

I. INTRODUCTION

A. Background

Indonesia is the largest country in term of land and agriculture in ASEAN (ASEAN, 2017). The total of agricultural areas in Indonesia are reached up to 57 million hectares in 2014. Table 1 showed the agricultural area and land area of Indonesia and other ASEAN countries.

Table 1. Agriculture Land and Land Use of ASEAN Countries in 2014 (Thousand Hectares)

Country	Total Area	Total Land Area	Total Agriculture Area	% of Agricultural
Brunei Darussalam	577.0	527.0	14.4	2.7
Cambodia	18,104.0	17,652.0	5,455.0	30.9
Indonesia	190,457.0	181,157.0	57,000.0	31.5
Lao PDR	23,680.0	23,080.0	2,369.0	10.3
Malaysia	33,080.0	32,855.0	7,839.0	23.9
Myanmar	67,659.0	65,308.0	12,645.0	19.4
Philippines	30,000.0	29,817.0	12,440.0	41.7
Singapore	71.0	70.9	0.7	0.9
Thailand	51,312.0	51,089.0	22,110.0	43.3
Viet Nam	33,095.7	31,007.0	10,873.7	35.1
Total	448,035.7	432,562.9	130,746.8	30.2

Source: (ASEAN, 2016)

According to Table 1, even though Indonesia has the largest agricultural area, the percentage of agricultural area to land area is not as big as the percentage of the Philippines, Thailand and Vietnam. Therefore, Indonesia should expand in agricultural sector to get more productivity of the land.

Furthermore, Indonesia ranked as the world's 16th largest economy since 2012 and predicted to become number 7th in 2030 (McKinsey Global Institute, 2012). This is due to the fact that Indonesia has moved from traditionally agricultural-based, to a more mixed economic base, such as manufacturing and service Industry (Widyanwan & Partners, 2014). Table 2 showed the GDP at a constant price in Indonesia and other ASEAN countries.

Table 2. GDP at Constant Price, 2016 (in Billions of National currency)

Country	GDP at Constant Prices 2016
Brunei Darussalam	18.1
Cambodia	45.982
Indonesia	9,433,034
Lao PDR	108,915
Malaysia	1,108
Myanmar	59,679
Philippines	8,126
Singapore	402
Thailand	9,809
Viet Nam	3,054

Source: (ASEAN, 2016)

Table 2 demonstrated that Indonesian economy had a big number of GDP at a constant price among ASEAN countries. Mining, oil and gas, construction, and agriculture were the main sectors contributed to Indonesian GDP. In 2017, Export share of agricultural sector contributed to Indonesia's GDP was not as big as another ASEAN countries. Table 3 showed export share and import share of agricultural sector.

Table 3. Export Share and Import Share of Agricultural sector

Country	Export Share		Import Share	
	2015	2016	2015	2016
Brunei Darussalam	0.1	0.2	15.8	18.7
Cambodia	5.3	4.7	7.2	7.2
Indonesia	20.8	21.3	10.3	12.0
Lao PDR	21.7	29.9	5.3	13.5
Malaysia	10.4	11.1	8.7	8.6
Myanmar	30.1	38.0	11.3	18.9
Philippines	8.1	8.8	12.4	12.8
Singapore	2.9	2.9	4.0	4.1
Thailand	14.3	14.1	6.4	6.9
Viet Nam	12.9	13.0	8.5	8.7
Total in percent	5.3	5.4	3.7	4.0
Total in Million US \$	123,014.0	125,707.0	81,672.8	87,336.9

Source: (ASEAN, 2016)

Although Indonesia makes a position as the largest economic in ASEAN, Table 3. demonstrated that Indonesia's export share on agricultural sector is not as big as Laos and Myanmar (ASEAN, 2017), so it needs to be improved by growing the GDP

in trading. However, the GDP components are Private Consumption Expenditure (C) 2. Investment Expenditure (I) 3. Government Purchase of Goods and Service (G) 4. Net Exports (X-M). By looking at Indonesia's agricultural area, strengthening the production and export of agricultural commodities, it could be a strategy to strengthen the GDP share on agriculture sector. One of the fundamental strategies to get more export is to know the commodities with high comparative advantage.

Improving Indonesia's comparativeness is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value. Indonesia has a wide array of potential clusters, especially in natural resources-related fields. Indonesia would face a simple imperative- win the race to discover and preempt it. The essence of comparativeness is to choose activities that are different from another country, especially in this case the comparative in ASEAN (Porter, 2009).

Under the ASEAN Free Trade Area, all members of ASEAN are free trade started by 2015. It's meant that no charge barriers on cross border transaction between countries in ASEAN. The Indonesian membership on AFTA is expected to boost trade among parties due to decreasing trading cost and removing trade barrier. This policy ultimately could enhance market size and increase the competitiveness of countries product, which is in the end could increase economic growth and welfare (Akhmadi, 2017). There are several main agricultural products and inputs that have a large amount of export and import value in ASEAN. These commodities are rice, banana, pineapple,

mango, palm oil, coconut oil, cake of coconut, soybean, sugar and honey, coffee, and tobacco and rubber.

B. Objectives

The objective of this study is to analyze Indonesian agricultural export commodities comparative advantages in ASEAN for 2007-2016 period using Revealed Comparative Advantage

C. Contribution

1. For decision-making institutions, including the government that can be used as main reference source to find out Indonesia's superiority in the direction of developed countries.
2. For scientist who have an interest on comparative advantage in agricultural field, they can use it as a reference source for determining steps in starting an agricultural research