASEAN and Others close to 1,536,843.3 US\$ million.
- \* Close to 84 per cent of the trade value of ASEAN was accounted by 4 countries: Singapore, Thailand, Malaysia and Indonesia.
- \* The main of Trader in Singapore had 515,617 US\$ Million
- \* Indonesia only had 213,339 US\$ million. And then, the total GDP of Indonesia close to 36 per cent that is the largest of ASEAN's GDP.

### Introduction

- The Indonesian economy has achieved a remarkable transformation from an agricultural economy to a modern economy where manufacturing and services account for 85 per cent of the gross domestic product (GDP) through government programs that led to a better macroeconomic management and liberalization of the economy.
- \* From the viewpoint of the agricultural exports of Indonesia, the establishment of regional cooperation is an effort to provide more benefits for market access and increase trade and finally increase income.
- \* To increase the benefit of the regional cooperation, trade facilitation has been improved. Therefore it is a need to know the relationship between trade facilitation to the value of trade especially in food product and rice in particular. To complete the analysis, the value chain of the

### Objectives of the study are:

- \* To know the relationship between trade facilitation factors and the volume of food trade in ASEAN and Indonesia. The increase of trade will increase farmers income and hopefully reaching out to the poor.
- \* In this context, the purpose of this paper was to find out the factors, part of trade facilitation, that affect agricultural (food product) trade in Indonesia and Southeast Asia countries, especially rice. The value chain was done to add the analysis.

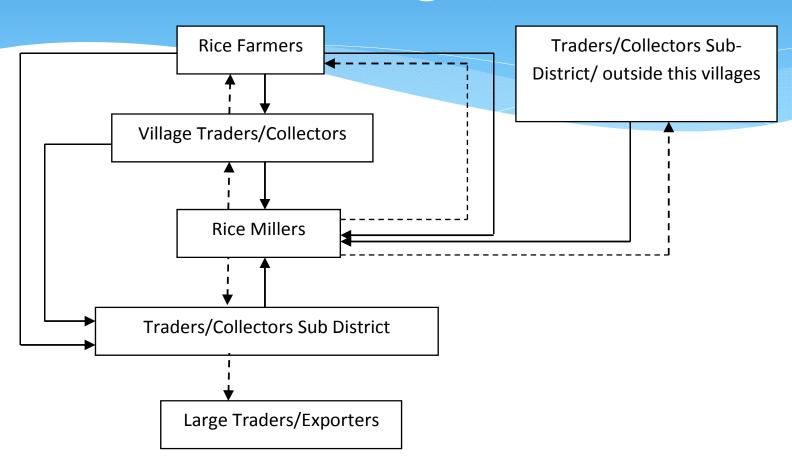
## Methodology

- \* Focusing on the role that center of rice production can play as a source of dynamic gains from trade. The relationship between trade facilitation and the value of trade will be analyzed using regression model.
- \* To obtain a clear and comprehensive view of facilitating trade in Indonesia, this study uses the value chain diagram, we chose the West Java province in Indonesia

### Method (cont.)

- \* The general model was specified as follow
- \* Ln Exports =  $\beta 0 + \beta 1 \ln X 1 + \dots + \beta n \ln X n + \epsilon$
- \* Exports are the value of bilateral exports of agricultural commodities between two countries. X1,..., Xn are the variables that affect Value of trade, that are GDP, international tax, transport service, and internet

## Methodology(cont.)



Flow of the value chain of Rice in Indonesia

# https://www.yunbaogao.cn/report/index/report?reportId=5\_7091

# 完整报告链接和二维码如下:



# + $\beta$ 1 lnX1+.....+ $\beta$ n lnXn+ $\epsilon$ diagram

OUND ISTICS	OPERATIONS	OUTBOUND LOGISTICS	MARKETING & SALES	SERVICES
lity of nowledge ties / skills rs to : inputs  zers, seed des r inputs.	Knowledge and ex pertise of farmers in farm management, post harvest and proces sing The availability and ability to access employment.	Knowledge and a bility to deliver products to the collection and knowledge of the required product quality. Access to product pricing information.	Knowledge and selection of buyers and coll ectors. Knowledge of market demand for the requested product, the ability to interpret the price signals and the ability to create value-added	Knowledge of services required by far- mers. An understanding of the industry will hand the importance of counseling for farmers and the problem of pro- duction.
of agricult its.  In and re ill be the f access to  y the ity of increase p  ility of for the ion	The technology in use in farming Quality of production facilities Availability of technology in production and post-harvest and the creation of added value.	The ability to access the mode of transportation fro m farmers to trader s / collectors Infrastructure to the factory The ability to work among the farmers with a collector or dealer	Availability of technology- related information for collectors / traders The technology used to obtain a product to market top quality products.	agricultural extension services as a media to take advantage of technology package to farmers.
ity rs to purc uts	Timeliness for the acquisition of and access to input / production facilities.	Farmers' ability to efficiently execute a purchase transaction and the ability of parties to negotiate with the buyer.	Access to the buyer, the market and market information and processing facilities. The ability to supply product	The ability of farmers to acqu ire farming services including counseling, financial providers and production facilities.