COMPETITIVENESS ANALYSIS OF INDONESIAN PALM OIL EXPORT IN CHINA

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Competitiveness of Indonesian palm oil as a leading sector of Indonesian estate crops export having competitive advantage comprises prime commodities for the future. This Research analyzes the competitiveness and the pattern of trade of Indonesian palm oil to the China market. The competitiveness of the palm oil export was assessed by using Revealed Comparative Advantage (RCA) measurement (in addition to simple Balassa index) and also indentify the significant factors for competitiveness of Indonesia palm oil export in China. The Performance of Indonesian palm oil export was influenced by Malaysia as a major competitor in China market. According to RCA index stated that in 1999-2005 period for both Indonesia and Malaysia have more than one (RCA>1), its mean that Indonesia and Malaysia have comparative advantage to export palm oil to China. From the comparative RCA index in 1999-2005 show that Malaysian Palm Oil relatively has higher performance than Indonesia. Strategic factors from Indonesian palm oil export to China is stipulated by : (1) Production and productivity, (2) Tendency of International demand, (3) Seed breeding technology, (4) Competition with other oil palm producer, (5) Revitalization of Estate crops program, (6) Developing overseas market, and (7) Taxes and Retributions.