Indonesia's import behavior in the international trade between Indonesia and China

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Abstract

This study will analyze and reveal the various Import behavior of Indonesian Government toward Chinese goods. Import is used in this study as an independent variable with the following analysis of its behavior. Such independent variables as GDP, CPI, and inflation attempt to explain the behavior of import variable. The GDP, CPI, and inflation variables as the most competent and relevant are used to describe the import behavior in this study. In addition, CPI, GDP, and inflation variables represented income aggregate (GDP) and the dynamics of behavior changes in the income aggregate (CPI and Inflation)

ACFTA which involves Indonesia and China apparently did not directly impact trade relationship between Indonesia and China. This research shows that the Indonesia Import behavior toward goods from China is still relatively stable. So in general it can be concluded that the approach which is used in this stage shown GDP, CPI, and inflation are independent variables combination that absolutely can explain Imports.

When we try to do a more in-depth research with the ACFTA Effective period (2010-2015), and presenting research data in the quarterly form, it shows that GDP, CPI, and inflation have little chance to influence the Import. Despite they still remain dominant for explaining the import, but their dominance is no longer absolute, as it still leaves space for explanation anymore, i.e. more than a third of the available space to enter and explained by other variables.

The analysis illustrates that gradually the presence of ACFTA deal will give significant impact on the behavior of international trade carried out by Indonesia, which in this specific research on the international trade of Indonesia with China.

Keywords: Import Behavior, Import, GDP, CPI, Inflation

Introduction

The behavior of consumption in the community economy is something that is very dynamic and influenced by many factors, primarily the earnings factor. When a society's income rises, then normally its consumption increases automatically. Because human needs and human tend to be greater than revenues, so when revenues rise then its needs that have not been fulfilled and necessarily detained will soon seek fulfillment. This is a unique characteristic of the community. Even on normal human conditions already fulfilled needs, will increase the return on the side of quality. Similarly, when people's income decreases, then no choice but they must reduce consumption of its fulfillment. Besides, they will determine the priority scale for consumption.

On the conditions of significant revenue decline dramatically so for the fulfillment of basic needs also feel their difficulties, then it will happen the fulfillment of needs with the orientation of the benefits and satisfy all their basic needs. In these conditions, the quality of the goods is no longer a major consideration, but a major consideration is how to meet the needs of the primary everything possible with the limited income they have. This has resulted in the community tend to change consumption behavior of their usual consumption and switch on goods that are cheaper with the same functionality. Behavioral economics society is a small sketch and is a simple description of the

behavior of society as a macro. In this case, international trade involving two countries as a representation of each society also has a relevant economic consumption behavior. In the case of economic consumption behavior in international trade that involves two States, each plays his role as described by the behavior of the community.

On the international trade perspective, consumer is importers and seller (producer) is exporters. The exporters as providers of goods (services) will always offer the goods to the importer as a consumer. In conditions like these, importer behavior as consumers will be identical to the behavior of the public in consuming goods, because the behavior of the State (the importer) is the aggregate of behaviors the community against foreign products they consume. If the behavior of consumption conducted by the community is something very dynamic and influenced by many factors, primarily the factor income, then the consumption behaviour committed by a country is also something very dynamic and influenced by many factors, primarily the macro factors now have Gross Domestic (GDP) as a representation of the aggregate income (consumption) of the community. When a country's GDP increases, then automatically konsumsinya ride, including Import goods consumption as against foreign products.

Behavior of a country's Import consumption also is not much different as represented by the behaviour of consumption and demand of society towards their needs. It also goes against the condition when the GDP suffered a significant decline, thus affecting the deduction of import of items not relevant to the needs and abilities of the community. The meaning of the relevant goods here are the items most needed by the community to meet their basic necessities, or goods that are affordable in accordance with the ability of purchasing power. In these conditions, the quality of the goods is no longer a major consideration in deciding the Import of goods, but a major consideration is how to meet the needs of the principal items of the community that corresponds to the capabilities of their purchasing power. This has resulted in import behavior tends to be, both in terms of quantity as well as quality.

This study will analyze and reveal the various Import behavior of Indonesian Government toward Chinese goods. Import is used in this study as an independent variable with the following analysis of its behavior. Such independent variables as GDP, CPI, and inflation attempt to explain the behavior of import variable. We use arguments about the selection of the variables of the GDP, CPI, and inflation to describe the behavior of import in this study because the third variable is the variable that most competent and relevant to Import. In addition, the variable CPI, GDP, and inflation is a representation of the aggregate income (GDP) and the dynamics of behavior changes the income aggregate (CPI and Inflation).

The period examined in this study is the period from the establishment of bilateral ties between Indonesia and China since 1999 until the year 2015. In the analysis of data carried out in this study, a STATA program will be used. The analysis of this research will be done in a dynamic and progressive way depending on the needs of descriptions and recommendations.

Table 1: Yearly Research Data with USD

YEAR	IMPORT (Million USD)	PDB (Billion USD)	CPI	INFLATION
1999	1242.20	140.00	100.74	2.01
2000	2021.97	165.02	104.26	9.33
2001	1842.68	160.45	109.44	12.55
2002	2427.37	195.66	114.07	10.00

Year				
2003	2957.47	232.77	116.67	5.10
2004	4101.33	256.84	123.7	6.40
2005	5842.86	285.87	125.09	16.21
2006	6636.90	364.57	141.48	6.41
2007	8557.88	432.22	150.55	6.41
2008	15247.17	510.24	132.73	11.19
2009	14002.17	539.58	115.06	2.75
2010	20424.22	755.10	120.97	6.76
2011	26212.19	893.00	127.45	3.72
2012	29387.07	917.9	132.90	4.21
2013	29849.46	910.15	142.18	8.13
2014	30624.34	888.5	113.22	8.08
2015	29410.89	853.29	120.42	3.33

Source : Indonesia Statistic Centre (BPS), processed

Data Analysis

This research started to analyze data in the relation between the dependent variable, Independent variable with the Import of GDP, CPI, and inflation. At this stage, the GDP of the variables was analyzed using the currency rate of the US Dollar. From the data analysis using STATA program, the output is very much varied. The main focus of this study is the behavior of Indonesian import in international trade with China, while the variation of output produced by STATA is focused on the items relevant to this research. The obtained data are given in the table below.

Table 2: R-Squared Of Data Analysis with US Dollar

GDP DATA WITH US DOLLAR	ALL (1999-2015)	PRA ACFTA (1999-2004)	PASCA ACFTA		
			ALL (2005-2015)	INTRO ACFTA (2005-2009)	EFECTIVE ACFTA (2010-2015)
R-squared	0.9872	0.9567	0.9762	0.9906	0.8095
Adj R-squared	0.9842	0.8918	0.9660	0.9623	0.5238
Prob > F	0.0000	0.0642	0.0000	0.1234	0.2716
Source : output STATA, processed					

General Analysis

The analysis of data from 1999 to 2015 indicates that variation of the value each of the independent variables namely variables CPI, GDP, and inflation could explain value variation of the dependent variable i.e. import variable with very convincing i.e. of 98.72% indicated by the R-squared value 0.9872. This illustrates that GDP, CPI, and inflation variables could explain virtually the whole of the import value variation and leaving only 0.0128 opportunities or the equivalent of 1% that may be explained by other variables. It can be said that the variables CPI, GDP, and inflation are the combined independent variables in absolute terms which can explain variations in the value of Imports.

From the above reality it can be said that only three variables GDP, CPI, and inflation have a strong correlation with the Import. This means that the Indonesian Import from China was strongly influenced by Indonesia's GDP, CPI, and condition of Indonesia's inflation fluctuations that occur in Indonesia.

Before and After ACFTA General Analysis

Further research tries to parse the differences of behavior against China Indonesia import since the resumption of diplomatic relations between the two countries started in 1999 until now. In the time span between 1999 until now happened a great deal of regional economic events involving Indonesia with China in it, namely the ASEAN – China Free Trade Area (ACFTA).

a. The results of data process emerging from the STATA shows that Indonesia's response to Import goods from China showed a trend that is not much different even in relatively the same. As we know in advance that the variation of the value of Import Indonesia against Chinese products goods can be explained by varias value of GDP, CPI, and inflation of 98.72%. When this research was trying to sort out so two periods i.e. before and after the occurrence of the ACFTA Agreement, actually to be the result of STATA data process shows a relatively the same.

b. Indonesia's Import Behavior toward China that occurred before the deal ACFTA conducted late 2004 is relatively the same as General Import behavior conducted by Indonesia against China. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. import variable with very convincing i.e. of 95.67% indicated by the R-squared value 0.9567. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0433 opportunities or the equivalent of 4% may be explained by other variables. Because it is very kecinya the possibility of other variables can take explains the variation of values owned by the import variable, then in this case it could be argued that the variable is GDP, CPI, and inflation is the combined independent variables that are absolutely can explains the variation of values owned by the import variable.

c. Import behavior of Indonesia against China that occurred after the agreement was signed by the ACFTA end of 2004 also is relatively the same as General Import behavior conducted by Indonesia against China. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 86.82% indicated by the R-squared value 0.9762. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0238 opportunities or the equivalent of 2% may be explained by other variables. Because of the very small possibility other variables can take explains the variation of values owned by the import variable, it can be said that the variable CPI, GDP, and inflation is the combined independent variables in absolute terms can explains the values variation from import variable.

After ACFTA Analysis with specific period

The great event of some kind of ACFTA which involve Indonesia with China apparently did not directly impact the trade relationship between the Indonesia with China. In this research show that the behaviour of Indonesia against the Import of goods from China are relatively stable, even after the signing of the ACFTA shows trend that GDP, CPI, and inflation is getting sturdier in influencing the magnitude of the Import of goods from China to Indonesia.

This phenomenon makes the curiosity to unravel more about Indonesia Import behavior against China are completely unaffected by such great event ACFTA. So the question that arises,

whether indeed such strong International trade relations between indonesia and China so the ACFTA is not impacted at all? Or whether Indonesia is so powerful in protecting its economy so that external factors are not capable of giving the influence on kokohnya system applied by Indonesia? Or even, what does China's goods did not have excess (the appeal) other than relying on the trade policy of the Government of Indonesia?

To answer those questions, then further research is directed towards the more specific object point again i.e. to what truly happened in post approval ACFTA. This research tries to sort out the data back that occurs after the ACFTA into two parts, i.e. five years after the commencement of the period became the ACFTA (opening), while the five-year period after the period of efective to implementation ACFTA in international trade.

d.   Indonesia's Import behavior toward China that occurred after the agreement of ACFTA runs for five years which is the opening period (2005-2009) is relatively the same as General Import behavior conducted by Indonesia against China even experience increased robustness. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 124.41% indicated by the R-squared value 0.9906. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0094 opportunities or equivalent to 0.94% which may be explained by other variables. Due it is very kecinya the possibility of other variables can take explains the variation of values owned by import variables implied by the odds are less than 1% or perhaps even no other variables were able to explain again, then in this case it could be argued that the variable is GDP, CPI, and inflation is the combined independent variables in absolute terms can explain variations in the value of Imports.

e.   Indonesia's Import behavior toward China that occurred after the agreement of ACFTA walking more than five years until now which is the implementation of ACFTA efective period (2010-2015) began to show signs of differences with General Import behavior conducted by Indonesia against China. In case of differences with the General Import behavior conducted by Indonesia against China, different means of press behavior before the ACFTA and behavior is the beginning of the ACFTA. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 80.95% indicated by the R-squared value 0.8095. This illustrates that the variable is GDP, CPI, and inflation could no longer explain the overall variation of the value of Imports and still leaves 0.1905 opportunities or equivalent to 19% of the space of possible explanations is explained by other variables. This allows the emergence of other variables that could explain the values variation from import variable other than variable of GDP, CPI, and inflation.

Effective ACFTA Analysis with Quarterly Data in the Rupiah

The phenomenon that shows significant changes that took place when Indonesia Import behavior was split into two periods mentioned above increasingly attractive to proceed with research on object points in more detail which allows getting more accurate results. This research, as we picture from the previous description that the explored seem more interesting and give many new and specific phenomenon. Further research done so again against the object in detail with the changing approach of the analysis of annual data into quarterly data analysis.

Table 3: Yearly Research Data with GDP In Rupiah

YEAR	IMPORT (Million USD)	GDP (Trillion Rp)	CPI	INFLATION
1999	1242.20	379.35	100.74	2.01
2000	2021.97	397.93	104.26	9.33
2001	1842.68	1440.41	109.44	12.55
2002	2427.37	1821.83	114.07	10.00
2003	2957.47	2013.67	116.67	5.10
2004	4101.33	2295.83	123.7	6.40
2005	5842.86	2774.28	125.09	16.21
2006	6636.90	3339.48	141.48	6.41
2007	8557.88	3957.40	150.55	6.41
2008	15247.17	4948.69	132.73	11.19
2009	14002.17	5606.20	115.06	2.75
2010	20424.22	6864.13	120.97	6.76
2011	26212.19	7831.73	127.45	3.72
2012	29387.07	8615.70	132.90	4.21
2013	29849.46	9546.13	142.18	8.13
2014	30624.34	10565.82	113.22	8.08
2015	29410.89	11540.79	120.42	3.33

Source : Indonesia Statistic Centre (BPS), processed

Table 4: Quarterly Research Data with GDP In Rupiah

YEAR	QUARTER	IMPORT (Million USD)	GDP (Trillion Rp)	CPI	Inflation
2010	1	4240.33	1603.77	118.19	1.00
	2	5201.09	1704.51	118.98	1.41
	3	5380.06	1786.20	122.54	2.77
	4	5602.74	1769.65	124.16	1.58
2011	5	5384.32	1834.36	126.27	0.70
	6	7030.07	1928.23	125.99	0.36
	7	6837.65	2053.75	128.26	1.87
	8	6960.15	2015.39	129.28	0.79
2012	9	6671.02	2061.34	130.97	0.88
	10	7968.02	2162.04	131.65	0.90
	11	7120.23	2223.64	134.01	1.66
	12	7627.80	2168.69	134.97	0.77
2013	13	6590.32	2235.29	137.86	2.41
	14	7969.65	2342.59	139.09	0.90
	15	7852.67	2491.16	145.54	4.06
	16	7436.82	2477.10	146.25	0.76
2014	17	7161.55	2505.20	111.21	1.41

	18	8030.61	2617.66	111.63	0.57
	19	7312.28	2746.53	113.51	1.67
	20	8119.90	2696.43	116.52	4.43
2015	21	7538.46	2728.27	118.49	-0.43
	22	7257.64	2868.87	119.52	1.40
	23	6876.09	2998.62	121.55	1.27
	24	7738.69	2945.03	122.13	1.09

Source : Indonesia Statistic Centre (BPS), processed

Quarterly data are expected to be able to give an overview of the actual Import behavior occurs with Indonesia in international trade relations with China. In the process, the data provided by the Central Bureau of statistics (BPS) Indonesia in particular for variable data GDP still in the value of the Rupiah. Research initially attempted to convert the value of the Rupiah to US Dollar, but see the period examined shows the movement of the Rupiah exchange rate against the U.s. Dollar is stable enough then the research decided to wear the original data remains in the form of the value of the Rupiah.

On the previous analysis, which shows the significant difference is the relationship between the dependent variable with independent variable on period lately, namely the period of 2010-2015. So this research focus will be to develop and explore more about Import behavior that occurred in the period with an approach that is more decent, competent, and accurate. Finally, this research decided to analyze quarterly data happens in the period of late (2010-2015) to provide a concrete description of the extent to which differences and behavior change import has happened in Indonesia.

a. As in describe this approach in research on GDP in the form of U.s. Dollar values that Import behavior of Indonesia against China that occurred after the agreement of ACFTA walking more than five years until now (2010-2015) began to show signs of differences with General Import behavior conducted by Indonesia against China. It is described from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 80.95% indicated by the R-squared value 0.8095. This illustrates that the variable is GDP, CPI, and inflation no longer could explain the overall variation of the value of Imports and still leaves 0.1905 opportunities or the equivalent of 19% space explanation could be explained by other variables. This allows the emergence of other variables that could explain the values variation from import variable other than variable of GDP, CPI, and inflation.

b. Indonesia's Import behavior toward China that occurred after the agreement of ACFTA walking more than five years until now (2010-2015) even gave an overview of the larger differences again when analyzed with original data approach in the form of Dollars.

As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with convincing enough that is of 85% indicated by the R-squared value 0.7632. This illustrates that the variation of the value of each variable is GDP, CPI, and inflation could not explain the entirety of the variation of the value of Imports as only could explain 85%, so that still leaves 0.2368 opportunities or equivalent to 23.68% space explanation could be done by other variables. This allows the emergence of other variables that

could explain the values variation from import variable other than variable of GDP, CPI, and inflation.

Table 5: R-Squared of Data Analysis the GDP with Rupiah

GDP DATA WITH RUPIAH	ALL (1999-2015)	PRA ACFTA (1999-2004)	PASCA ACFTA			
			ALL (2005-2015)	INTRO ACFTA (2005-2009)	EFECTIVE ACFTA (2010-2015)	
					YEARLY	QUARTERLY
R-squared	0.9582	0.9978	0.9302	0.9840	0.7632	0.6321
Adj R-squared	0.9486	0.9944	0.9004	0.9360	0.4080	0.5770
Prob > F	0.0000	0.0034	0.0002	0.1606	0.3333	0.0001

Source : STATA output, processed

Using more specific data that is by presenting data in the form of quarterly, it turns out that the behavior of Indonesia against Chinese Imports that occurred after the agreement of ACFTA walking more than five years until now (2010-2015) can give you an idea of the bigger differences again when analyzed with original data approach in the form of Dollars. It is described from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with enough convincing, namely of 63.21% indicated by the R-squared value 0.6321. This illustrates that the variation of the value of each variables of GDP, CPI, and inflation could not explain the entirety of the variation of the value of Imports as only could explain 63.21% only, so that still leaves 0.3679 opportunities or equivalent with 55.99% space explanation is big enough to be done by other variables. This allows the emergence of other variables that could explain the values variation from import variable other than variable of GDP, CPI, and inflation.

Conclusion
General Indonesia's Import Behavior
Overall observations began in 1999 to 2015 indicate that the variable is GDP, CPI, and inflation can account for the variation of the value of the variable dependent variable i.e. Import with very convincing i.e. of 98.72% indicated by the R-squared value 0.9872. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0128 opportunities or the equivalent of 1% may be explained by other variables. Because it is very kecinya the possibility of other variables can take explains the variation of values owned by the import variable, it can be said that the variable CPI, GDP, and inflation is the combined independent variables in absolute terms can explain variations in the value of Imports.
Indonesia's Import Behavior in the General Period
At this stage, the research to analyze the difference in the behavior of Indonesia's import toward China based on the period that appeared since the resumption of diplomatic relations between the two countries started in 1999 until now. In the time span between 1999 until now happened a great deal of regional economic events involving Indonesia with China in it, namely the ASEAN – China Free Trade Area (ACFTA). It turns out that showed no change in the behavior of the insignificant Import alias is stable, as indicated in the analysis below;

Indonesia's Import behavior toward China that occurred before the deal ACFTA conducted late 2004 is relatively the same as General Import behavior conducted by Indonesia against China. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables of CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 95.67% indicated by the R-squared value 0.9567. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0433 opportunities or the equivalent of 4% may be explained by other variables.

Indonesia's Import behavior toward China that occurred after the agreement was signed by the ACFTA end of 2004 also is relatively the same as General Import behavior conducted by Indonesia against China. As pictured from STATA output indicates that the variation of the value of each of the independent variables namely variables CPI, GDP, and inflation could explain the variation of the value of the dependent variable i.e. variable Import with very convincing i.e. of 86.82% indicated by the R-squared value 0.9762. This illustrates that the variable is GDP, CPI, and inflation could explain virtually the whole of the variation of the value of Imports and leaving only 0.0238 opportunities or the equivalent of 2% may be explained by other variables.

Major event sort of ACFTA which involve Indonesia with China apparently did not directly impact the trade relationship between the Indonesia with China. In this research show that the behaviour of Indonesia against the Import of goods from China are relatively stable, even after the signing of the ACFTA shows trend that GDP, CPI, and inflation is getting sturdier in influencing the magnitude of the Import of goods from China to Indonesia. This is shown by the small possibility of other variables can take explains the variation of values owned by the variable import. So in general it can be concluded that the approach used in this stage of research describing the variation of the value of the variable is GDP, CPI, and inflation is the combined independent variables in absolute terms can explain variations in the value of Imports.

Singularity of Effective ACFTA

On a more in-depth data analysis with a more specific approach in the presentation of the data that is in the form of quarterly shows that there is a change in behavior in Indonesia Import International trade relations with China. Change of the Import behavior indicated by changes in independent variables contributions to GDP, CPI, and previous inflation value variation contributed to the absolute value of the best-performing variations for Import in explaining even hardly leaves the chances of other variables to be able to explain it, to become absolute and no longer leaves room for the inclusion of other variables to fill these spaces.

Prior to research more in depth with an Effective period of ACFTA conjures (2010-2015), the relationship between the independent variables the dependent variable import GDP, CPI, and inflation is very, very strong, and can already represent almost the entire analysis to explain the research. But when done a more in-depth research, with an Effective period of ACFTA conjures (2010-2015), and presenting research data in the form of the dependent variable, quarterly GDP, CPI, and inflation no longer describe in absolute terms against variation of the value of imports. Despite still remain dominant for explaining the variations in the value of the variable Import, but its dominance is no longer absolute, as it leaves the room big enough of explanation, i.e. more than a third of the available space (36.79%) to enter and explained by other variables.

The analysis illustrates that gradually the presence of ACFTA deal will give significant impact towards the behavior of international trade carried out by Indonesia, which in this specific research on the relationship between international trade Indonesia with China. Furthermore, as subsequent research materials from the singularity that occurred in this study we have analysis and

we predict about the variables that might help explain the variations in the value of the variable Import. Starting from the independent variables that already exist and we present an analysis of the variables of the GDP, CPI, and inflation, the trio is variable based on the macroeconomic perspectives and should have been enough to explain about the variable represents the Import because it is very relevant.

The display Windows of the phenomenon that became the backdrop of significant changes indicated Indonesia import behavior due to influence from the ACFTA's agreement, then further research should be able to understand the character of trade that took place before and after the ACFTA. (1) Before the deal, all the ACFTA process international trade between Indonesia with China in full control by the Government because it is still very tight rules that applied. So there is a tendency that all the imported from China should be in accordance with the will and plan of the Government. (2) After agreement of ACFTA, with free trade agreements between all parties involved in the ACFTA including Indonesia and China open space and control who won the absolute domain of Government gradually transitioned into the public domain (Enterprise and consumer) directly. So that in this period the tendency of gradually switching to consumer need directly.

The phenomenon specifically delegated substantive changes of behavior control of the consumer demand, making international trade is no longer dominated by the macroeconomic perspective. With the intervention and an increasingly large consumer domain, then approach the relevant microeconomic perspective also began, because between the supply and demand is no longer hindered by controlling policy conducted by the Government. This means that with the free trade agreement, it's possible the company's China bid directly against consumers in Indonesia, vice versa that consumers can do a direct request for Indonesia against products from China specifically.

The fact is the primary indicator to changes the behavior of Indonesia's Import toward goods of China's product. So to improve the contribution of the variables that could explain the variation in absolute terms taking action against the value of Imports, in subsequent research can be added by using variables derived from microeconomic perspective or the perspective of other relevant applied economics with supply and demand in general trade and integrated into international trade.

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