

## SUMMARY

LIA NUR ALIA RAHMAH. Trade Flow Analysis and Development Strategy of Indonesian Lobster Export. Supervised by RINA OKTAVIANI and HENY K. DARYANTO.

One of commodity that could potentially developed for export is lobster, or known as the udang barong as the local name. According to Boesono et al. (2011), crawfish (*Spiny lobster, Panulirus sp*) is marine fisheries commodity which has important role as a commodity exports of crustaceans (*Crustacea*). Indonesia was the fifth largest lobster producer after Canada, the United States, Australia, and Bahamas (USDA 2009). Moreover, lobster is the one of fisheries commodity that has high economic value, and had known as luxury commodity. Based on Jones (2008), lobster export market include countries in Southeast Asia, Hong Kong and Taiwan as the main market, although there are also products that are sold directly to the northern region of China, Singapore, and Japan.

Based on the description above, it can be concluded that the export of lobsters has a great potential to be developed. Moreover, there is a trend towards increasing global consumption of fishery products. It is an opportunity for Indonesia to develop the export of lobsters in the International market. Indonesia has to face many challenges in the midst of intense competition in this era of globalization. However, the export volume of lobster Indonesia has decreased in recent years. In 2014 there has been a decline in exports of fresh and frozen lobster by 38%, from the previous 5 thousand tons to 3.2 thousand tons. In addition, the export value of lobster in 2014 also declined by 40% from the previous year (BPS 2015b). The purposes of this research are (1) identifying the position of Indonesian lobster competitiveness in International market (2) analyze factors affecting trade flow of Indonesian lobster to the export destination countries (3) formulating of the development strategy of Indonesian lobster export.

This research using RCA (*Revealed Comparative Advantage*) and EPD (*Export Product Dynamic*) to identified the position of Indonesian lobster competitiveness. Factors affecting trade flow of Indonesian lobster export is analyzed by export demand function using panel data method. The type of data used to answer both of those purposes is secondary data consists of time series data from 2005 to 2014 and cross setion data from several export destination countries. Then, development strategy of Indonesian lobster export is formulated using AHP (*Analytical Hierarchy Process*) considering the experts opinion.

Based on analysis of RCA, Indonesia has the most competitive performance in Hongkong. Meanwhile, in Taiwan, China, Malaysia, and Australia Indonesian lobster competitiveness is also quite good, although in some study period, RCA value in these countries is still less than 1 ( $RCA < 1$ ). As in Japan, United States, and Singapore Indonesian lobster competitiveness showed weak results due to less competitive in supplying lobster than other exporting countries. EPD analysis results indicate that only the United States and Taiwan who are in the most desirable position (Rising Star). Singapore, Malaysia, and Australia market needs to get more attention because it is in a position Lost Opportunity, lobster Indonesia is not competitive in these countries so that the available market is filled by other

exporting countries. China market is in a position Falling Star allegedly because of a slowdown in the growth of China's economy that impact on the decreasing demand for imported products. Meanwhile, Indonesian lobster competitiveness in Japan and Hong Kong is in Retreat position as the market is in saturation.

Estimate of panel data using export demand function shows that all the factors affecting trade flow Indonesian lobster exports to the destination country (GDP per capita, economic distance, exchange rate, export price, and free trade agreement) are significantly affect the value of lobster exports. Based on the pairwise comparison using AHP, alternative recommendations that are prioritized in the development strategy of export lobster Indonesia are infrastructure and aquaculture development technology, followed by trade regulation, and improving product quality.

Keywords: competitiveness, EPD, export demand function, lobster, RCA, strategy



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