

ABSTRACT

The Palm oil is a major commodity in Indonesia, even Indonesia is categorized as the country's largest palm oil producer in the world. Therefore, the aim of this study is to analyze the factors that affect the trade of Indonesian palm oil in the international market. All variables used in the study is the Distance of the Economy, real GDP/capita, and the exchange rate. The method of analysis used in this research is the analysis of panel data gravity model. The Data used are cross section includes 10 destination countries of exports of crude palm oil (CPO) Indonesia of some of the export destination countries, and data from the years 2012 – 2020. The results of the regression test of the gravity model allegedly showed that the model chosen the most appropriate, namely the random effect, where in this model, real GDP/capita country purpose significant and positive effect on the exports of palm oil Indonesia, the exchange rate is not significant and negative effect on exports of palm oil Indonesia, the distance of the economy is significant and positive effect on the exports of palm oil Indonesia.

Keywords: Export, Crude Palm Oil, Gravity Model.