

ABSTRACT

Since 1987, there has been a shift in Indonesia's export from oil and gas to non oil and gas such as in agricultural sector.

Cocoa is a potential trading commodity in Indonesia. The volume of cocoa's export is fluctuated since last five years. The main destination cocoa export are Malaysia, United States, Singapore, Brazil, and Germany.

This study examined several factors which affecting Indonesian exports of cocoa to Malaysia and Singapore. Both countries were chosen because Malaysia and Singapore considered as the permanent market of Indonesia cocoa for the last five years.

This study invoked OLS to determine the factors affecting Indonesia export of cocoa. Several variables employed in the model were prices of cocoa in destined market, exchange rate, GDP of recipient countries, and the price of cocoa from competitor countries.

The model of cocoa export for Malaysia found three variables were significant, prices of cocoa in destined market, Malaysia's GDP, and the price cocoa from competitor countries, and the model of cocoa export for Singapore found two variables were significant prices of cocoa in destined market and price cocoa from competitor countries.

This study suggests that Indonesia should increase the quality of cocoa product to satisfy the market of Malaysia and Singapore.

Keywords: : Indonesian, Export, Cocoa market, GDP, OLS.