THE COMPETITIVENES OF COCOA EXPORT INDONESIA

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**Abstract**

The study aims to analyze the competitiveness of Indonesia’s cacao production based on the comparative and the competitive advantages of the cocoa production.The competitiveness counted by the domestic resource used and the export competitiveness measured from the point of view of international trade and the underlying factors determining the competitive export of Indonesia’s cocoa product. This research conducted through basic descriptive and analytic method, using primary and secondary data of cocoa production from the year 1991 to 2010 to meet the objectives of the study. The primary data obtained from Central Sulawesi Province, Indonesia drawn using proportional random sampling based on the cluster approach where several districts (Balaesang, Damsol and Banawa) were selected as point research areas. These area were selected concerning main cocoa plantation of the farmers as well as the biggest contribution to the total cocoa production of the country. The result shows that financially and economically the cocoa production has a high competitive and comparative advantages. From domestic resource cost analysis shows a high competitive of the farmers cocoa is due to government policy on subsidy and output protection s which resulted in the surplus of total cocoa production of the farmers. The cocoa export competitiveness to the International market shows that Indonesia’s cocoa production on beans, cocoa pasta, cocoa fat and cocoa powder have comparative advantages, which the export dominated by cocoa beans, cocoa pasta and cocoa fat. To the export, cocoa beans, positively influenced by the international and domestic price while cocoa pasta and cocoa fat were positively only influenced by the domestic price and the exchange rate. The result suggested improvement of export growth condition for the cocoa competitiveness export of the country.

***Keywords****: Cocoa, Competitive Export, Indonesia*