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INDONESIAN TRADE PERFORMANCE ON OIL, GAS AND MINING SECTORS POST-IMPLEMENTATION OF ASEAN-ANZ FREE TRADE AREA

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Abstract

One of economy integration forms i.e, ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) have been implemented since 2010. As the consequences globalization, ASEAN countries and Australia-New Zealand (ANZ) have agreed to liberalize most of goods and services trade flows in the ASEAN-ANZ area. Main export commodities by Indonesia in ASEAN-ANZ market are still raw products such as oil, gas, coal and tin. After 8 years implementation of AANZFTA, Indonesia should evaluate how the impacts of the agreement on trade perfomances are. This study aims to investigate Indonesian's trade performances of the oil, gas and mining export commodities after the implementation of AANZFTA. The trade performances focus on variables of competitiveness and export. Using two ecnomomic analysis tools which are Normalized Revealed Comparative Advantage (NRCA) and panel data models, it is concluded that the Indonesian trade performances have only improved in oil sector afterthe AANZFTA implementation. Although the other sectors have high competitiveness, they are not enough to boost exports. Indonesian decison makers are suggested to seek and develop potential products of the raw resources base that have high added values and competitiveness in the ASEAN-ANZ market.

Keywords: ASEAN-ANZ FREE TRADE, Indonesia, Export.