KARA GUS LANTERA. Strategies to Increase the Value Added of Wood Trading in Indonesia. Supervised by DODIK RIDHO NURROCHMAT and TONI BAKHTIAR.

Forest contributes prominently in the national development with actual benefits for the people of Indonesia. One of the benefits is the optimal development of environmental, economic, and social cultural functions. To increase the function of forest in the economic field, wood trading is performed in Indonesia. In 1985, the government of Republic of Indonesia completely prohibited the export of wood log to prevent illegal logging, which stimulated the emergence of various forest products derived from forest wood in the form of sawn timber, plywood, particle board and furniture made from mixed tropical hardwood, meranti and luxury classes of timber. The government promulgated Joint Decrees of Minister of Forestry Number : 1132/ Kpt-II/ 2001 and Minister of Industry and Trade Number 192/ MPP/ Kep/ 10/ 2001 prohibiting the export of log and sawn timber.

GDP in forestry sector decreased since 2006 until 2015. Even known that raw materials supply is ready in large number. Wood trading in Indonesia can be maximized its potential through the appropriate selection of log or processed products where those products have high selling price. By selecting the product with high value, it is expected to improve the selling price of wood products sales especially overseas by taking into account certain policies.

Therefore, this research is performed to analyze the sales margin and highest profit margin of products derived from forest wood as well as the consideration for the granting of export permission for log and sawn timber in order to increase the value added appropriately in wood trading in Indonesia. The result deriving from the analysis of sales margin and profit margin states that the mixed tropical hardwood class timber is best sold in the form of plywood, meranti class timber is best sold in the form of sawn timber and be granted the export permission, and luxury class timber is best sold in the form of furniture.

Keywords: export, forest products, profit margin, sales margin, wood value added